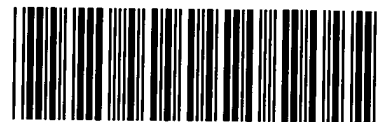


A. Schulman Thermoplastic Compounds Limited

Annual report and financial statements
for the eight month period ended 31 August 2014

Registered number 01018237

FRIDAY



A40 *A3LLNE02* 28/11/2014 #325
COMPANIES HOUSE

A. Schulman Thermoplastic Compounds Limited
Annual report and financial statements
for the eight month period ended 31 August 2014

Contents

Directors' and advisors	1
Strategic report for the eight month period ended 31 August 2014	2
Directors' report for the eight month period ended 31 August 2014.....	3
Independent auditors' report to the members of A. Schulman Thermoplastic Compounds Limited.....	5
Profit and loss account for the eight month period ended 31 August 2014	7
Balance sheet as at 31 August 2014	8
Accounting policies	9
Notes to the financial statements for the eight month period ended 31 August 2014	11

A. Schulman Thermoplastic Compounds Limited

Directors and advisors

Directors

Mr H Lingnau Schneider

Mr M Schoepfer

Mr S Van Borm

Secretary

Mr 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 eight month period ended 31 August 2014

The directors present their Strategic report on the Company for the 8 month period ended 31 August 2014. The Company has changed its accounting reference date to 31 August, previously 31 December, to align with the Schulman Group.

Principal activities

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

Business review and results

Results for the financial period ended 31 August 2014 were in line with expectations. The profit for the financial period was £2,621,343 (Year ended 31 December 2013: £2,613,360) with turnover of £31,540,709 (Year ended 31 December 2013: £46,476,340).

At the period end the Company had net assets of £11,718,693 (Year end 31 December 2013: £9,097,350).

The Company expects improved profitability of 30% based around product mix for year to 31 August 2015.

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:

	2014	2013
• Pre Tax Profit Margin	6%	6%
• Gross Profit Margin	14%	12 %
• Operating Profit Margin	6%	6%
• Sales Growth	2% *	13%

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 all customer queries and by maintaining strong relationships with customers.

Health & Safety

The Group is committed to operating a safe and healthy environment for all 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 M Schoepfer

Director

26 November 2014

A. Schulman Thermoplastic Compounds Limited

Directors' report for the eight month period ended 31 August 2014

The directors present their annual report and the audited financial statements of the Company for the 8 month period ended 31 August 2014.

Dividends

No dividend was paid in the financial period. The directors have proposed a dividend of £1,300,000 after the balance sheet date but before the approval of the financial statements.

Political and charitable contributions

Charitable contributions amounting to £nil (Year ended 31 December 2013: £nil) were made by the Company during the financial period. No political donations (Year ended 31 December 2013: £nil) were made by the Company during the financial period.

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.

Directors

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

Mr H Lingnau Schneider
Mr M Schoepfer
Mr S Van Borm

A. Schulman Thermoplastic Compounds Limited

Directors' report for the eight month period ended 31 August 2014 (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 M Schoepfer
Director
26 November 2014

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 the financial statements, defined below:

- give a true and fair view of the state of the company's affairs as at 31 August 2014 and of its profit for the eight month period 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.

This opinion is to be read in the context of what we say in the remainder of this report.

What we have audited

The financial statements, which are prepared by A. Schulman Thermoplastic Compounds Limited, comprise:

- the balance sheet as at 31 August 2014;
- the profit and loss account for the eight month period 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 their preparation 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.

What an audit of financial statements involves

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) ("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.

In addition, we read all the financial and non-financial information in the Annual report and financial statements 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 other matter prescribed by the Companies Act 2006

In our opinion the information given in the Strategic report and the Directors' report for the eight month period ended 31 August 2014 for the financial period for which the financial statements are prepared is consistent with the financial statements.

