

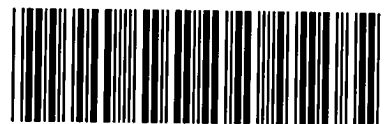
Cytec - Med - Lab Limited

**Directors' report and financial
statements**

Registered number 00540182

31 December 2016

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Directors' report

The directors present their Directors' report and the audited financial statements for the year ended 31 December 2016.

The Directors' report has been prepared in accordance with the special provisions relating to small companies under Section 415A of the Companies Act 2006.

The Company has availed of the small companies' exemption under Section 414B of the Companies Act 2006 from providing a Strategic Report.

Principal activities & business review

The principal activity of the company is the distribution of chemicals and fuel testing equipment to the aerospace and petroleum industries.

The results for the year are shown in the profit and loss account on page 5. The company is exposed to risks associated with the markets in which it operates and attributable to the wider social and economic environment. The Company is expected to be able to perform according to its budget, reflecting a stabilisation of the markets in which we operate. The company also faces risks specific to its trading activities, such as the potential loss of major customers or suppliers. The company continues to maximise service levels and conduct business with integrity in order to minimise such risks.

Dividend and transfer to reserves

Ordinary dividends of £nil were declared and paid during the year (2015 £nil). The profit for the year of £704,918 has been transferred to reserves (2015: £451,123).

Directors

The directors who held office during the period were as follows:

R S King

M Knight

D S Clears - Appointed 9 August 2016

A Steels - Resigned 14 January 2016

Disclosure of information to auditor

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the company's auditor is unaware; and each director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

The directors present their report with the financial statements of the company for the year ended 31 December 2016.

This confirmation is given and should be interpreted in accordance with the provisions of S418 of the Companies Act 2006.

Auditor

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

Approved by the board



M Knight
Director

Composites House
Sinclair Close
Heanor Gate Industrial Estate
Heanor
Derbyshire
DE75 7SP

28 September 2017

Directors' responsibilities statement

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 they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 101 Reduced Disclosure Framework.

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 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

Independent auditor's report to the members of Cytec - Med - Lab Limited

We have audited the financial statements of Cytec – Med - Lab Limited for the year ended 31 December 2016 which comprise Profit and Loss Account, Balance Sheet, Statements of Changes in Equity and the related notes 1 to 19. 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), including 'FRS 101 Reduced Disclosure Framework'

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 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 2016 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.

Independent auditor's report to the members of Cytec - Med - Lab Limited (continued)

Opinion on other matters prescribed by the Companies Act 2006

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

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

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the Directors' Report.

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 by the company, 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
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption from the requirement to prepare a Strategic Report.



Peter Gallimore FCA (*Senior statutory auditor*)

for and on behalf of Deloitte LLP
Statutory Auditor
Birmingham
United Kingdom
28 September 2017

Profit and loss account
for year ended 31 December 2016

	<i>Note</i>	2016 £	2015 £
Turnover	2	4,150,436	3,571,403
Cost of sales		(2,206,774)	(1,917,580)
Gross profit		<u>1,943,662</u>	<u>1,653,823</u>
Administrative expenses		(1,096,702)	(1,167,844)
Operating profit	3	846,960	485,979
Interest receivable/(payable)	6	35,186	80,861
Profit on ordinary activities before taxation		<u>882,146</u>	<u>566,840</u>
Tax on profit on ordinary activities	7	(177,228)	(115,717)
Profit for the financial year		<u><u>704,918</u></u>	<u><u>451,123</u></u>

The results shown in the profit and loss account derive wholly from continuing operations.

Other than the profit for the year, the company had no recognised gains or losses in either the current or preceding year, therefore no statement of comprehensive income has been prepared.

