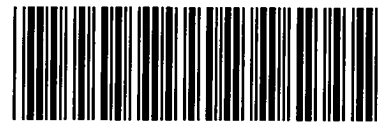


**Huntsman Advanced Materials
Holdings (UK) Limited**

**Annual Report and Financial Statements
for the Year Ended 31 December 2014**

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HUNTSMAN ADVANCED MATERIALS HOLDINGS (UK) LIMITED

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HUNTSMAN ADVANCED MATERIALS HOLDINGS (UK) LIMITED

COMPANY INFORMATION

For the Year Ended 31 December 2014

DIRECTORS:

J R K Esplin
J R Heskett
P Holland
R J J Phillipson
M A Taylor
P A P Verraes
S J Wright

COMPANY SECRETARY:

R J J Phillipson

REGISTERED OFFICE:

Titanium House
Hanzard Drive
Wynyard Park
Stockton-on-Tees
TS22 5FD
United Kingdom

REGISTERED NUMBER:

03870678 (England and Wales)

AUDITOR:

Deloitte LLP
Chartered Accountants and Statutory Auditor
Newcastle upon Tyne
Tyne and Wear
NE1 2HF
United Kingdom

BANKERS:

JP Morgan Chase Bank
25 Bank Street
London
E14 5JP
United Kingdom

HUNTSMAN ADVANCED MATERIALS HOLDINGS (UK) LIMITED

STRATEGIC REPORT

For the Year Ended 31 December 2014

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of a holding company. The principal activities of the company's subsidiary are the development, manufacture and sale of performance polymers. This is expected to continue into the foreseeable future.

REVIEW OF BUSINESS

The profit and loss account for the financial year is set out on page 6.

The company made a profit after taxation of £3,119,000 (2013 – loss of £3,144,000). It received interest income of £609,000 (2013 - £566,000), had interest payable of £88,000 (2013 - £502,000) and deferred tax income of £2,598,000 (2013 - £nil).

On 13 February 2014, the company issued and allotted 8,160,000 shares of £1 each at a premium of £0.25 per share to its parent company Huntsman Textile Effects (Belgium) BVBA. The amount payable for the shares was satisfied by the release of the company's liability to pay an intercompany debt due to the parent company of £10,200,000

The key performance indicators of the company monitor the amount of interest received and paid, the carrying value of the investments and the value of intercompany debtors and creditors. These key performance indicators were in line with expectations for the current and prior years, with the exception of the impairment in the subsidiary investment noted above.

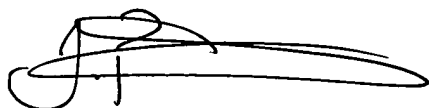
PRINCIPAL RISKS AND UNCERTAINTIES

The company does not trade but is exposed to risks 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.

DIVIDENDS

No dividends will be distributed for the year ended 31 December 2014 (2013 - £nil).

ON BEHALF OF THE BOARD:



R J J Phillipson - Director

Date: 11 May 2015

HUNTSMAN ADVANCED MATERIALS HOLDINGS (UK) LIMITED

DIRECTORS' REPORT

For the Year Ended 31 December 2014

The directors present their annual report with the audited financial statements of the company for the year ended 31 December 2014.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 January 2014 to the date of this report.

J R K Esplin
J R Heskett
M A Taylor
S J Wright

Other changes in directors holding office are as follows:

D J Gilliland – resigned 01 October 2014
L Hylton – resigned 31 October 2014
P H Machin – resigned 30 May 2014
P Holland – appointed 21 October 2014
R J J Phillipson – appointed 02 October 2014
P A P Verraes – appointed 21 October 2014

GOING CONCERN

The company's business activities, together with the factors likely to affect its future development, performance and position, are set out above. The financial position of the company and liquidity position are as set out in the attached financial statements. In addition, the principal risks and uncertainties section above details the main risks to the business. The company is part of a group cash-pooling arrangement and has access to considerable financial resources. Due to this cash-pooling arrangement the directors have obtained a letter of support from the company's parent company - Huntsman International LLC - to confirm that access to financial resources and support would be available to it should it need to call on this. Although this letter is not legally binding, given the company's important function within the group, the intention of the parent company to support the company is consistent with these objectives. The directors have considered the ability of the parent to provide this support. After making such enquiries, the directors have a reasonable expectation that the company and the group have adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and financial statements.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITOR

In the case of each of the persons who are directors of the company at the date when this report is approved:

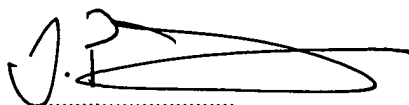
- so far as each of the directors is aware, there is no relevant audit information of which the company's auditor is unaware; and
- each of the directors has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

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

AUDITOR

The auditor, Deloitte LLP, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:



R J J Phillipson - Director

Date: 11 May 2015

HUNTSMAN ADVANCED MATERIALS HOLDINGS (UK) LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

For the Year Ended 31 December 2014

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with 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;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

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

We have audited the financial statements of Huntsman Advanced Materials Holdings (UK) Limited for the year ended 31 December 2014 which comprise the Profit and Loss Account, the Balance Sheet and the related notes 1 to 16. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 a Report of the Auditors 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 Ethical Standards for Auditors.

Scope of the audit of the financial statements

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

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2014 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 Strategic Report and in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

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

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



David M Johnson (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Newcastle upon Tyne, UK

Date: 11 May 2015

HUNTSMAN ADVANCED MATERIALS HOLDINGS (UK) LIMITED

PROFIT AND LOSS ACCOUNT

For the Year Ended 31 December 2014

	Notes	2014 £'000	2014 £'000	2013 £'000	2013 £'000
Other operating income			-		-
OPERATING PROFIT			-		-
Income from shares in group undertakings		-		-	
Interest receivable and similar income	5	<u>609</u>		<u>566</u>	
			<u>609</u>		<u>566</u>
			609		566
Amounts written off investments	8		-		(3,208)
			609		(2,642)
Interest payable and similar charges	6		<u>(88)</u>		<u>(502)</u>
PROFIT / (LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION	4		521		(3,144)
Tax on profit / (loss) on ordinary activities	7		2,598		-
PROFIT / (LOSS) FOR THE FINANCIAL YEAR			<u>3,119</u>		<u>(3,144)</u>

CONTINUING OPERATIONS

None of the company's activities were acquired or discontinued during the current year or previous year.

TOTAL RECOGNISED GAINS AND LOSSES

The company has no recognised gains or losses other than the loss for the current year and the profit for the previous year.

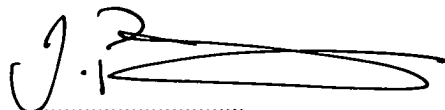
HUNTSMAN ADVANCED MATERIALS HOLDINGS (UK) LIMITED

BALANCE SHEET

As at 31 December 2014

	Notes	2014 £'000	2014 £'000	2013 £'000	2013 £'000
FIXED ASSETS					
Investments	8		8		8
CURRENT ASSETS					
Debtors due within one year	9	1,556		1,035	
Debtors due after more than one year	9	11,500		11,500	
Deferred tax asset	10	2,598		-	
CREDITORS					
Amounts falling due within one year	11	<u>(15,028)</u>		<u>(25,228)</u>	
NET CURRENT LIABILITIES			<u>626</u>		<u>(12,693)</u>
NET ASSETS / (LIABILITIES)			<u>634</u>		<u>(12,685)</u>
CAPITAL AND RESERVES					
Called-up share capital	12		100,671		92,511
Share premium	13		2,040		-
Profit and loss account	13		<u>(102,077)</u>		<u>(105,196)</u>
TOTAL SHAREHOLDERS' FUNDS	14		<u>634</u>		<u>(12,685)</u>

The financial statements of Huntsman Advanced Materials Holdings (UK) Limited (Registered number 03870678), on pages 6 to 13, were approved by the Board of Directors and authorised for issue on 11 May 2015 and were signed on its behalf by:



 R J J Phillipson - Director

HUNTSMAN ADVANCED MATERIALS HOLDINGS (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 31 December 2014

1. ACCOUNTING POLICIES

Accounting convention

The financial statements are prepared in accordance with applicable United Kingdom Accounting Standards. The particular accounting policies adopted are described below and have been applied consistently in both the current and prior year.

