

A. Schulman Thermoplastic Compounds Limited

Annual report and financial statements  
for the year ended 31 August 2015

Registered number 01018237



A. Schulman Thermoplastic Compounds Limited  
Annual report and financial statements  
for the year ended 31 August 2015

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# **A. Schulman Thermoplastic Compounds Limited**

## **Directors and advisors**

### **Directors**

H Lingnau Schneider  
M Schoepfer - resigned 02/10/15  
S Van Borm – resigned 01/09/15  
I Casimiro – appointed 01/09/15  
D Johnson – appointed 02/10/15

### **Secretary**

C Bridle

### **Independent auditors**

PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
101 Barbirolli Square  
Lower Mosley Street  
Manchester  
M2 3PW

### **Registered office**

Unit 10 Sandars Road  
Heapham Road Industrial Estate  
Gainsborough  
Lincolnshire  
DN21 1RZ

### **Registered number**

01018237

# A. Schulman Thermoplastic Compounds Limited

## Strategic report for the year ended 31 August 2015

The directors present their Strategic report on the Company for the year ended 31 August 2015.

### Principal activities

The principal activity of the Company during the year continued to be the compounding of PVC, engineering and thermoplastic polymers.

### Business review and results

Results for the financial year ended 31 August 2015 were in line with expectations. The profit for the financial year was £2,786,657 (8 month period ending 31 August 2014: £2,621,343) with turnover of £43,352,769 (8 month period ending 31 August 2014: £31,540,709).

At the year end the Company had net assets of £13,205,350 (31 August 2014: £11,718,693).

### Key Performance Indicators ("KPIs")

The Group, of which the Company is a member, is managed on a divisional basis. As such the Company produces monthly reporting packs containing its financial results and these are consolidated into the total numbers for its division and submitted to Group for review. The Key Performance Indicators (\* in proportion comparison) on which the Group focuses are:

KPIs	2015	2014
• Pre Tax Profit Margin	8%	6%
• Gross Profit Margin	16%	14 %
• Operating Profit Margin	8%	6%
• Sales Growth	-8%	2%

The Group has confirmed through its reviews that the KPIs have been running at a level consistent with expectations.

### Principal risks and uncertainties

The management of the business and the execution of the Company's strategy are subject to a number of risks. Competitive pressure, both within the UK and overseas, is a continuing risk for the Company. The Company manages this risk by providing value added services to its customers, having fast response times not only in supplying products but in handling customer queries and by maintaining strong relationships with customers.

### Health & Safety

The Group is committed to operating a safe and healthy environment for employees, visitors & other stakeholders.

### Environment

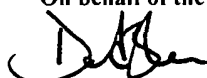
The Company recognises the importance of its environmental responsibilities, monitors its impact on the environment and designs and implements policies to reduce any damage that might be caused by its activities. The Company operates in accordance with Group (A. Schulman Inc and its subsidiary companies) policies.

### Financial risk management

The Group, of which the Company is a member, through its central treasury activities seeks to reduce financial risk, ensure sufficient liquidity and manage surplus cash. The treasury department operates within parameters approved and monitored by the Group Board of Directors and restricts transactions to banks that have a defined minimum credit rating.

The Company seeks to reduce credit risk through the use of credit insurance for exports and pro-active credit control procedures.

### On behalf of the Board



Mr D Johnson

Director

25<sup>th</sup> February 2016

# **A. Schulman Thermoplastic Compounds Limited**

## **Directors' report for the year ended 31 August 2015**

The directors present their annual report and the audited financial statements of the Company for the year ended 31 August 2015.

### **Dividends**

A dividend was paid in the financial year. The directors have approved a dividend of £1.3m in respect of the period ended 31 August 2014 and this was paid on 27<sup>th</sup> November 2014. The directors have proposed a dividend of £2m after the balance sheet date but before the approval of the financial statements (note 18).