Balance sheet
as at 31 December 2016

	<i>Note</i>	2016	2015
		£	£
Fixed assets			
Tangible assets	8	148,501	153,654
		<u>148,501</u>	<u>153,654</u>
Current assets			
Stocks	9	189,297	171,256
Debtors (including £68,319 (2015: £68,319) due after more than one year)	10	796,105	4,443,345
Cash at bank and in hand		6,576,667	1,861,014
		<u>7,562,069</u>	<u>6,475,615</u>
Creditors: amounts falling due within one year	11	<u>(611,614)</u>	<u>(235,231)</u>
Net current assets		<u>6,950,455</u>	<u>6,240,384</u>
Total assets less current liabilities		<u>7,098,956</u>	<u>6,394,038</u>
Net assets		<u>7,098,956</u>	<u>6,394,038</u>
Capital and reserves			
Called up share capital	14	5,250	5,250
Profit and loss account		7,093,706	6,388,788
		<u>7,098,956</u>	<u>6,394,038</u>
Shareholders' funds		<u>7,098,956</u>	<u>6,394,038</u>

These financial statements were approved by the board of directors on 28 September 2017 and were signed on its behalf by:



M Knight
Director

Company registered number: 540182

Statement of changes in equity

	Called up share capital £	Profit and loss account £	Total equity £
Balance at 1 January 2015	5,250	5,937,665	5,942,915
Total comprehensive income for the period			
Profit or loss	-	451,123	451,123
	<hr/>	<hr/>	<hr/>
Balance at 31 December 2015	5,250	6,388,788	6,394,038
	<hr/>	<hr/>	<hr/>

	Called up share capital £	Profit and loss account £	Total equity £
Balance at 1 January 2016	5,250	6,388,788	6,394,038
Total comprehensive income for the period			
Profit or loss	-	704,918	704,918
	<hr/>	<hr/>	<hr/>
Balance at 31 December 2016	5,250	7,093,706	7,098,956
	<hr/>	<hr/>	<hr/>

Notes

(forming part of the financial statements)

1 Accounting policies

Cytec – Med - Lab Limited (the “Company”) is a private company limited by shares, incorporated and registered in the UK (England and Wales).

These financial statements were prepared in accordance with Financial Reporting Standard 101 *Reduced Disclosure Framework* (“FRS 101”).

In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards as adopted by the EU (“Adopted IFRSs”), but makes amendments where necessary in order to comply with Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

The Company’s ultimate parent undertaking, Solvay S.A. includes the Company in its consolidated financial statements. The consolidated financial statements of Solvay S.A. are prepared in accordance with International Financial Reporting Standards and are available to the public and may be obtained from Solvay S.A., Rue de Ransbeek, 310, 1120 Brussels, Belgium.

In these financial statements, the company has applied the exemptions available under FRS 101 in respect of the following disclosures:

- A Cash Flow Statement and related notes;
- Comparative period reconciliations for tangible fixed assets;
- Disclosures in respect of capital management;
- The effects of new but not yet effective IFRSs;
- Disclosures in respect of the compensation of Key Management Personnel; and

Notes (continued)

1 Accounting policies (continued)

As the consolidated financial statements of Solvay S.A. include the equivalent disclosures, the Company has also taken the exemptions under FRS 101 available in respect of the following disclosures:

- IFRS 2 *Share Based Payments* in respect of group settled share based payments
- Certain disclosures required by IFRS 13 *Fair Value Measurement* and the disclosures required by IFRS 7 *Financial Instrument Disclosures*.

The Company proposes to continue to adopt the reduced disclosure framework of FRS 101 in its next financial statements.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

Judgements made by the directors, in the application of these accounting policies that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in note 19.

Adoption of new and revised Standards

Amendments to IFRSs and the new Interpretation that are mandatorily effective for the current year

In the current year, the Company has applied a number of amendments to IFRSs issued by the International Accounting Standards Board (IASB) that are mandatorily effective for an accounting period that begins on or after 1 January 2016. Their adoption has not had any material impact on the disclosures or on the amounts reported in these financial statements.

Amendments to IAS 1 <i>Disclosure Initiative</i>	<p>The Company has adopted the amendments to IAS 1 <i>Disclosure Initiative</i> for the first time in the current year. The amendments clarify that an entity need not provide a specific disclosure required by an IFRS if the information resulting from that disclosure is not material, and give guidance on the bases of aggregating and disaggregating information for disclosure purposes. However, the amendments reiterate that an entity should consider providing additional disclosures when compliance with the specific requirements in IFRS is insufficient to enable users of financial statements to understand the impact of particular transactions, events and conditions on the entity's financial position and financial performance.</p> <p>The adoption of these amendments has not resulted in any impact on the financial performance or financial position of the Company.</p>
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1.1. Measurement convention

The financial statements are prepared on the historical cost basis.