A. Schulman Thermoplastic Compounds Limited

Independent auditors' report to the members of A. Schulman Thermoplastic Compounds Limited (continued)

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

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

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Directors' remuneration

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

Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors

As explained more fully in the Statement of directors' responsibilities set out on page 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 ISAs (UK & Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.



Simon White (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Manchester
26 November 2014

A. Schulman Thermoplastic Compounds Limited

Profit and loss account for the eight month period ended 31 August 2014

	Note	8 month period ended 31 August 2014 £	Year ended 31 December 2013 £
Turnover	1	31,540,709	46,476,340
Cost of sales		(27,137,896)	(40,633,739)
Gross profit		4,402,813	5,842,601
Distribution costs		(1,448,079)	(2,013,846)
Administrative expenses		(923,767)	(1,175,403)
Operating profit	2	2,030,967	2,653,352
Interest payable and similar charges		(2,674)	(9,794)
Profit on ordinary activities before taxation		2,028,293	2,643,558
Tax on profit on ordinary activities	4	593,050	(30,198)
Profit for the financial period / year	13, 7	2,621,343	2,613,360

All results were generated from continuing operations.

The Company has no recognised gains and losses in either period / 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 period / year stated above and their historical cost equivalents.

A. Schulman Thermoplastic Compounds Limited

Balance sheet as at 31 August 2014

	Note	31 August 2014 £	31 December 2013 £
Fixed assets			
Intangible assets	5	7,471	8,962
Tangible assets	6	1,994,748	1,566,782
		2,002,219	1,575,744
Current assets			
Stocks	7	5,175,447	4,044,955
Debtors	8	8,459,066	8,588,870
Cash at bank and in hand		5,229,763	4,359,474
		18,864,276	16,993,299
Creditors: amounts falling due within one year	9	(9,145,090)	(9,467,722)
Net current assets		9,719,186	7,525,577
Total assets less current liabilities		11,721,405	9,101,321
Creditors: amounts falling due after more than one year	10	(2,712)	(3,971)
Net assets		11,718,693	9,097,350
Capital and reserves			
Called up share capital	12	4,363,514	4,363,514
Other reserves	13	9,158,673	9,158,673
Profit and loss account	13	(1,803,494)	(4,424,837)
Total shareholders' funds	17	11,718,693	9,097,350

The financial statements and notes on pages 7 to 20 were approved by the board directors on of 26 November 2014 and were signed on its behalf by:


 Mr M Schoepfer
 Director
 26 November 2014

A. Schulman Thermoplastic Compounds Limited
 Registered number
 01018237

A. Schulman Thermoplastic Compounds Limited

Accounting policies

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 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 (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 eight month period ended 31 August 2014

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:

	8 month period ended 31 August 2014	Year ended 31 December 2013
	£	£
Continental Europe	6,922,098	9,462,662
United Kingdom	20,148,212	31,009,529
Rest of World	4,470,399	6,004,149
	31,540,709	46,476,340

2 Operating profit

Operating profit is stated after charging:

	8 month period ended 31 August 2014	Year ended 31 December 2013
	£	£
Staff costs (note 3)	2,113,091	2,982,570
Depreciation of tangible fixed assets:		
- owned assets	170,331	255,528
- held under finance lease	69,167	103,803
Operating lease rentals:		
- property	204,667	307,000
- plant and machinery	34,359	59,527
Auditors' remuneration:		
Fees payable for statutory audit services	20,000	15,750
Fees payable for tax compliance services	15,000	15,000

A. Schulman Thermoplastic Compounds Limited

Notes to the financial statements (continued) for the eight month period ended 31 August 2014

3 Directors and employees

Employee costs during the period / year comprise:

	8 month period ended 31 August 2014	Year ended 31 December 2013
	£	£
Wages and salaries	1,896,997	2,587,633
Social security costs	190,064	260,850
Other pensions costs (see note 18)	26,030	134,087
	2,113,091	2,982,570

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

	2014 Number	2013 Number
By activity:		
Administration	8	7
Selling and distribution	15	12
Production	76	76
	99	95

Directors' remuneration

No directors (Year ended 31 December 2013: One) received emoluments in relation to their services to the Company in the period.