### **Future Developments**

The Company expects marginally reduced profitability based around an adverse product mix for year to 31 August 2016

### **Political and charitable contributions**

Charitable contributions amounting to £nil (Period ended 31 August 2014: £nil) were made by the Company during the financial year. No political donations (Period ended 31 August 2014: £nil) were made by the Company during the financial year.

### **Financial risk management**

See Strategic report on page 2.

### **Creditor payment policy**

The Company does not follow a universal code which deals specifically with payments to suppliers but, where appropriate, the Company's practice is to:

- (a) Agree the terms of payment at the start of business with the supplier;
- (b) Ensure that those suppliers are made aware of the terms of payment;
- (c) Pay in accordance with its contractual and other legal obligations.

### **Research and development**

The Company continues to invest in research and development as it is considered necessary for its continuing success in the medium to long term future.

### **Employees**

The employees of the A. Schulman Inc Group have long been regarded as one of its most important assets. The Group is committed to employment policies, which follow best practice, based on equal opportunities for all employees, irrespective of sex, race, colour, disability or marital status and offers appropriate training and career development for disabled staff. If members of staff become disabled the group continues employment wherever possible and arranges retraining.

The Group is also committed to providing employees with information on matters of concern to them on a regular basis, so that the views of employees can be taken into account when making decisions that are likely to affect their interests. In addition, the Group encourages the involvement of employees by means of enhanced communication methods – interactive intranet, team working and continuous improvement meetings, as a means of achieving common awareness on the part of employees of the financial and economic factors affecting the group.

### **Directors**

The following directors held office during the year and up to the date of signing these financial statements:

H Lingnau Schneider  
M Schoepfer - resigned 02/10/15  
S Van Borm – resigned 01/09/15  
I Casimiro – appointed 01/09/15  
D Johnson – appointed 02/10/15

# **A. Schulman Thermoplastic Compounds Limited**

## **Directors report for the year ended 31 August 2015 (continued)**

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

The directors are responsible for preparing the Strategic report, 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 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 enclosed 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 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 director in office at the date the Directors' report is approved confirms that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware; and
- 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.

This confirmation is given and should be interpreted in accordance with the provision of Section 418 of the Companies Act 2006.

**On behalf of the Board**



Mr D Johnson  
Director  
25<sup>th</sup> February 2016

## **A. Schulman Thermoplastic Compounds Limited**

### ***Independent auditors' report to the members of A. Schulman Thermoplastic Compounds Limited Report on the financial statements***

#### **Our opinion**

In our opinion, A. Schulman Thermoplastic Compounds Limited's financial statements (the "financial statements"):

- give a true and fair view of the state of the company's affairs as at 31 August 2015 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.

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

The financial statements, included within the Annual Report and financial statements (the "Annual Report"), comprise:

- the Balance Sheet as at 31 August 2015 as at 31 August 2015;
- the Profit and loss account for the year ended 31 August 2015 for the year then ended;
- the accounting policies; and
- the notes to the financial statements, which include 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.

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

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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:

## **A. Schulman Thermoplastic Compounds Limited**

- 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.

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

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

As explained more fully in the Statement of director's responsibilities set out on page 4, 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 parent 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.

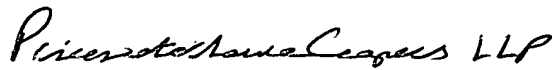
We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.



## **A. Schulman Thermoplastic Compounds Limited**

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.

A handwritten signature in black ink, appearing to read 'Simon White', followed by the text 'PricewaterhouseCoopers LLP' in a similar script.