1.2. Going concern

The company's business activities, together with the factors likely to affect its future development and position, are set out in the Business Review section of the Directors' Report on page 1.

The financial statements have been prepared on the going concern basis which the directors believe to be appropriate for the following reasons. The directors have prepared cash flow forecasts for a 12 month period from the date of approval of these financial statements and such forecasts have indicated that sufficient funds should be available to enable the company to continue in operational existence for the foreseeable future by meeting its liabilities as they fall due for payment. As a result, the directors believe that it remains appropriate to prepare the financial statements on a going concern basis.

Notes (continued)

1 Accounting policies (continued)

1.3. Foreign currency

Transactions in foreign currencies are translated to the Company's functional currencies at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated to the functional currency at the foreign exchange rate ruling at that date. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Foreign exchange differences arising on translation are recognised in the profit and loss account.

1.4. Classification of financial instruments issued by the Company

Following the adoption of IAS 32, financial instruments issued by the Company are treated as equity only to the extent that they meet the following two conditions:

- (a) they include no contractual obligations upon the company to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the company; and
- (b) where the instrument will or may be settled in the company's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the company's own equity instruments or is a derivative that will be settled by the company's exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability. Where the instrument so classified takes the legal form of the company's own shares, the amounts presented in these financial statements for called up share capital and share premium account exclude amounts in relation to those shares.

1.5. Non-derivative financial instruments

Non-derivative financial instruments comprise investments in equity and debt securities, trade and other debtors, cash and cash equivalents, loans and borrowings, and trade and other creditors.

Trade and other debtors

Trade and other debtors are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses.

Trade and other creditors

Trade and other creditors are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method.

Interest-bearing borrowings

Interest-bearing borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method, less any impairment losses.

1.6. Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses.

Depreciation is charged to the profit and loss account on a straight-line basis over the estimated useful lives of each part of an item of tangible fixed assets. Land is not depreciated. The estimated useful lives are as follows:

Buildings	- 50 years
Plant and equipment	- 4 to 10 years
Motor vehicles	- 4 years

Depreciation methods, useful lives and residual values are reviewed at each balance sheet date.

Notes (continued)

1 Accounting policies (continued)

1.7. Stocks

Stocks are stated at the lower of cost and net realisable value. Cost is based on the first-in first-out principle and includes expenditure incurred in acquiring the stocks, production or conversion costs and other costs in bringing them to their existing location and condition. In the case of manufactured stocks and work in progress, cost includes an appropriate share of overheads based on normal operating capacity.

1.8. Impairment excluding stocks and deferred tax assets

Financial assets (including trade and other debtors)

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. For financial instruments measured at cost less impairment an impairment is calculated as the difference between its carrying amount and the best estimate of the amount that the Company would receive for the asset if it were to be sold at the reporting date. Interest on the impaired asset continues to be recognised through the unwinding of the discount. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

Non-financial assets

The carrying amounts of the Company's non-financial assets, other than stocks and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For goodwill, and intangible assets that have indefinite useful lives or that are not yet available for use, the recoverable amount is estimated each year at the same time.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit").

An impairment loss is recognised if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognised in profit or loss.

In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

1.9. Employee benefits

Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which the company pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an expense in the profit and loss account in the periods during which services are rendered by employees.

Notes (continued)

1 Accounting policies (continued)

1.10. Turnover

Turnover is recognised in the profit and loss account when goods or services are supplied or made available to customers against orders received and the significant risks and rewards of ownership have been transferred to the customer and the amount of turnover can be measured reliably. Turnover excludes value added tax and other similar sales taxes. Turnover is stated after the deduction of discounts and allowances for estimated future rebates and returns.

1.11. Expenses

Operating lease payments

Payments (excluding costs for services and insurance) made under operating leases are recognised in the profit and loss account on a straight-line basis over the term of the lease. Lease incentives received are recognised in the profit and loss account as an integral part of the total lease expense.