Cash Flow

Exemption has been taken from preparing a cash flow statement on the grounds that the parent company includes the subsidiary in its published financial statements.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

Going concern

The company's business activities, together with the factors likely to affect its future development, performance and position, are set out above. The financial position of the company and liquidity position are as set out in the attached financial statements. In addition, the principal risks and uncertainties section above details the main risks to the business. The company is part of a group cash-pooling arrangement and has access to considerable financial resources. Due to this cash-pooling arrangement the directors have obtained a letter of support from the company's parent company - Huntsman International LLC - to confirm that access to financial resources and support would be available to it should it need to call on this. Although this letter is not legally binding, given the company's important function within the group, the intention of the parent company to support the company is consistent with these objectives. The Directors have considered the ability of the parent to provide this support. After making such enquiries, the directors have a reasonable expectation that the company and the group have adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and financial statements.

Group financial statements

These financial statements relate to the company only. Group financial statements have not been prepared since the company has taken advantage of the exemption from preparing them on the basis that it is itself a subsidiary of a larger group of companies for which consolidated financial statements are prepared and are publically available.

Investments

Investments are stated at cost less provision for impairment in value.

HUNTSMAN ADVANCED MATERIALS HOLDINGS (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued) For the Year Ended 31 December 2014

2. STAFF COSTS

There were no staff costs for the year ended 31 December 2014 nor for the year ended 31 December 2013.

3. DIRECTORS' EMOLUMENTS

	2014 £'000	2013 £'000
Directors' remuneration	<u>-</u>	<u>-</u>

None of the directors received any remuneration in respect of services to the company during the year. The company had no employees during the year.

The directors are remunerated by other Huntsman group companies for their services to the group as a whole. It is not practicable to allocate this between their services to Huntsman Advanced Materials Holdings (UK) Limited and other group companies

4. PROFIT / (LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION

The profit / (loss) on ordinary activities before taxation is arrived at after charging the following items.

The audit fee of £3,500 (2013 - £3,500) for the company and subsidiary for the company is borne by the subsidiary company, Huntsman Advanced Materials (UK) Limited.

Impairment in investment in Huntsman Advanced Materials (UK) of £nil (2013 – £3,208,000).

5. INTEREST RECEIVABLE AND SIMILAR INCOME

	2014 £'000	2013 £'000
Interest on balances with group undertakings	<u>609</u>	<u>566</u>

6. INTEREST PAYABLE AND SIMILAR CHARGES

	2014 £'000	2013 £'000
Interest on balances with group undertakings	<u>88</u>	<u>502</u>

HUNTSMAN ADVANCED MATERIALS HOLDINGS (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued) For the Year Ended 31 December 2014

7. TAXATION

	2014 £'000	2013 £'000
Current taxation		
United Kingdom corporation tax:		
Current tax on profit / (loss) for the year at 21.50% (2013 - 23.25%)	-	-
Deferred taxation		
Deferred tax now recognised in relation to losses carried forward	2,598	-

The difference between the current taxation shown above and the amount calculated by applying the standard rate of UK corporation tax to the profit / (loss) before tax is as follows:

	2014 £'000	2013 £'000
Profit / (loss) on ordinary activities before tax	521	(3,144)
Tax on profit / (loss) on ordinary activities at standard rate of UK corporation tax of 21.50% (2013 – 23.25%)	112	(731)
Factors affecting charge for the year:		
Expenses not deductible for tax purposes		746
Utilisation of tax losses	(112)	(15)
Group relief surrendered	-	-
Current tax charge for the year	-	-

Factors that may affect the future tax charge

The forthcoming changes in the corporation tax rate from 21% to 20% from 1 April 2015 will not materially affect the future tax charge.

