

Norit (UK) Holding Limited
Annual Report and Financial Statements
for the year ended 30 September 2015

Registered Number SC402921



Norit (UK) Holding Limited

Annual report for the year ended 30 September 2015

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Norit (UK) Holding Limited

Directors and advisers for the year ended 30 September 2015

Directors

B.P. Genemans

M. Maloney

L.E. Theron

Company Secretary

S. A. Henshaw

Independent auditor

Deloitte LLP

Chartered accountants and statutory auditor

110 Queen Street

Solicitors

Eversheds LLP

1 Callaghan Square

Cardiff

United Kingdom

CF10 5BT

Registered office

45 Clydesmill Place

Cambuslang Industrial Estate

Glasgow

United Kingdom

G32 8RF

Norit (UK) Holding Limited

Strategic report for the year ended 30 September 2015

The directors in preparing this strategic report have complied with s414C of the Companies Act 2006.

Business review

The principal activities of the company are that of an investment holding company.

The company recorded a loss for the year ended 30 September 2015 of £13.5m compared to a profit of £42,469 in the prior year. Net assets at 30 September 2015 are £4.4m (2014: £17.9m). The decline in performance is a result of an impairment review being undertaken at the year end, resulting in an impairment of £13.3m. At 30 September 2015 the value of the company's investments was £29.1m (2014: £42.4m).

The company's key performance indicator is the carrying value of investments in its subsidiaries.

Financial risk management

The company's principal risks and uncertainties relate to the carrying value of its investments in subsidiaries. The company carries out annual impairment reviews with reference to the trading projections of subsidiaries to monitor the risk of impairment.

The company's principal financial assets are amounts owed by group undertakings. The company periodically assesses the strength of its subsidiaries with reference to their net asset position and profitability.

The company's principal financial liabilities are amounts owed to group undertakings. The company looks to manage this risk by ensuring that total current assets exceed current liabilities.

Future developments

The company expects to continue as an investment holding company for the foreseeable future.

By order of the Board on 29 June 2016



L.E. Theron
Director

Norit (UK) Holding Limited

Directors' report for the year ended 30 September 2015

The directors present their annual report and the audited financial statements of the company for the year ended 30 September 2015.

Principal activities

The company's principal activity is that of a financial investment company.

Results and dividends

The result for the year is presented in the profit and loss account is set out on page 8 and the balance sheet on page 9.

The directors do not recommend the payment of a dividend (2014: £nil).

Financial risk management objectives and policies

The company's activities expose it to a limited number of financial risks including credit risk, cash flow risk and liquidity risk.

Cash flow risk

The company's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates. Cabot Corp uses foreign exchange forward contracts and interest rate swap contracts to hedge these exposures.

Credit risk

The company's credit risk is primarily attributable to its investment. An allowance for impairment is made where there is an identified loss event which, based on previous experience, is evidence of a reduction in the recoverability of the cash flows.

Liquidity risk

In order to maintain liquidity to ensure that sufficient funds are available for ongoing operations and future developments, the company uses a mixture of long-term and short-term debt finance.

Going concern

The directors have a reasonable expectation that the Company and the Group have adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis in preparing the annual financial statements.

Further details regarding the adoption of the going concern basis can be found in the Statement of accounting policies in the financial statements.

Directors and their interests

The directors of the company during the year ended 30 September 2015 and up to the date of this report are noted on page 1. No director held any interests in the shares of the company at 30 September 2015.

Norit (UK) Holding Limited

Directors' report for the year ended 30 September 2015 (continued)

Directors' indemnity and insurance

Pursuant to the company's articles of association, the directors were throughout the year to 30 September 2015 and are at the date of this report entitled to a qualifying indemnity provision as defined in section 236 of the Companies Act 2006.

Political contributions

No political donations were made by the company during the year.

Auditor

Each of the persons who is a director at the date of approval of this report confirms that when this report was approved:

- so far as the director is aware, there is no relevant audit information of which the company's auditor is unaware; and
- the director has taken all the steps that he 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 auditor is aware of that information.

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

Deloitte LLP have indicated their willingness to be reappointed for another term and appropriate arrangements are being made for them to be deemed reappointed as auditor in the absence of an Annual General Meeting.

By Order of the Board



L.E. Theron
Director

Norit (UK) Holding Limited

Directors' responsibilities statement

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 judgments and accounting estimates that are reasonable and prudent;
- 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.

Norit (UK) Holding Limited

Independent auditor's report to the members of Norit (UK) Holding Limited

We have audited the financial statements of Norit (UK) Holding Limited for the year ended 30 September 2015 which comprise the Profit and Loss Account, the Balance Sheet and the related notes 1 to 13. 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 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.