Simon White (Senior Statutory Auditor)  
for and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
Manchester  
25<sup>th</sup> February 2016

## A. Schulman Thermoplastic Compounds Limited

### Profit and loss account for the year ended 31 August 2015

	Note	Year ended 31 August 2015 £	8 month period ending 31 August 2014 £
<b>Turnover</b>	1	<b>43,352,769</b>	31,540,709
Cost of sales		<b>(36,467,304)</b>	(27,137,896)
<b>Gross profit</b>		<b>6,885,465</b>	4,402,813
Distribution costs		<b>(2,423,054)</b>	(1,448,079)
Administrative expenses		<b>(1,065,632)</b>	(923,767)
<b>Operating profit</b>	2	<b>3,396,779</b>	2,030,967
Interest receivable and similar income		<b>4,148</b>	-
Interest payable and similar charges		<b>(274)</b>	(2,674)
<b>Profit on ordinary activities before taxation</b>		<b>3,400,653</b>	2,028,293
Tax on profit on ordinary activities	4	<b>(613,996)</b>	593,050
<b>Profit for the financial year</b>	13	<b>2,786,657</b>	2,621,343

All results were generated from continuing operations.

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

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

The accounting policies and notes on pages 9 to 20 form part of these financial statements.

# A. Schulman Thermoplastic Compounds Limited

## Balance sheet as at 31 August 2015

	Note	31 August 2015 £	31 August 2014 £
<b>Fixed assets</b>			
Intangible assets	5	5,230	7,471
Tangible assets	6	2,169,119	1,994,748
		<b>2,174,349</b>	<b>2,002,219</b>
<b>Current assets</b>			
Stocks	7	4,598,005	5,175,447
Debtors	8	13,428,364	8,459,066
Cash at bank and in hand		1,224,466	5,229,763
		<b>19,250,835</b>	<b>18,864,276</b>
<b>Creditors: amounts falling due within one year</b>	9	<b>(8,219,132)</b>	<b>(9,145,090)</b>
<b>Net current assets</b>		<b>11,031,703</b>	<b>9,719,186</b>
<b>Total assets less current liabilities</b>		<b>13,206,053</b>	<b>11,721,405</b>
<b>Creditors: amounts falling due after more than one year</b>	10	<b>(702)</b>	<b>(2,712)</b>
<b>Net assets</b>		<b>13,205,350</b>	<b>11,718,693</b>
<b>Capital and reserves</b>			
Called up share capital	12	4,363,514	4,363,514
Other reserves	13	-	9,158,673
Profit and loss account	13	8,841,836	(1,803,494)
<b>Total shareholders' funds</b>	17	<b>13,205,350</b>	<b>11,718,693</b>

The financial statements and notes on pages 7 to 20 were approved by the board directors on 25<sup>th</sup> of February 2016 and were signed on its behalf by:



Mr D Johnson  
Director  
25<sup>th</sup> February 2016

A. Schulman Thermoplastic Compounds Limited  
Registered number  
01018237

# **A. Schulman Thermoplastic Compounds Limited**

## **Accounting policies for the year ended 31 August 2015**

The financial statements have been prepared in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom. A summary of the principal accounting policies, which have been applied consistently, is set out below.

### **Basis of preparation**

The financial statements have been prepared on the going concern basis under the historical cost convention.

### **Tangible assets**

Fixed assets are shown at cost, net of depreciation and any provision for impairment. Cost includes the original purchase price of the asset and the costs attributable to bringing the asset to its working condition for its intended use. Any related government grants are reported as deferred income and amortised over the expected useful life of the asset concerned. The balance of unamortised grants is disclosed as deferred income if material.

Depreciation is provided at rates calculated to write off the cost, less estimated residual value, of each asset on a straight-line basis over its useful life as follows:

	%
Land & Buildings	4 - 25
Fixtures & Fittings	25
Plant & Machinery	10-25

Assets under construction are depreciated from the month the project is complete and asset has begun to be utilised.

### **Stocks**

Stocks are stated at the lower of cost and net realisable value; cost includes appropriate production overhead expenses. Provision is made for obsolete, slow-moving or defective items where appropriate.

### **Taxation**

Corporation tax payable is provided on taxable profits at the current rate.

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. Timing differences are differences between the Company's taxable profits and its results as stated in the financial statements.

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 the balance sheet date. Deferred tax is measured on a non-discounted basis.