Interest receivable

Interest income is recognised in profit or loss as it accrues, using the effective interest method. Dividend income is recognised in the profit and loss account on the date the entity's right to receive payments is established.

1.12. Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: the initial recognition of goodwill; the initial recognition of assets or liabilities that affect neither accounting nor taxable profit other than in a business combination, and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised.

2 Turnover

The turnover is attributable to the distribution of chemicals and fuel testing equipment to the aerospace and petroleum industries and related to only one class of business.

	2016 £	2015 £
<i>Analysis of turnover by geographical market</i>		
United Kingdom	733,949	608,161
Europe	1,848,047	1,410,263
Middle East	216,285	267,409
Rest of the World	1,352,155	1,285,570
	<hr/> 4,150,436 <hr/>	<hr/> 3,571,403 <hr/>

Notes (continued)

3 Expenses and auditor's remuneration

Included in profit are the following:

Auditor's remuneration:

	2016 £	2015 £
Audit of these financial statements	9,400	6,000

There are no non audit services for the current and prior year.

4 Staff numbers and costs

The average number of persons employed by the Company (including directors) during the year, analysed by category, was as follows:

	Number of employees 2016	2015
Administration and distribution	20	20
	20	20

The aggregate payroll costs of these persons were as follows:

	2016 £	2015 £
Wages and salaries	608,531	549,787
Social security costs	62,647	60,433
Contributions to defined contribution plans	40,807	38,641
	711,985	648,861

Notes (continued)

5 Directors' remuneration

	2016 £	2015 £
Directors' remuneration	168,562	180,119
Company contributions to money purchase pension plans	12,939	12,627
	<u>181,501</u>	<u>192,746</u>

The aggregate of remuneration of the highest paid director was £94,185 (2015: £101,606), and company pension contributions of £7,519 (2015: £7,328) were made to a money purchase scheme on his behalf.

	Number of directors 2016	2015
Retirement benefits are accruing to the following number of directors under:		
Money purchase schemes	2	2
	<u>2</u>	<u>2</u>

6 Interest receivable/(payable)

	2016 £	2015 £
Bank interest payable	(3,568)	(8,034)
Interest receivable from group companies	38,753	88,895
	<u>35,185</u>	<u>80,861</u>
Total interest receivable and similar income	<u>35,185</u>	<u>80,861</u>

Notes (continued)

7 Taxation

Recognised in the profit and loss account

	2016 £	£	2015 £	£
<i>UK corporation tax</i>				
Current tax on income for the period		177,660		115,155
Adjustments in respect of prior periods	-		-	
	<u> </u>		<u> </u>	
		-		-
		<u> </u>		<u> </u>
Total current tax		177,660		115,155
<i>Deferred tax (see note 12)</i>				
Origination and reversal of temporary differences	(934)		(165)	
Reduction in tax rate	502		727	
	<u> </u>		<u> </u>	
Total deferred tax	(432)		562	
		(432)		562
		<u> </u>		<u> </u>
Tax on profit on ordinary activities		177,228		115,717
		<u> </u>		<u> </u>

Corporation tax is calculated at 20% (2015: 20.25%) of the estimated taxable profit for the year. The charge for the year can be reconciled to the profit and loss account as follows:

Reconciliation of effective tax rate

	2016 £	2015 £
Profit for the year	882,146	566,840
	<u> </u>	<u> </u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 20% (2015: 20.25%)	176,429	114,785
Reduction in tax rate on deferred tax balances	502	727
Non-deductible expenses	297	205
	<u> </u>	<u> </u>
Total tax charge for the year	177,228	115,717
	<u> </u>	<u> </u>

A reduction to the UK corporation tax rate from 21% to 20% took effect from 1 April 2015. Finance Act 2015 (No.2), which was substantively enacted in October 2015, included provisions to reduce the rate of corporation tax to 19% with effect from 1 April 2017 and 17% from 1 April 2020.