HUNTSMAN ADVANCED MATERIALS HOLDINGS (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued) For the Year Ended 31 December 2014

8. FIXED ASSET INVESTMENTS

	Shares in subsidiary undertakings £'000
Cost or Valuation	
At 31 December 2014 and 31 December 2013	<u>76,343</u>
Impairment	
At 31 December 2013	76,335
Impairment for the year	-
At 31 December 2014	<u>76,335</u>
Net Book Value	
At 31 December 2014 and 31 December 2013	<u><u>8</u></u>

Subsidiaries

The company had an interest in the following principal subsidiary at 31 December 2014, which was engaged in the development, manufacture and sale of performance polymers:

Name of subsidiary	Country of registration & operation	Proportion of nominal value of ordinary shares held
Huntsman Advanced Materials (UK) Limited	England & Wales	100%

The company also holds the following investments in other group undertakings:

Name of subsidiary	Country of registration & operation	Proportion of nominal value of ordinary shares held
Huntsman Advanced Materials Speciality Chemicals (Egypt) SAE	Egypt	1%
Huntsman Advanced Materials (Europe) BVBA	Belgium	1%

9. DEBTORS

	2014 £'000	2013 £'000
Amounts falling due within one year:		
Amounts owed by group undertakings	<u>1,556</u>	<u>1,035</u>
Amounts falling due after more than one year:		
Amounts owed by group undertakings	<u>11,500</u>	<u>11,500</u>
Aggregate amounts	<u><u>13,056</u></u>	<u><u>12,535</u></u>

HUNTSMAN ADVANCED MATERIALS HOLDINGS (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued) For the Year Ended 31 December 2014

10. DEFERRED TAX

	2014	2013
Deferred tax asset comprises:		
	£'000	£'000
Timing differences relating to losses carried forward	2,598	-
At 1 January 2014	-	-
Deferred tax now recognised in relation to losses carried forward (Note 7)	<u>2,598</u>	<u>-</u>
At 31 December 2014	2,598	-

The deferred tax asset has been recognised in the current period as further to the capitalisation of an intragroup payable, management are forecasting future taxable profits.

11. CREDITORS

	2014	2013
	£'000	£'000
Amounts falling due within one year:		
Amounts owed to group undertakings	<u>15,028</u>	<u>25,228</u>

12. CALLED-UP SHARE CAPITAL

	2014	2013
	£'000	£'000
Allotted, issued and fully paid:		
100,670,654 ordinary shares of £1 each	<u>100,671</u>	<u>92,511</u>

On 13 February 2014, the company issued and allotted 8,160,000 shares of £1 each at a premium of £0.25 per share to its parent company Huntsman Textile Effects (Belgium) BVBA. The amount payable for the shares was satisfied by the release of the company's liability to pay an intercompany debt due to the parent company of £10,200,000.

13. RESERVES

	Profit and loss account £'000	Share premium £'000	Totals £'000
At 1 January 2014	(105,196)	-	(105,196)
Profit for the year	3,119	-	3,119
Share issue	<u>-</u>	<u>2,040</u>	<u>2,040</u>
At 31 December 2014	<u>(102,077)</u>	<u>2,040</u>	<u>(100,037)</u>

HUNTSMAN ADVANCED MATERIALS HOLDINGS (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued) For the Year Ended 31 December 2014

14. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2014 £'000	2013 £'000
Profit / (Loss) for the financial year	3,119	(3,144)
Share issue	<u>10,200</u>	<u>-</u>
Net addition to shareholders' funds / (deficit)	13,319	(3,144)
Opening shareholders' deficit	<u>(12,685)</u>	<u>(9,541)</u>
Shareholders' funds / (deficit)	<u>634</u>	<u>(12,685)</u>

15. RELATED PARTY TRANSACTIONS

The company claims exemption from disclosing transactions with members of the groups headed by Huntsman International LLC and Huntsman Corporation in accordance with the exemptions contained in paragraph 3(c) of FRS8 as it is a 100% subsidiary of those groups, the consolidated financial statements of which are publicly available.

16. PARENT UNDERTAKING

As at 31 December 2014, Huntsman Corporation was the ultimate parent undertaking. The immediate parent company is Huntsman Textile Effects (Belgium) BVBA.

Huntsman International LLC, a company registered in the United States, is the parent of the smallest group of which the company is a member and for which consolidated financial statements are prepared. Huntsman Corporation is the parent of the largest group of which the company is a member and for which consolidated financial statements are prepared. Copies of the consolidated financial statements of Huntsman International LLC and Huntsman Corporation can be obtained from the group's website at www.huntsman.com.