Deferred tax assets are regarded as recoverable and recognised on the financial statements when, on the basis of available evidence, it is more likely than not that there will be suitable taxable profits from which the future reversal of the timing differences can be deducted.

### **Pension costs**

During the period the Company operated a defined contribution scheme on behalf of its employees and matched employee contributions. The assets of the schemes are held separately from those of the group in an independently administered fund. The amount charged in the profit and loss account represents the contributions payable to the scheme in respect of the accounting period.

### **Foreign currencies**

Transactions denominated in foreign currencies are translated into sterling at actual exchange rates as of the date of the transaction (or where appropriate, at the rate of exchange in a related foreign currency forward contract). Monetary assets and liabilities denominated in foreign currencies at the yearend are translated into sterling at the rate of exchange prevailing at the year end (or, where appropriate, at the rate of exchange in a related foreign currency forward contract). Any gain or loss arising from a change in exchange rates subsequent to the date of transaction is included as an exchange gain or loss in the profit and loss account.

# **A. Schulman Thermoplastic Compounds Limited**

## **Accounting policies for the year ended 31 August 2015 (continued)**

### **Turnover**

Turnover comprises the value of sales (excluding VAT, similar taxes and trade discounts) of goods and services in the normal course of business. Sales are recognised when the risks and rewards of ownership of products pass to customers.

### **Leases**

Assets held under finance leases are capitalised as tangible fixed assets at fair value and the corresponding rentals liability is shown net of interest under finance leases within creditors. The capitalised values are written off over the shorter of the period of the lease and the useful life of the asset concerned and finance charges are written off over the period of the lease, based on a constant return on net investment. Rental costs under operating leases are charged to the profit and loss account over the period of the lease.

### **Financial liabilities and equity**

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the group after deducting all of its liabilities.

### **Cash flow statement**

The Company is a wholly owned subsidiary of A. Schulman Inc., which produces consolidated financial statements that are publicly available. Consequently, the Company is exempt from the requirement of FRS 1 "Cash flow statements" (Revised 1996) to prepare a cash flow statement.

### **Interest receivable and payable**

Interest income and expenditure is recognised in the Profit and Loss account on an accruals basis.

### **Provisions**

A provision is recognised when the Company has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

A provision for restructuring is recognised when the Company has approved a detailed and formal restructuring plan, and the restructuring has either commenced or has been announced publicly.

The Company is exposed to environmental liabilities relating to its operations. Provisions are made immediately where a constructive or legal obligation is identified, can be quantified and it is regarded as more likely than not that an outflow of resources will be required to settle the obligation.

### **Exceptional items**

Items which are both material and non-recurring in nature are presented as exceptional items in arriving at the financial statement line item to which they relate so as to provide a better indication of the Company's underlying business performance and are shown separately on the face of the profit and loss account.

# A. Schulman Thermoplastic Compounds Limited

## Notes to the financial statements for the year ended 31 August 2015

### 1 Turnover

Turnover is generated entirely from the Company's principal activity in the United Kingdom. The geographical analysis of turnover by destination is as follows:

	Year ended 31 August 2015	8 month period ending 31 August 2014
	£	£
Continental Europe	12,948,699	6,922,098
United Kingdom	23,786,224	20,148,212
Rest of World	6,617,846	4,470,399
	<b>43,352,769</b>	<b>31,540,709</b>

### 2 Operating profit

Operating profit is stated after charging:

	Year ended 31 August 2015	8 month period ending 31 August 2014
	£	£
Staff costs (note 3)	3,478,707	2,113,091
Depreciation of tangible assets:		
- owned assets	263,300	170,331
- held under finance lease	103,751	69,167
Amortisation	2,241	1,491
(Profit)/Loss on disposal of fixed asset	2,205	-
Operating lease rentals:		
- property	307,000	204,667
- plant and machinery	61,076	34,359
Auditors' remuneration:		
Fees payable for statutory audit services	20,000	20,000
Fees payable for tax compliance services	4,700	4,950

