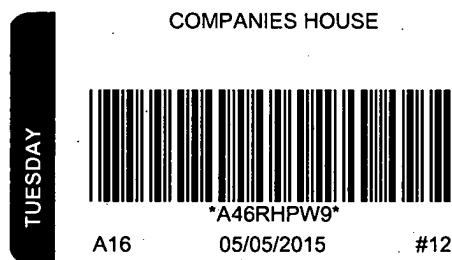


# BAYER CROPSCIENCE HOLDINGS LIMITED



Annual Report

For the year ended 31 December 2014

# BAYER CROPSCIENCE HOLDINGS LIMITED

## COMPANY INFORMATION

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<b>Directors</b>	M A Wilkinson (appointed 27 November 2014) Dr A Moscho (appointed 20 January 2014) U Bockstegers (alternate for A Moscho)
<b>Company secretary</b>	M A Wilkinson (resigned 27 November 2014) C Barker (appointed 27 November 2014)
<b>Company number</b>	04421656
<b>Registered office</b>	230 Cambridge Science Park Milton Road Cambridge CB4 0WB
<b>Independent auditors</b>	PricewaterhouseCoopers LLP Chartered Accountants and Statutory Auditors One Reading Central 23 Forbury Road Reading Berkshire RG1 3JH
<b>Bankers</b>	HSBC Bank PLC Global Banking and Markets Level 19 8 Canada Square London E14 5HQ

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# **BAYER CROPSCIENCE HOLDINGS LIMITED**

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# BAYER CROPSCIENCE HOLDINGS LIMITED

## STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2014

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The directors present their strategic report for the company for the year ended 31 December 2014.

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

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

The result on ordinary activities before taxation is £nil (2013: £nil).

### **Analysis based on key performance indicators**

Given that the principal activities of the company is to act as an intermediate holding company, the company's directors are of the opinion that an analysis using KPIs is not necessary for an understanding of the development, performance or position of the business.

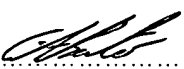
### **Principal risks and uncertainties**

Risks are formally reviewed by Senior Local Management and the Board. Where appropriate, guidelines and regulations and appropriate processes are put in place to monitor and mitigate them. Business continuity plans are designed and in place to ensure that if extraordinary events occur the company would continue to operate. The principal risk is that the company will not be able to realise the value of its investments in its subsidiary companies. This risk is mitigated by the controls which the management of the subsidiary have in place over their performance.

### **Liquidity risk**

The company actively maintains a mixture of short-term inter-company and debt finance, which is supported by Bayer AG, to ensure the company has sufficient available funds to pay its debts.

Approved by the board and signed on behalf of the board.

  
.....  
C Barker  
Company secretary  
27 APRIL 2015

# **BAYER CROPSCIENCE HOLDINGS LIMITED**

## **DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2014**

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

On 8 December 2014 Bayer Public Limited Company (through a subscription right deed) acquired the interests in Bayer CropScience Holdings Limited for the consideration of £1,997 from Bayer CropScience AG. On the same date Bayer CropScience Holdings Limited directors authorised the issue of 999 ordinary shares of £1 each to Bayer Public Limited Company.

On 10 March 2015 the 100% wholly owned subsidiary Bayer AGCO Limited was liquidated and voluntarily struck off the company register.

### **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 6.

The directors do not recommend the payment of an ordinary dividend (2013: £nil).

### **Directors**

The directors of the company who were in office during the year and up to the end date of signing the financial statements unless otherwise stated were:

M S Dawkins (resigned 27 November 2014)  
M A Wilkinson (appointed 27 November 2014)  
Dr A Moscho (appointed 20 January 2014)  
U Bockstegers (alternate for A Moscho)  
B Naaf (resigned 24 January 2014)

### **Financial risk management**

The company's operations expose it to limited financial risks that include liquidity risk. Financial guidelines are in place and responsibilities aligned to ensure these are adhered to. Reviews with Senior Management also take place to assess the above risk. Where necessary steps are taken and changes implemented to reduce the level of risk in these areas. Given the size of the company, the directors have not delegated the responsibility of monitoring financial risk management to a sub-committee of the board. The policies set by the board of directors are implemented by the company's finance department.

