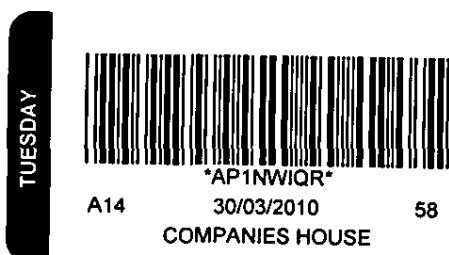


# BAYER CROPSCIENCE HOLDINGS LIMITED

Directors' report and Financial Statements

For the year ended 31 December 2009



Company Registration No 04421656 (England and Wales)

# **BAYER CROPSCIENCE HOLDINGS LIMITED**

## **Company Information**

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<b>Directors</b>	J Du Puy M S Dawkins
<b>Secretary</b>	M A Wilkinson
<b>Company number</b>	04421656
<b>Registered Office</b>	230 Cambridge Science Park Milton Road Cambridge CB4 0WB
<b>Independent Auditors</b>	Pricewaterhouse Coopers LLP Chartered Accountants and Registered Auditors 9 Greyfrairs Road Reading Berkshire RG1 1GJ
<b>Bankers</b>	HSBC Bank PLC 62 -76 Park Street London SE1 9WP

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# **BAYER CROPSCIENCE HOLDINGS LIMITED**

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# **BAYER CROPSCIENCE HOLDINGS LIMITED**

## **DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2009**

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The directors present their report and financial statements for the year ended 31 December 2009

### **Principal activities and review of the business**

The principal activity of the company throughout the year is the holding of investments in subsidiary companies

Under the special provisions of section 417(7) of the Companies Act 2006, the company has taken exemption from providing a full business review

On 31 July 2009 Bayer Agriculture Limited acquired the remaining 25% ownership of Bayer CropScience Norwich Limited (formerly Bayer CropScience Nufarm Limited) from Nufarm S A S for consideration of €5 million. On 1 August the trade and assets of Bayer CropScience Norwich Limited were transferred to Bayer CropScience Limited at net asset value of £20.8 million and the production of the HBN active ingredient is now carried out by Bayer CropScience Limited.

### **Going concern**

The company has received confirmation from the ultimate parent undertaking, Bayer AG, that it will provide full support as is necessary for the company to continue to trade and meet its liabilities as they fall due for at least 12 months from the approval of the financial statements.

### **Results and dividends**

The results for the year are set out on page 5.

The directors do not recommend the payment of an ordinary dividend (2008 £nil).

### **Directors**

The following directors have held office since 1 January 2009:

MS Dawkins

J Du Puy

### **Auditors**

The company has by elective resolution dispensed with the obligation to appoint auditors annually in accordance with section 386(1) of the Companies Act 1985 which continues in force under the Companies Act 2006. Therefore, the auditors, PricewaterhouseCoopers LLP, will be deemed to be reappointed for each succeeding financial year.

### **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 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.

# **BAYER CROPSCIENCE HOLDINGS LIMITED**

## **DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2009**

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### **Directors Responsibilities (continued)**

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 UK 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, in which case there should be supporting assumptions or qualifications as necessary

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.

### **Statement of disclosure to the auditors**

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

- (a) so far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware, and
- (b) they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of the information

By order of the board



M A Wilkinson  
**Secretary**

26 MAR 2010

# **BAYER CROPSCIENCE HOLDINGS LIMITED**

## **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BAYER CROPSCIENCE HOLDINGS LIMITED**

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We have audited the financial statements of Bayer CropScience Holdings Limited for the year ended 31 December 2009 which comprise the Profit and Loss Account, Balance Sheet and the related notes. 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).

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

As explained more fully in the Directors' Responsibilities Statement set out on pages 1 and 2, 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 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.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, 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.

### **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

### **Opinion on the 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 2009 and of its loss for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006

### **Opinion on other matter prescribed by the Companies Act 2006**

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

## **BAYER CROPSCIENCE HOLDINGS LIMITED**

### **INDEPENDENT AUDITORS' REPORT (CONTINUED) TO THE MEMBERS OF BAYER CROPSCIENCE HOLDINGS LIMITED**

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#### **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

#### **Senior Statutory Auditor**

The company has passed a resolution in accordance with section 506 of the Companies Act 2006 that the senior statutory auditor's name should not be stated

*PricewaterhouseCoopers UK*

#### **PricewaterhouseCoopers LLP**

Chartered Accountants and Statutory Auditors  
Reading

Date *29 Sept 2010*

## BAYER CROPSCIENCE HOLDINGS LIMITED

### PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2009

	Notes	2009 £000's	2008 £000's
Interest receivable and similar income	3	-	257
Interest payable and similar charges	4	(3)	-
<b>(Loss)/profit on ordinary activities before taxation</b>		<b>(3)</b>	<b>257</b>
<b>Tax on (loss)/profit on ordinary activities</b>	<b>5</b>	<b>-</b>	<b>(73)</b>
<b>(Loss)/profit for the financial year</b>	<b>10</b>	<b>(3)</b>	<b>184</b>

The profit and loss account has been prepared on the basis that all operations are continuing operations .