## A. Schulman Thermoplastic Compounds Limited

### Notes to the financial statements (continued) for the year ended 31 August 2015

#### 3 Directors and employees

Employee costs during the year comprise:

	Year ended 31 August 2015 £	8 month period ending 31 August 2014 £
Wages and salaries	3,079,435	1,896,997
Social security costs	312,709	190,064
Other pensions costs (see note 18)	86,563	26,030
	<b>3,478,707</b>	<b>2,113,091</b>

The average monthly number of persons, including directors, during the year was:

	2015 Number	2014 Number
<b>By activity:</b>		
Administration	8	8
Selling and distribution	10	15
Production	81	76
	<b>99</b>	<b>99</b>

#### Directors' remuneration

No directors (8 month period ending 31 August 2014: None) received emoluments in relation to their services to the Company in the year.

The number of directors who accrued benefits under group pension schemes during the year was Nil (Year ended 31 August 2014: Nil).

# A. Schulman Thermoplastic Compounds Limited

## Notes to the financial statements (continued)

for the year ended 31 August 2015

### 4 Tax on profit on ordinary activities

	Year ended 31 August 2015 £	8 month period ending 31 August 2014 £
<b>Current tax</b>		
United Kingdom corporation tax at 20.58% (2014: 21.75%)	48,914	35,781
<b>Total current tax charge</b>	<b>48,914</b>	<b>35,781</b>
<b>Deferred tax</b>		
Recognition of deferred tax asset	565,082	(628,831)
<b>Total deferred tax credit</b>	<b>565,082</b>	<b>(628,831)</b>
<b>Tax on profit on ordinary activities</b>	<b>613,996</b>	<b>593,050</b>

The tax assessed for the year is lower (2014: lower) than the prevailing statutory rate of Corporation tax in the UK. The differences are explained as follows:

	2015 £	2014 £
Profit on ordinary activities before taxation	3,400,653	2,028,293
Tax on profit on ordinary activities at effective UK Corporation tax rate of 20.58% (2014: 21.75%)	699,854	441,154
Capital allowances in excess of depreciation	(134,772)	(148,581)
R&D tax credit 20% deferred refund	6,684	-
Withholding tax	42,230	35,781
Tax losses utilised	(565,082)	(292,573)
<b>Current tax charge for the year</b>	<b>48,914</b>	<b>35,781</b>

The deferred tax asset of £565,082 was utilised in the year in respect of losses brought forward. There are no unrecognised deferred tax assets at the balance sheet date (31 August 2014: £nil).

On 20 March 2013 the Chancellor announced further reductions in the main rate of UK corporation tax from 21% to 20% with effect from 1 April 2015. These changes became substantively enacted on 2 July 2013. The effect of these rate reductions has been included in the relevant figures above.



## A. Schulman Thermoplastic Compounds Limited

### Notes to the financial statements (continued)

for the year ended 31 August 2015

#### 5 Intangible fixed assets

	Software & Brands £
<b>Cost</b>	
At 1 September 2014	58,312
Additions	-
Disposal	(9,559)
<b>At 31 August 2015</b>	<b>48,753</b>
<b>Accumulated amortisation</b>	
At 1 September 2015	(50,841)
Disposal	9,559
Charge for the year	(2,241)
<b>At 31 August 2015</b>	<b>(43,523)</b>
<b>Net book value</b>	
<b>At 31 August 2015</b>	<b>5,230</b>
At 31 August 2014	7,471