The number of directors who accrued benefits under group pension schemes during the period was nil (Year ended 31 December 2013: One).

	8 month period ended 31 August 2014	Year ended 31 December 2013
	£	£
Total amount of emoluments	-	86,508
Value of company contributions to the defined contribution scheme	-	4,244

A. Schulman Thermoplastic Compounds Limited

Notes to the financial statements (continued)

for the eight month period ended 31 August 2014

4 Tax on profit on ordinary activities

	8 month period ended 31 August 2014 £	Year ended 31 December 2013 £
Current tax		
United Kingdom corporation tax at 21.75% (2013: 23.25%)	35,781	30,198
Total current tax charge	35,781	-
Deferred tax		
Recognition of deferred tax asset	(628,831)	-
Total deferred tax credit	(628,831)	-
Tax on profit on ordinary activities	(593,050)	30,198

The tax assessed for the period is lower (2013: lower) than the prevailing statutory rate of Corporation tax in the UK. The differences are explained as follows:

	2014 £	2013 £
Profit on ordinary activities before taxation	2,028,293	2,643,558
Tax on profit on ordinary activities at effective UK Corporation tax rate of 21.75% (2013: 23.25%)	441,154	614,627
Capital allowances in excess of depreciation	(148,581)	(144,412)
Withholding tax	35,781	30,198
Tax losses utilised	(292,573)	(470,215)
Current tax charge for the period / year	35,781	30,198

The deferred tax asset of £628,831 was recognised in the period in respect of losses carried forward. There are no unrecognised deferred tax assets at the balance sheet date (31 December 2013: £4.3m).

On 20 March 2013 the Chancellor announced further reductions in the main rate of UK corporation tax from 23% to 21% with effect from 1 April 2014 and 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 eight month period ended 31 August 2014**

5 Intangible fixed assets

	Software & Brands £
Cost	
At 1 January 2014	58,312
Additions	-
At 31 August 2014	58,312
Accumulated amortisation	
At 1 January 2014	(49,350)
Charge for the year	(1,491)
At 31 December 2014	(50,841)
Net book value	
At 31 August 2014	7,471
At 31 December 2013	8,962

A. Schulman Thermoplastic Compounds Limited

Notes to the financial statements (continued)

for the eight month period ended 31 August 2014

6 Tangible fixed assets

	Land & buildings £	Fixtures & fittings £	Plant & machinery £	Assets under construction £	Total £
Cost					
At 1 January 2014	695,417	17,434	7,722,148	92,554	8,527,553
Additions	44,267	18,519	182,847	421,832	667,465
Disposals	-	-	(77,786)	-	(77,786)
Transfers	-	-	92,554	(92,554)	-
At 31 August 2014	739,684	35,953	7,919,763	421,832	9,117,232
Accumulated depreciation					
At 1 January 2014	(437,804)	(17,434)	(6,505,534)	-	(6,960,772)
Charge for the year	(19,759)	(463)	(219,276)	-	(239,498)
Disposals	-	-	77,786	-	77,786
Transfers	-	-	-	-	-
At 31 August 2014	(457,563)	(17,897)	(6,647,024)	-	(7,122,484)
Net book value					
At 31 August 2014	282,121	18,056	1,272,739	421,832	1,994,748
At 31 December 2013	257,613	-	1,216,614	92,554	1,566,782

At 31 August 2014 the net book value of plant and machinery held under finance leases was £276,396 (Year ended 31 December 2013: £345,563) and the depreciation charge on those assets for the period was £69,167 (Year ended 31 December 2013: £103,803).