Respective responsibilities of directors and auditor

As explained more fully in the Statement of Directors' Responsibilities, 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 30 September 2015 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.

Norit (UK) Holding Limited

Independent auditor's report to the members of Norit (UK) Holding Limited (continued)

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; or



David Crawford CA (Senior Statutory Auditor)
For and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
Glasgow, United Kingdom

30/6/16

Norit (UK) Holding Limited

Profit and loss account for the year ended 30 September 2015

	Note	Year ended 30 September 2015	Year ended 30 September 2014
		£	£
Impairment of investment in subsidiary	6	(13,286,986)	-
Interest payable and similar charges	3	(1,629,424)	(1,624,588)
Interest receivable and similar income	4	1,329,628	1,687,041
(Loss)/profit on ordinary activities before taxation		(13,586,782)	62,453
Tax on (loss)/profit on ordinary activities	5	46,388	(19,984)
(Loss)/profit for the financial year	11,1	(13,540,394)	42,469

All of the company's activities are continuing operations.

There is no difference between the loss on ordinary activities before taxation and the loss for the financial year stated above, and their historical cost equivalents.

The company has no recognised gains and losses other than those included in the results above, and therefore no separate statement of total recognised gains and losses has been presented.

Norit (UK) Holding Limited

Balance sheet as at 30 September 2015

	Note	30 September 2015 £	30 September 2014 £
Fixed assets			
Investments	6	29,125,135	42,412,121
Creditors: amounts falling due within one year	7	(96,283)	(142,671)
Total assets less current liabilities		29,028,852	42,269,450
Creditors: amounts falling due after more than one year	8	(24,652,742)	(24,352,946)
Net assets		4,376,110	17,916,504
Capital and reserves			
Called up share capital	9	1,982,129	1,982,129
Share premium account	10	17,838,370	17,838,370
Profit and loss account	11	(15,444,389)	(1,903,995)
Total shareholder's funds	12	4,376,110	17,916,504

The financial statements of Norit (UK) Holding Limited (registered number SC402921) were approved by the board of directors and authorised for issue on 29 June 2016. They were signed on its behalf by:



L.E. Theron
Director

Norit (UK) Holding Limited

Notes to the financial statements for the year ended 30 September 2015

1 Accounting policies

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 applied consistently throughout the year, are set out below.

Cash flow statement and related party disclosures

The company is a wholly owned subsidiary of Norit EAPA Holding B.V. and is included in the consolidated financial statements Cabot Corporation, which are publicly available. Consequently, the company has taken advantage of the exemption from preparing a cash flow statement under the terms of Financial Reporting Standard 1 "Cash Flow Statements" (revised 1996). The company is also exempt under the terms of Financial Reporting Standard 8 "Related Party Disclosures" from disclosing related party transactions with entities that are part of the Cabot Corporation.

Taxation

Current and deferred taxation is based on the (losses)/profits for the year and includes all tax liabilities accruing to the date of the financial statements. Full provision is made on a non discounted basis for deferred taxation liabilities arising from differences that have originated but not reversed at the balance sheet date. Deferred tax assets are recognised to the extent that they are regarded as recoverable.

Going concern

At 30 September 2015, the company had net assets of £4,376,000 (2014: £17,916,404) despite having made a loss of £13,540,394 in the current year driven primarily due to the exceptional investment write off (2014: profit of £42,469). The directors have a reasonable expectation that the Company and the Group have adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis in preparing the annual financial statements.

Group financial statements

The financial statements contain information about Norit (UK) Holding Limited as an individual company and do not contain consolidated financial information as the parent of a subsidiary. The company is exempt from preparing consolidated financial statements, under s400 of the Companies Act 2006, as it is included in the consolidated financial statements of Cabot Corporation (a listed company on the Nasdaq Stock Exchange in the United States of America which are publically available).

Fixed asset investments

All unlisted investments are stated at cost less any provision for impairment.

Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of transaction. All differences are taken to the profit and loss account

Norit (UK) Holding Limited

Notes to the financial statements for the year ended 30 September 2015 (continued)

2 (Loss)/Profit on ordinary activities before taxation

L.E. Theron is paid through a subsidiary company, Cabot Norit (UK) Limited; M.D. Maloney through Cabot Corporation and B.P. Genemans through a fellow group company, Norit NV. No recharge is made to Norit (UK) Holding Limited in respect of these emoluments. There were no employees in the financial year other than the directors.

Auditor's remuneration of £1,000 (2014: £1,000) was borne by subsidiary company Cabot Norit (UK) Limited and not recharged. There were no non-audit fees payable to the company's auditor in either the current or prior year.