## A. Schulman Thermoplastic Compounds Limited

### Notes to the financial statements (continued) for the year ended 31 August 2015

#### 6 Tangible assets

	Land & buildings £	Fixtures & fittings £	Plant & machinery £	Assets under construction £	Total £
<b>Cost</b>					
At 1 September 2014	739,684	35,953	7,919,763	421,832	9,117,232
Additions	56,031	4,645	473,259	9,691	543,626
Disposals	-	-	(257,460)	-	(257,460)
Transfers	-	-	339,551	(339,551)	-
<b>At 31 August 2015</b>	<b>795,715</b>	<b>40,598</b>	<b>8,475,113</b>	<b>91,972</b>	<b>9,403,398</b>
<b>Accumulated depreciation</b>					
At 1 September 2014	(457,563)	(17,897)	(6,647,024)	-	(7,122,484)
Charge for the year	(36,684)	(5,017)	(325,349)	-	(367,050)
Disposals	-	-	255,255	-	255,255
Transfers	-	-	-	-	-
<b>At 31 August 2015</b>	<b>(494,247)</b>	<b>(22,914)</b>	<b>(6,717,118)</b>	<b>-</b>	<b>(7,234,279)</b>
<b>Net book value</b>					
<b>At 31 August 2015</b>	<b>301,468</b>	<b>17,684</b>	<b>1,757,995</b>	<b>91,972</b>	<b>2,169,119</b>
At 31 August 2014	282,121	18,056	1,272,739	421,832	1,994,748

At 31 August 2015 the net book value of plant and machinery held under finance leases was £172,646 (Year ended 31 August 2014: £276,396) and the depreciation charge on those assets for the year was £103,751 (8 month period ending 31 August 2014: £69,167).

#### 7 Stocks

	31 August 2015 £	31 August 2014 £
Raw materials and consumables	2,568,912	2,890,455
Finished goods	2,029,093	2,284,992
	<b>4,598,005</b>	<b>5,175,447</b>

There is no material difference between the balance sheet value of stocks and their replacement cost.

## A. Schulman Thermoplastic Compounds Limited

### Notes to the financial statements (continued)

for the year ended 31 August 2015

#### 8 Debtors

	31 August 2015 £	31 August 2014 £
Trade debtors	6,440,140	7,260,504
Amounts owed by group undertakings	6,752,705	292,484
Deferred tax asset	63,749	628,831
Prepayments and accrued income	171,770	277,247
	<b>13,428,364</b>	<b>8,459,066</b>

Amounts owed by group undertakings are unsecured interest free and repayable on demand.

The deferred tax asset of £63,749 (8 month period ending 31 August 2014: £628,831) is in respect of tax losses. The movement on the deferred tax asset is as follows:

	£
Asset at 1 September 2014	628,831
Credited to the profit and loss account in the year	(565,082)
<b>Asset at 31 August 2015</b>	<b>63,749</b>

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

	31 August 2015 £	31 August 2014 £
Amount payable under finance leases (see note 11)	2,009	1,868
Trade creditors	7,263,712	8,093,241
Amounts owed to group undertakings	323,889	397,843
Taxation and social security	88,656	368,865
Accruals and deferred income	540,866	283,273
	<b>8,219,132</b>	<b>9,145,090</b>

Amounts owed to group undertakings are interest free and repayable 60 days after the end of the month in which they arose.

## **A. Schulman Thermoplastic Compounds Limited**

### **Notes to the financial statements (continued)**

**for the year ended 31 August 2015**

#### **10 Creditors: amounts falling due after more than one year**

	<b>31 August 2015</b>	<b>31 August 2014</b>
	<b>£</b>	<b>£</b>
Amounts payable under finance leases (see note 11)	<b>702</b>	<b>2,712</b>
	<b>702</b>	<b>2,712</b>

#### **11 Finance Leases**

Finance leases are repayable as follows:

	<b>31 August 2015</b>	<b>31 August 2014</b>
	<b>£</b>	<b>£</b>
Within one year (see note 9)	<b>2,009</b>	<b>1,868</b>
Between one and two years	<b>702</b>	<b>2,712</b>
Between two and five years	<b>-</b>	<b>-</b>
	<b>2,711</b>	<b>4,580</b>