### **Market value of land and buildings**

The company owns no land or buildings.

# **BAYER CROPSCIENCE HOLDINGS LIMITED**

## **DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2014**

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### **Donations to charities and political parties**

The company has made no donations to any charities or political parties during the current and prior year.

### **Employee involvement**

The company had no employees during the year with exception of the directors.

### **Statement of directors' responsibilities**

The directors are responsible for preparing the Strategic Report, 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 prepared 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 UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements.

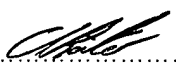
The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies 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 of information to auditors**

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

- (a) so far as each director is 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 a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Approved by the board and signed on behalf of the board.

  
.....  
C Barker  
Company secretary

27 April 2015

# **BAYER CROPSCIENCE HOLDINGS LIMITED**

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

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### **Report on the financial statements**

#### **Our opinion**

In our opinion, Bayer CropScience Holdings Limited's financial statements (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 result 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.

#### **What we have audited**

Bayer CropScience Holdings Limited's financial statements comprise:

- the balance sheet as at 31 December 2014;
- the profit and loss account for the year then ended;
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

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

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

#### **Other matters on which we are required to report by exception**

##### **Adequacy of accounting records and information and explanations received**

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- 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.

We have no exceptions to report arising from this responsibility.

##### **Directors' remuneration**

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

# **BAYER CROPSCIENCE HOLDINGS LIMITED**

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

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### **Responsibilities for the financial statements and the audit**

#### **Our responsibilities and those of the directors**

As explained more fully in the statement of directors' responsibilities set out on page 3, 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) ("ISAs (UK & 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.

#### **What an audit of financial statements involves**

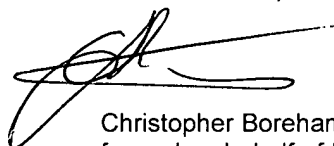
We conducted our audit in accordance with ISAs (UK & Ireland). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. 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.

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

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.



Christopher Boreham (Senior Statutory Auditor)  
for and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
Reading

27 April 2015



## BAYER CROPSCIENCE HOLDINGS LIMITED

### PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2014

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	Notes	2014 £000's	2013 £000's
Income from shares in group undertakings	3	-	121,319
Amounts written off investments	5	-	(121,319)
<b>Result on ordinary activities before taxation</b>		<u>-</u>	<u>-</u>
Tax on result on ordinary activities	4	-	2
<b>Result/profit for the financial year</b>		<u><u>-</u></u>	<u><u>2</u></u>

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

There are no recognised gains or losses other than those passing through the profit and loss account and therefore no separate statement of total recognised gains and losses has been presented.

There are no differences between the result on ordinary activities before taxation and the result/profit for the financial years stated above and their historical cost equivalents.

# BAYER CROPSCIENCE HOLDINGS LIMITED

## BALANCE SHEET AS AT 31 DECEMBER 2014

	Notes	2014		2013	
		£000's	£000's	£000's	£000's
<b>Fixed assets</b>					
Investments	5		-		-
<b>Current assets</b>					
Cash at bank and in hand	6	53		52	
<b>Creditors: amounts falling due within one year</b>	7	(50)		(50)	
<b>Net current assets</b>			3		2
<b>Total assets less current liabilities</b>			<u>3</u>		<u>2</u>
<b>Capital and reserves</b>					
Called up share capital	8		1		-
Profit and loss account	9		2		2
<b>Total shareholders' funds</b>	9		<u>3</u>		<u>2</u>

The financial statements on pages 6 to 13 were approved by the Board of Directors on 27 APRIL 2015 and signed on its behalf by



.....  
Dr A Moscho  
Director

Company Registration No. 04421656

# **BAYER CROPSCIENCE HOLDINGS LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014**

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### **1 Accounting policies**

#### **1.1 Accounting convention**

These financial statements are prepared on the going concern basis, under the historical cost convention and in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom. The principal accounting policies which have been consistently applied 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 Cash flow 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 (revised 1996). 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 Fixed asset 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**

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date, where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date.

A net deferred tax asset is recognised as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits against which to recover carried forward tax losses and from which the future reversal of underlying timing differences can be deducted.

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 substantively enacted by the balance sheet date. Deferred tax is measured on an undiscounted basis.