Notes (continued)

8 Tangible fixed assets

	Freehold Buildings £	Plant and equipment £	Motor vehicles £	Total £
Cost				
Balance at 1 January 2016	198,074	111,480	25,000	334,554
Additions	11,950	-	-	11,950
Disposals	(2,400)	(1,112)	-	(3,512)
	<hr/>	<hr/>	<hr/>	<hr/>
Balance at 31 December 2016	207,624	110,368	25,000	342,992
	<hr/>	<hr/>	<hr/>	<hr/>
Depreciation and impairment				
Balance at 1 January 2016	95,426	62,037	23,437	180,900
Depreciation charge for the year	1,693	13,551	1,563	16,807
Disposals	(2,104)	(1,112)	-	(3,216)
	<hr/>	<hr/>	<hr/>	<hr/>
Balance at 31 December 2016	95,015	74,476	25,000	194,491
	<hr/>	<hr/>	<hr/>	<hr/>
Net book value				
At 1 January 2016	102,648	49,443	1,563	153,654
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2016	112,609	35,892	-	148,501
	<hr/>	<hr/>	<hr/>	<hr/>

Notes (continued)

8 Tangible fixed assets (continued)

Impairment loss and subsequent reversal

There were £nil impairment losses this year (2015: £nil).

Security

£nil assets pledged as security (2015: £nil) and no restriction of title exists (2015: None)

Tangible fixed assets under construction

Included in plant and equipment for the Company at 31 December 2016 was an amount of £12,775 (2015: £12,775) relating to expenditure for equipment in the course of construction. The amount of borrowing costs capitalised during the period was £nil (2015: £nil).

Included in the cost of tangible fixed assets is £nil (2015: £nil) in respect of capitalised finance costs.

Buildings

The net book value of Buildings comprises:

	2016 £	2015 £
Freehold	112,609	102,648
	<u>112,609</u>	<u>102,648</u>

9 Stocks

	2016 £	2015 £
Finished goods	189,297	171,256
	<u>189,297</u>	<u>171,256</u>

Cost of inventories recognised as expense £2,108,414 (2015:£1,818,914). There were no stock write downs in the current and prior year.

Notes (continued)

10 Debtors

	2016 £	2015 £
<i>Amounts falling due within one year</i>		
Trade debtors	648,930	367,518
Amounts owed by fellow group company	71,723	4,000,000
Other debtors	6,701	7,508
	<hr/>	<hr/>
	727,354	4,375,026
<i>Amounts falling due after more than one year</i>		
Deferred tax assets (see note 12)	6,960	6,528
Amounts owed by parent company	61,791	61,791
	<hr/>	<hr/>
	796,105	4,443,345
	<hr/>	<hr/>

Other debtors include prepayments of £5,872 (2015: £7,508) and construction contract debtors of £nil (2015: £nil).

11 Creditors: amounts falling due within one year

	2016 £	2015 £
Trade creditors	206,325	72,701
Amounts owed to parent company	72,432	11,043
Amounts owed to fellow group companies	4,562	42,706
Taxation and social security	211,159	66,923
Accruals	117,136	41,858
	<hr/>	<hr/>
	611,614	235,231
	<hr/>	<hr/>

The amounts owed to and by fellow group undertakings and owed to and by parent company are unsecured, repayable on demand and are interest free.

Notes (continued)

12 Deferred tax assets

Recognised deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

	Assets 2016 £	2015 £	Liabilities 2016 £	2015 £	Net 2016 £	2015 £
Tangible fixed assets	(6,960)	(6,528)	-	-	(6,960)	(6,528)
Other	-	-	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Tax (assets) / liabilities	(6,960)	(6,528)	-	-	(6,960)	(6,528)
Net of tax liabilities/(assets)	-	-	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Net tax (assets) / liabilities	(6,960)	(6,528)	-	-	(6,960)	(6,528)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

Movement in deferred tax during the year

	1 January 2016 £	Recognised in income £	31 December 2016 £
Tangible fixed assets	(6,528)	(432)	(6,960)
Other	-	-	-
	<hr/>	<hr/>	<hr/>
	(6,528)	(432)	(6,960)
	<hr/>	<hr/>	<hr/>

Movement in deferred tax during the prior year

	1 January 2015 £	Recognised in income £	31 December 2015 £
Tangible fixed assets	(5,889)	(639)	(6,528)
Other	(1,200)	1,200	-
	<hr/>	<hr/>	<hr/>
	(7,089)	561	(6,528)
	<hr/>	<hr/>	<hr/>

Notes (continued)

13 Employee benefits

Defined contribution plans

The Company operates a number of defined contribution pension plans.