# A. Schulman Thermoplastic Compounds Limited

## Notes to the financial statements (continued)

for the year ended 31 August 2015

### 12 Called up share capital

	31 August 2015 £	31 August 2014 £
<b>Allotted, called up and fully paid</b>		
4,363,514 (2014: 4,363,514) ordinary shares of £1 each	<b>4,363,514</b>	<b>4,363,514</b>

### 13 Reserves

	Other reserves £	Profit and loss account £
At 1 September 2014	9,158,673	(1,803,494)
Transfer from reserves 27 <sup>th</sup> November 2014	(9,158,673)	9,158,673
Dividend paid 27 <sup>th</sup> November 2014	-	(1,300,000)
Profit for the financial year	-	2,786,657
<b>At 31 August 2015</b>	<b>-</b>	<b>8,841,836</b>

### 14 Capital commitments

	31 August 2015 £	31 August 2014 £
Contracted for but not provided in the financial statements	<b>14,200</b>	<b>43,533</b>

### 15 Contingent liabilities

The Company has no contingent liabilities as at 31 August 2015 (31 August 2014: none).

## A. Schulman Thermoplastic Compounds Limited

### Notes to the financial statements (continued)

for the year ended 31 August 2015

#### 16 Operating lease commitments

The Company has annual commitments in respect of operating leases expiring as shown:

	Land & Buildings		Other	
	2015 £	2014 £	2015 £	2014 £
Within one year	-	-	8,864	29,015
Between two and five years	-	-	76,757	29,942
After five years	307,000	307,000	-	-
	<b>307,000</b>	<b>307,000</b>	<b>85,621</b>	<b>58,957</b>

#### 17 Reconciliation of movements in shareholders' funds

	31 August 2015 £	31 August 2014 £
Profit for the financial year	2,786,657	2,621,343
Dividend paid	(1,300,000)	-
Opening shareholders' funds	11,718,693	9,097,350
<b>Closing shareholders' funds</b>	<b>13,205,350</b>	<b>11,718,693</b>

#### 18 Dividends

	31 August 2015 £	31 August 2014 £
<b>Equity - ordinary</b>		
Final Paid 2014 29.7925p per £1 share	-	1,300,000
	-	1,300,000

# **A. Schulman Thermoplastic Compounds Limited**

## **Notes to the financial statements (continued) for the year ended 31 August 2015**

The directors have paid a dividend of £1.3m on 27<sup>th</sup> November 2014 for the period ending 31<sup>st</sup> August 2014 at 29.7925 pence per ordinary share (4,363,514 ordinary shares).

In addition the directors are proposing to pay a £2m dividend in respect to 2015 at 45.8346 pence per ordinary share (4,363,514 ordinary shares) in January 2016.

### **19 Pension arrangements**

The Company operates a Defined Contribution Scheme on behalf of employees.

The pension charge for the year was £86,563 (8 month period ending August 2014: £26,030). At the balance sheet date, £15,133 (31 August 2014: £17,521) is payable to the scheme and is included in accruals.

### **20 Related party transactions**

The Company has taken advantage of the exemption under paragraph 3(C) from the provisions of FRS 8, 'Related Party Disclosures', from disclosing related party transactions with fellow Group companies on the grounds that throughout the year it was a wholly owned subsidiary of a group headed by A. Schulman Inc, whose financial statements are publicly available. There were no other related party transactions.

### **21 Ultimate parent undertaking and controlling party**

The Company's immediate parent undertaking is A Schulman Gainsborough Limited.

The Company's ultimate holding and controlling company is A. Schulman Inc, a company registered and incorporated in the United States of America, which is the largest group to consolidate these financial statements. The parent company of the smallest group to consolidate these financial statements is A Schulman s-Gravendeel BV, a company incorporated in Holland, whose address is

A Schulman s-Gravendeel BV  
Mijlweg 7  
s-Gravendeel NK 3295 KG  
The Netherlands

Copies of the ultimate parent company's consolidated financial statements may be obtained from:-

The Company Secretary  
A. Schulman Inc  
West Market Street  
Akron  
Ohio 44333