There are no recognized gains or losses other than those passing through the profit and loss account

There are no differences between the (loss)/profit on ordinary activities before taxation and the retained (loss)/retained profit for the years stated above and their historical cost equivalents




# BAYER CROPSCIENCE HOLDINGS LIMITED

## BALANCE SHEET AS AT 31 DECEMBER 2009

	Notes	2009 £000's	2008 £000's
<b>Fixed Assets</b>			
Investments	6	<u>183,660</u>	<u>183,660</u>
<b>Current assets</b>			
Debtors	7	252	328
Creditors amounts falling due within one year	8	<u>(190,746)</u>	<u>(190,819)</u>
Net Current Liabilities		(190,494)	(190,491)
<b>Net liabilities</b>		<u>(6,834)</u>	<u>(6,831)</u>
<b>Capital and reserves</b>			
Called up share capital	9	-	-
Profit and loss account deficit	10	<u>(6,834)</u>	<u>(6,831)</u>
<b>Equity shareholders' deficit</b>	11	<u>(6,834)</u>	<u>(6,831)</u>

Approved by the Board and authorised for issue on **26 MAR 2010**

  
MS Dawkins  
Director

Company Registration No 04421656

# **BAYER CROPSCIENCE HOLDINGS LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2009**

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### **1 Accounting Policies**

#### **1.1 Accounting Convention**

These financial statements are prepared on the going concern basis, under the historical convention and in accordance with the Companies Act 2006 and applicable accounting standards. The principal accounting policies are set out below.

#### **1.2 Going concern**

The company has received confirmation from the ultimate parent undertaking, Bayer AG, that it will provide full support as is necessary for the company to continue to trade and meet its liabilities as they fall due for at least 12 months from the approval of the financial statements.

#### **1.3 Cashflow statements and related party disclosure**

The company is a wholly-owned subsidiary of Bayer CropScience AG and is included in the consolidated financial statements of Bayer AG, which are publicly available. Consequently, the company has taken advantage of the exemption from preparing a cash flow statement under the terms of FRS 1. The company is also exempt under the terms of FRS 8 from disclosing related party transactions with entities that are part of the Bayer AG group or investees of the Bayer AG group.

#### **1.4 Investments**

Investments are stated at cost less any provision for impairment.

#### **1.5 Investment income**

Income from investments is included in the profit and loss account on an accrual basis.

#### **1.6 Deferred taxation**

Provision is made for deferred tax assets only to the extent that the directors consider it more likely than not that there will be suitable profits from which the future reversal of the timing differences can be deducted, in accordance with FRS 19.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantially enacted by balance sheet date. Deferred tax is measured on a non-discounted basis.

#### **1.7 Foreign currency translation**

Transactions denominated in foreign currencies are translated into sterling at the rate of exchange ruling at the transaction date or at an average rate for the relevant month where that provides a close approximation.

Monetary assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the end of the financial year except for those liabilities covered by forward exchange contract rates. All exchange differences are dealt with in the profit and loss account.

#### **1.8 Group Accounts**

The financial statements present information about the company as an individual undertaking and not about its group. The company has not prepared group accounts as it is exempt from the requirement to do so by section 400 of the Companies Act 2006 as it is a subsidiary undertaking of Bayer AG, a company incorporated in Germany, and is included in the consolidated accounts of that company.

# BAYER CROPSCIENCE HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2009

### 1 Accounting Policies (continued)

#### 1.9 Impairment

Where events or changes in circumstances indicate that the carrying amount of a fixed asset or goodwill may not be recoverable an impairment review is performed. An impairment write down is recognised to the extent that the carrying amount of the asset exceeds the higher of net realisable value and value-in-use. Estimated future cash flows are discounted to the present value using an appropriate discount rate which represents an estimate of the rate that the market would expect on an equally risky investment.

#### 2 Operating result

The services of the auditors have been provided by Bayer CropScience Limited with no specific recharge to Bayer CropScience Holdings Limited for the current or prior year.

#### 3 Interest receivable and similar income

	2009 £000's	2008 £000's
Interest receivable from group companies	-	257

#### 4 Interest Payable and similar charges

	2009 £000's	2008 £000's
Interest payable to group companies	3	-

#### 5 Taxation

	2009 £000's	2008 £000's
<b>Domestic current year tax charge for the year</b>		
Receipt in respect of group relief	-	73
<b>Current tax charge</b>	-	73
<b>Factors affecting the tax charge for the year</b>		
Loss on ordinary activities before taxation	(3)	257
Loss on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 28.00% (2008: 28.50%)	(1)	73
Effects of Other adjustments	1	
<b>Current tax charge</b>	-	73

# BAYER CROPSCIENCE HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2009

### 6 Fixed assets investments

	Shares in subsidiary undertakings £000's
<b>Cost</b>	
Balances as at 1 January 2009 and 31 December 2009	<u>183,660</u>
<b>Net Book value</b>	
At 31 December 2009	<u>183,660</u>
At 31 December 2008	<u>183,660</u>