7 Stocks

	31 August 2014 £	31 December 2013 £
Raw materials and consumables	2,890,455	2,108,694
Finished goods	2,284,992	1,936,261
	5,175,447	4,044,955

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 eight month period ended 31 August 2014

8 Debtors

	31 August 2014 £	31 December 2013 £
Trade debtors	7,260,504	7,656,448
Amounts owed by group undertakings	292,484	724,219
Prepayments and accrued income	277,247	208,203
Deferred tax asset	628,831	-
	8,459,066	8,588,870

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

The deferred tax asset of £628,831 (31 December 2013: £nil) is in respect of tax losses. The movement on the deferred tax asset is as follows:

	£
Asset at 1 January 2014	-
Credited to the profit and loss account in the period	628,831
Asset at 31 August 2014	628,831

9 Creditors: amounts falling due within one year

	31 August 2014 £	31 December 2013 £
Amount payable under finance leases (see note 11)	1,868	46,123
Trade creditors	8,093,241	8,906,923
Amounts owed to group undertakings	397,843	157,468
Other taxation and social security	368,865	177,931
Accruals and deferred income	283,273	179,277
	9,145,090	9,467,722

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 eight month period ended 31 August 2014

10 Creditors: amounts falling due after more than one year

	31 August 2014 £	31 December 2013 £
Amounts payable under finance leases	2,712	3,971
	2,712	3,971

11 Finance Leases

Finance leases are repayable as follows:

	31 August 2014 £	31 December 2013 £
Between one and two years	2,712	3,971
Between two and five years	-	-
	2,712	3,971
Within one year (see note 9)	1,868	46,123
	4,580	50,094

A. Schulman Thermoplastic Compounds Limited

Notes to the financial statements (continued)

for the eight month period ended 31 August 2014

12 Called up share capital

	31 August 2014	31 December
	£	2013
		£
Allotted, called up and fully paid		
4,363,514 (2013: 4,363,514) ordinary shares of £1 each	4,363,514	4,363,514

13 Profit and loss account

	Other reserves	Profit and loss
	£	account
		£
At 1 January 2014	9,158,673	(4,424,837)
Profit for the financial period	-	2,621,343
At 31 August 2014	9,158,673	(1,803,494)

In the prior year the Company reduced its share capital by £31,000,000 under the Solvency Statement Procedure. The amount was transferred to Other reserves and a dividend in specie declared of £21,841,327. The remaining amount in Other reserves is fully distributable.

14 Capital commitments

	31 August 2014	31 December
	£	2013
Contracted for but not provided in the financial statements	43,533	-

15 Contingent liabilities

The Company has no contingent liabilities as at 31 August 2014 (31 December 2013: none).

A. Schulman Thermoplastic Compounds Limited

Notes to the financial statements (continued)

for the eight month period ended 31 August 2014

16 Operating lease commitments

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

	Property		Plant and machinery	
	2014	2013	2014	2013
	£	£	£	£
Within one year	-	-	29,015	20,596
Between two and five years	-	-	29,942	68,307
After five years	307,000	307,000	-	-
	307,000	307,000	58,957	88,903

17 Reconciliation of movements in shareholders' funds

	31 August 2014	31 December 2013
Profit for the financial period / year	2,621,343	2,613,360
Dividend in specie	-	(21,841,327)
Opening shareholders' funds	9,097,350	28,325,317
Closing shareholders' funds	11,718,693	9,097,350

18 Pension arrangements

The Company operates a new Defined Contribution Scheme on behalf of employees from February 2014. This scheme replaces the Defined Contribution Scheme and Define Benefit Scheme previously operated by the company.

The pension charge for the period was £26,030 (Year ended 31 December 2013: £134,087). At the balance sheets date, £17,521 (31 December 2013: £25,508) is payable to the scheme.

A. Schulman Thermoplastic Compounds Limited

Notes to the financial statements (continued)

for the eight month period ended 31 August 2014

19 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 period 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.

20 Ultimate parent undertaking and controlling party

The Company's immediate parent undertaking is ICO (UK) 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 ICO Europe BV, a company incorporated in Holland, whose address is

ICO Europe 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