# BAYER CROPSCIENCE HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2014

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### 1 Accounting policies (continued)

#### 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. All exchange differences are dealt with in the profit and loss account.

#### 1.8 Group financial statements

The financial statements present information about the company as an individual undertaking and not about its group. The company has not prepared group financial statements 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 financial statements of that company.

#### 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/profit

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 Income from shares in group undertakings

	2014 £000's	2013 £000's
Income from shares in group undertakings	-	121,319
	-	121,319

The income from prior year shares in group undertakings was received from Bayer Agriculture Limited.

# BAYER CROPSCIENCE HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2014

### 4 Tax on result/(loss) on ordinary activities

Current tax	2014 £'000's	2013 £'000's
Adjustment in respect of previous years	-	(2)
	-	(2)

The tax assessed for the year is equal to (2013: lower than than) the standard rate of corporation tax in the UK.

#### Factors affecting the tax charge for the year

Result on ordinary activities before tax	-	-
Result on ordinary activities before tax multiplied by standard rate of UK corporation tax of 21.5% (2013: 23.25%)	-	-
Effects of:		
Non-deductible expenses	-	28,207
Non-taxable income	-	(28,207)
Adjustment in respect of previous years	-	(2)
Current tax charge/(credit) for the year	-	(2)

#### Factors affecting current and future tax charges

The standard rate of corporation tax in the UK changed from 23% to 21% with effect from 1 April 2014. The company's profits for this accounting year are taxed at an effective rate of 21.5%.

The standard rate of corporation tax will further decrease from 21% to 20% with effect from 1 April 2015. Accordingly the company's deferred tax calculations for this accounting year are taxed at an effective rate of 20%.

### 5 Fixed asset investments

	Shares in subsidiary undertakings £000's
<b>Cost</b>	
At 1 January 2014	-
At 31 December 2014	-
<b>Provision for impairment</b>	
At 1 January 2014	-
At 31 December 2014	-
<b>Net book value</b>	
At 31 December 2014	-
At 31 December 2013	-

## BAYER CROPSCIENCE HOLDINGS LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2014

#### 5 Fixed asset investments (continued)

Holdings of more than 20% Company	Country of registration or incorporation	Shares Held	
		Class	%
Bayer AGCO Limited	England and Wales	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 2014 £000's	Result for the year 2014 £000's
Bayer AGCO Limited	Non trading	-	-

On 10 March 2015 Bayer AGCO Limited was liquidated and voluntarily struck off the Company Register.

#### 6. Cash at bank and in hand

	2014 £000's	2013 £000's
Cash at bank and in hand	53	52
	<u>53</u>	<u>52</u>

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

	2014 £000's	2013 £000's
Amounts owed to group undertakings	50	50
	<u>50</u>	<u>50</u>

Included within the amounts owed to parent and fellow subsidiary undertakings is an amount of £49,386 (2013: £49,386) owed to Bayer Public Limited Company.

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

# BAYER CROPSCIENCE HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2014

### 8 Called up share capital

	2014 £	2013 £
<b>Allotted and fully paid</b>		
1,000 (2013:1) Ordinary Shares of £1 each	<u>1,000</u>	<u>1</u>

Bayer CropScience Holdings Limited directors authorised an additional issue of 999 ordinary shares of £1 to Bayer Public Limited Company on 8 December 2014.

### 9 Reconciliation of movements in shareholders' funds/(deficit)

	2014 £000's	2013 £000's
Opening shareholders' funds/(deficit)	2	(72,459)
Result/profit for the financial year	-	2
Additions - capital contribution	-	72,459
Proceeds from ordinary shares issued	1	-
Closing shareholders' funds	<u>3</u>	<u>2</u>

Bayer CropScience Holdings Limited directors authorised an additional issue of 999 ordinary shares of £1 to Bayer Public Limited Company on 8 December 2014.

### 10 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.

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 financial statements of their employer.

### 11 Employees

#### Number of employees

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

## **BAYER CROPSCIENCE HOLDINGS LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2014**

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#### **12 Ultimate parent undertaking**

At 31 December 2014, the company's immediate parent undertaking is Bayer Public Limited Company, which is incorporated in Great Britain and registered in England and Wales. The ultimate parent undertaking and controlling party 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