Holdings of more than 20% Company	Country of registration or incorporation	Shares Held	
		Class	%
Bayer AGCO Limited	England and Wales	Ordinary	100 00
Bayer Agriculture Limited <sup>1</sup>	England and Wales	Ordinary	100 00
Bayer CropScience Limited <sup>1</sup>	England and Wales	Ordinary	100 00
Bayer CropScience Norwich Limited <sup>1 &amp; 2</sup>	England and Wales	Ordinary	100 00
pbi Home and Garden Limited <sup>1</sup>	England and Wales	Ordinary	100 00
Bayer AEH Limited <sup>1</sup>	England and Wales	Ordinary	100 00
BCS 1272 SA <sup>1 &amp; 3</sup>	France	Ordinary	100 00

The aggregate amount of capital and reserves and the results of these undertakings for the last relevant financial year were as follows

	Principle Activity	Capital and reserves 2009 £000's	Profit/(loss) for the year 2009 £000's
Bayer AGCO Limited	Investment Company	70,466	(402)
Bayer Agriculture Limited	Agrochemical	98,433	3,884
Bayer CropScience Limited <sup>1</sup>	Agrochemical	28,904	6,199
Bayer CropScience Norwich Limited <sup>1 &amp; 2</sup>	Agrochemical	20,766	2,875
pbi Home and Garden Limited <sup>1</sup>	Non trading	3,000	-
Bayer AEH Limited <sup>1</sup>	Non trading	12,440	-
BCS 1272 SA <sup>1 &amp; 3 &amp; 4</sup>	Agrochemical	(2,902)	(6,717)

<sup>1</sup> indirectly held

<sup>2</sup> formerly Bayer CropScience Nufarm Limited

<sup>3</sup> formerly Bayer CropScience Nufarm SA

<sup>4</sup> latest financial statement available is 2008

## BAYER CROPSCIENCE HOLDINGS LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2009

#### 6 Fixed assets investments (continued)

On 31 July 2009 Bayer Agriculture Limited acquired the remaining 25% ownership of Bayer CropScience Norwich Limited (formerly Bayer CropScience Nufarm Limited) from Nufarm S A S for consideration of €5 million. On 1 August the trade and assets of Bayer CropScience Norwich Limited were transferred to Bayer CropScience Limited at net asset value of £20.8 million and the production of the HBN active ingredient is now carried out by Bayer CropScience Limited.

The company Trustee of the CropScience Pension Fund Limited was dissolved on 20 January 2009.

The value of the investment in subsidiaries is shown at cost. In the opinion of the directors, the value of the subsidiary undertakings is not less than the amount at which they are stated in the financial statements.

#### 7 Debtors

	2009 £000's	2008 £000's
Amounts owed by parent and fellow subsidiary undertakings	252	328
	<u>252</u>	<u>328</u>

Amounts owed by group undertakings are secured by the holding company, repayable on demand and non interest bearing.

#### 8 Creditors: amounts falling due within one year

	2009 £000's	2008 £000's
Corporation Tax	-	72
Amounts owed to parent and fellow subsidiary undertakings	190,746	190,747
	<u>190,746</u>	<u>190,819</u>

Included within the amounts owed to parent and fellow subsidiary undertakings is an amount of £144.8 million (2008: £144.8 million) and £45.9 million (2008: £45.9 million) owed to Bayer Plc and Bayer CropScience Limited respectively. These amounts are non interest bearing and repayable on 31 March 2010.

Amounts owed to group undertakings are secured by the holding company.

#### 9 Share Capital

	2009 £	2008 £
<b>Authorised</b>		
100 Ordinary Shares of £1 each	<u>100</u>	<u>100</u>
<b>Allotted, called up and fully paid</b>		
1 Ordinary Shares of £1 each	<u>1</u>	<u>1</u>

# BAYER CROPSCIENCE HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2009

### 10 Statement of movements on the profit and loss account

	Profit and Loss account deficit £000's
Balance at 1 January 2009	(6,831)
Loss for the year	(3)
Balance at 31 December 2009	<u>(6,834)</u>

### 11 Reconciliation of Movements on shareholders' deficit

	2009 £000's	2008 £000's
(Loss)/profit for the financial year	(3)	184
Opening shareholder deficit	(6,831)	(7,015)
Closing shareholder deficit	<u>(6,834)</u>	<u>(6,831)</u>

### 12 Directors' emoluments

The emoluments of the directors during the current and prior year were paid by other group companies for services to the group as a whole and the directors received no separate emoluments for their services to the group

No recharge for any directors' services was made to the company and no apportionment of their remuneration for these services is practicable. Where required by local legislation, their remuneration is disclosed in the accounts of their employer.

### 13 Employees

#### Number of employees

There were no employees during the current or prior year apart from the directors

### 14 Ultimate parent undertaking

At 31 December 2009, the company's immediate parent undertaking is Bayer CropScience AG, which is incorporated in Germany. The ultimate parent undertaking is Bayer AG, which is incorporated in Germany and is the parent undertaking of the smallest and largest group to consolidate these financial statements.

Copies of the financial statements of Bayer AG may be obtained from

Investor Relations  
Bayer AG  
Kaiser-Wilhelm Allee  
51368 Leverkusen  
Germany