3 Interest payable and similar charges

	Year ended 30 September 2015	Year ended 30 September 2014
	£	£
Interest payable on intercompany loan	1,629,424	1,624,588

4 Interest receivable and similar income

	Year ended 30 September 2015	Year ended 30 September 2014
	£	£
Foreign exchange gain on Intercompany loan	1,329,628	1,687,041

Norit (UK) Holding Limited

Notes to the financial statements for the year ended 30 September 2015 (continued)

5 Tax on (loss)/profit on ordinary activities

	Year ended 30 September 2015	Year ended 30 September 2014
		£
Current tax:		
United Kingdom corporation tax on (loss)/profit for the year	-	58,409
Adjustment in respect of prior years	(46,388)	(38,425)
Tax on (loss)/profit on ordinary activities	(46,388)	19,984

The tax assessed for the year is lower (2014: higher) than the standard rate of corporation tax in the UK (20.5%) (2014: 22%). The differences are explained below:

	Year ended 30 September 2015	Year ended 30 September 2014
	£	£
(Loss)/profit on ordinary activities before taxation	(13,586,782)	62,453
(Loss)/profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20.5% (2014: 22%)	(2,785,290)	13,740
Effects of:		
Expenses not deductible for tax purposes and other permanent differences	2,731,514	44,669
Losses surrendered without charge	53,776	-
Adjustments in respect of prior years	(46,388)	(38,425)
Current tax (credit)/charge for the year	(46,388)	19,984

Reductions in the UK corporation tax rate from 23% to 21% (effective from 1 April 2014) and 20% (effective from 1 April 2015) were substantively enacted on 2 July 2013. Further reductions to 19% (effective from 1 April 2017) and to 18% (effective 1 April 2020) were effectively enacted on 26 October 2015. This will reduce the company's future tax charge accordingly.

Norit (UK) Holding Limited

Notes to the financial statements for the year ended 30 September 2015 (continued)

6 Fixed asset investments

Cost	£
At 1 October 2014	42,412,121
Impairment on investment in subsidiary	(13,286,986)
At 30 September 2015	29,125,135

During the year the directors performed an impairment review on the carrying value of the company's investment in its subsidiary undertaking, Cabot Norit UK Limited. As a result of this exercise, the value of the investment has been written down by £13,286,986 to £29,125,135 which reflects the discounted future value of the investment in Cabot Norit UK Limited.

The principal undertakings in which the company's interest at the year end is as follows:

	Proportion of voting rights and ordinary share capital held	Nature of business
Cabot Norit (UK) Limited	100%	Manufacturer of Activated Carbon

7 Creditors: amounts falling due within one year

	30 September 2015	30 September 2014
	£	£
Taxation	-	58,409
Amounts owed to subsidiary undertakings	96,283	84,262
	96,283	142,671

The amounts owed to subsidiary undertakings are free of interest, have no fixed date of repayment and are repayable on demand.

Norit (UK) Holding Limited

Notes to the financial statements for the year ended 30 September 2015 (continued)

8 Creditors: amounts falling due after more than one year

	30 September 2015	30 September 2014
	£	£
Amounts owed to group undertakings	24,652,742	24,352,946

The amounts owed to group undertaking represent a loan of €25,000,000 which is repayable on 6 July 2021. Interest is charged at a rate of 7% per annum. In addition, on the last day of each calendar year, the amount of interest accrued on the loan is added to the loan.

9 Called up share capital

	30 September 2015	30 September 2014
	£	£
Allotted, called up and fully paid		
1,982,129 (2014: 1,982,129) ordinary shares of £1 each	1,982,129	1,982,129

10 Share premium account

	£
At 1 October 2014 and 30 September 2015	17,838,370

11 Profit and loss account

	£
At 1 October 2014	(1,903,995)
(Loss)/profit for the financial year	(13,540,394)
At 30 September 2015	(15,444,389)

Norit (UK) Holding Limited

Notes to the financial statements for the year ended 30 September 2015 (continued)

12 Reconciliation of movements in shareholder's funds

	2015	2014
	£	£
Opening shareholder's funds	17,916,504	17,874,035
(Loss)/profit for the year	(13,540,394)	42,469
Closing shareholder's funds	4,376,110	17,916,504

13 Ultimate parent company

The company is wholly owned by Norit EAPA Holding B.V., a company incorporated in the Netherlands.

The ultimate parent undertaking and controlling entity is Cabot Corporation, a publicly listed company on the Nasdaq stock exchange and incorporated in the United States of America, which is the smallest and largest group to consolidate these financial statements. Copies of these financial statements are available from Cabot Norit (UK) Limited, 45 Clydesmill Place, Cambuslang Industrial Estate, Glasgow, G32 8RF.