The total expense relating to these plans in the current year was £40,807 (2015: £38,641).

Share based payments

No share-based payments existed during the period.

14 Capital and reserves

Share capital

	2016	Ordinary shares 2015
On issue at beginning and end of the year – fully paid	5,250	5,250
	<hr/>	<hr/>
	2016	2015
	£	£
<i>Allotted, called up and fully paid</i>		
Ordinary shares of £1 each	5,250	5,250
	<hr/>	<hr/>

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company.

Dividends

There was no dividend recognised during the year.

After the balance sheet date dividends of £nil per qualifying ordinary share (2015: £nil) were proposed by the directors.

Notes (continued)

15 Operating leases

Non-cancellable operating lease rentals are payable as follows:

	2016 £	2015 £
Less than one year	16,207	19,408
Between one and five years	21,250	32,520
More than five years	209,313	216,750
	<hr/>	<hr/>
	246,770	268,678
	<hr/>	<hr/>

Description of significant lease arrangements

The Company currently has lease arrangements in place for three (2015: three) company cars as well as the land on which its premises are located.

During the year £20,924 was recognised as an expense in the profit and loss account in respect of operating leases (2015: £20,617).

16 Related parties

Identity of related parties with which the Company has transacted

During the year the Company entered into transactions, in the ordinary course of business, with other related parties. Transactions entered into, and trading balances outstanding at 31 December 2016 with other related parties, are as follows:

Transactions with key management personnel

Directors of the Company and their immediate relatives control 0% per cent of the voting shares of the Company.

Other related party transactions

	Sales to		Administrative expenses incurred from	
	2016 £	2015 £	2016 £	2015 £
Parent	-	-	174,106	202,403
Other Related Parties:				
- Cytec Engineered Materials (Manchester) Ltd	-	-	-	559
- Cytec Industrial Materials (Derby) Ltd	-	-	11,534	16,526
- Umeco Ltd	-	-	-	2,739
	<hr/>	<hr/>	<hr/>	<hr/>
	-	-	185,640	222,227
	<hr/>	<hr/>	<hr/>	<hr/>

Notes (continued)

16 Related parties (continued)

	Receivables outstanding		Creditors outstanding	
	2016	2015	2016	2015
	£	£	£	£
Parent	133,514	61,791	72,432	50,393
Other Related Parties:				
- Cytec UK Holdings Ltd	-	4,000,000	-	-
- Cytec Process Materials (Keighley) Ltd	-	-	1,428	305
- Cytec Industrial Materials (Derby) Ltd	-	-	3,135	3,050
- Cytec Engineered Materials (Manchester) Ltd	-	-	-	-
	<u>133,514</u>	<u>4,061,791</u>	<u>76,995</u>	<u>53,748</u>

17 Ultimate parent company and parent company of larger group

The Company is a subsidiary undertaking of Solvay S.A. which is the ultimate parent company incorporated in Belgium, the ultimate controlling party. The registered office address of the parent company is Rue de Ransbeek, 310, 1120 Brussels, Belgium.

The largest group in which the results of the Company are consolidated is that headed by Solvay S.A. No other group financial statements include the results of the Company. The consolidated financial statements of these groups are available to the public and may be obtained from its registered address Solvay S.A., Rue de Ransbeek, 310, 1120 Brussels, Belgium.

18 Subsequent events

There were no events subsequent to the balance sheet date.

19 Accounting estimates and judgements

In the application of the company's accounting policies, which are described on pages 8 to 12, management is required to make judgements, estimates and assumptions about the carrying value of assets and liabilities that are not readily available from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period and future periods if the revision affects both current and future periods.

Management believe there are no areas of estimates which would have a significant effect on the amounts recognised in the financial statements.