

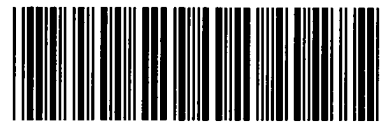
Advanced Composites Limited

**Directors' report and financial
statements**

Registered number 01623042

31 December 2014

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Directors' report

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

Principal activities

The company provided administrative and technical support including research and development to other group companies, for which it received a management fee. On 31 December 2013, the trade, assets and liabilities of the company were transferred to Cytec Industrial Materials (Derby) Limited, see note 12. From this date, the Company has been dormant.

At 31 December 2014, Advanced Composites Limited was a wholly owned subsidiary of Cytec Industrial Materials (Derby) Limited, whose ultimate parent at 31 December 2014 was Cytec Industries Inc.

Results and dividends

Profit for the year to 31 December 2014 was £nil (2013: £281,000).

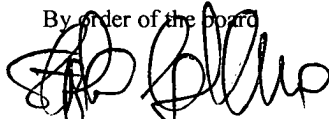
The directors do not recommend the payment of a dividend (2013: £nil).

Directors

The directors who held office during the year and at the date of this report are as follows:

SM Glennon
DM Drillock - resigned 31 October 2014
RD Smith
DG Darazsdi - appointed 1 November 2014

By order of the Board



Stephen Glennon
Director

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

28th September 2015

Profit and loss account
for the year ended 31 December

	<i>Note</i>	2014 £000	2013 £000
Administrative expenses		-	(6,312)
Other operating income	2	-	6,591
Profit on ordinary activities before taxation	3	-	279
Tax on profit on ordinary activities	6	-	2
Profit for the financial year	9	-	281

Following the transfer of the trade, assets and liabilities of the company on 31 December 2013, the results in both the current and preceding year were derived from the discontinued operation.

There were no recognised gains or losses in either the current or preceding year other than those disclosed in the profit and loss account.

Balance sheet

as at 31 December

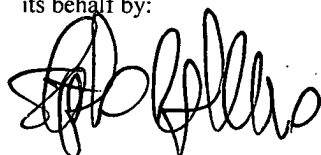
	<i>Note</i>	2014	2013
		£000	£000
Current assets			
Debtors	7	463	463
Net assets		463	463
Capital and reserves			
Called up share capital	8	-	-
Profit and loss account	9	463	463
Shareholder's funds	10	463	463

For the year ending 31 December 2014 the company was entitled to exemption from audit under section 480 of the Companies Act 2006 relating to dormant companies.

Directors' responsibilities:

- The members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476; and
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

These financial statements were approved by the board of directors on 28th September 2015 and were signed on its behalf by:



Stephen Glennon
Director

Registered number: 01623042

Notes

(forming part of the financial statements)

1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements.

Basis of preparation

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards.

Going concern

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

The company participates in the Group's centralised treasury arrangements and shares banking arrangements with its parent and fellow subsidiaries. The directors, having assessed the responses of the directors of the company's ultimate parent Cytec Industries Inc. to their enquiries, have no reason to believe that a material uncertainty exists that may cast significant doubt about the ability of the Cytec group to continue as a going concern or its ability to continue with the current banking arrangements.

On the basis of their assessment of the company's financial position and of the enquiries made of the directors of Cytec Industries Inc, the company's directors have a reasonable expectation that the company will be able to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Cash flow statement

Under FRS1 (revised) the company is exempt from the requirement to prepare a cash flow statement on the grounds that a parent undertaking includes the company in its own consolidated financial statements.

Related party transactions

As the company was a wholly owned subsidiary of Cytec Industries Inc. at 31 December 2014, it has taken advantage of the exemption contained in FRS8 and has therefore not disclosed transactions or balances with entities which form part of the group.

Other operating income

Other operating income represents the recharge of costs to the company's immediate parent undertaking, Cytec Industrial Materials (Derby) Limited.

Pension scheme

The company is a member of the Advanced Composites Group Pension Scheme, which is a defined benefit scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. Since the company is unable to identify its share of the scheme assets and liabilities on a consistent and reasonable basis, the scheme is accounted for by the company as if it were a defined contribution scheme. An actuarial valuation of the Advanced Composites Group Pension Scheme was carried out at 1 June 2011.

As at 31 December 2013, the trade and assets of the company were transferred to the immediate parent company, which is the only other member of the scheme. As at this date, the defined benefit scheme has been recognised in the financial statements of Cytec Industrial Materials (Derby) Limited.

The company also operates a defined contribution scheme. Pension cost charges in the financial statements represent contributions payable in the accounting period.

Deferred taxation

Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS19.

Notes (continued)

1 Accounting policies (continued)

Research and development

Expenditure on research and development is written off against profits as incurred, except to the extent that it is recoverable from grant funding.

2 Other operating income

	2014 £000	2013 £000
Other income	-	729
Costs recharged to group companies	-	5,862
	<u>-</u>	<u>6,591</u>

3 Profit on ordinary activities before taxation

	2014 £000	2013 £000
<i>Profit on ordinary activities before taxation is stated after charging</i>		
Depreciation	-	296
Research and development	-	1,290
Operating lease rentals - Other	-	36
<i>Auditor's remuneration:</i>		
Fees payable to the company's auditor for the audit of these financial statements	-	8
Other assurance services	-	2
	<u>-</u>	<u>2</u>

4 Remuneration of directors

Directors' remuneration for services as a director of the company are borne by another group company. None of the directors accrues benefits under retirement benefit schemes by virtue of their office with the company.

5 Staff numbers and costs

The average number of persons employed by the Company during the year was as follows:

	2014 Number	2013 Number
Technical and administration	-	68
	<u>-</u>	<u>68</u>
	£000	£000
<i>The aggregate payroll costs of these persons were:</i>		
Wages and salaries	-	3,286
Social security costs	-	408
Pension costs	-	406
	<u>-</u>	<u>4,100</u>

Notes (continued)

6 Tax on profit on ordinary activities

Analysis of charge/(credit) in year

	2014 £000	2013 £000
<i>UK corporation tax</i>		
Current year	-	10
	<hr/>	<hr/>
<i>Deferred taxation</i>		
Current year	-	(9)
Provision in respect of prior years	-	(3)
	<hr/>	<hr/>
Total tax credit	-	(2)
	<hr/>	<hr/>

Factors affecting the current tax charge for the year

The current tax charge for the year is equal to (2013: lower) than the standard rate of corporation tax in the UK of 21.5% (2013: 23.25%). The differences are explained below.

	2014 £000	2013 £000
<i>Current tax reconciliation:</i>		
Profit on ordinary activities before tax	-	279
	<hr/>	<hr/>
Current tax charge at 21.5% (2013: 23.25%)	-	65
<i>Effects of:</i>		
Expenses not deductible for tax purposes	-	22
Other timing differences	-	(10)
Depreciation in excess of capital allowances	-	23
R&D expenditure	-	(90)
	<hr/>	<hr/>
Total current tax charge	-	10
	<hr/>	<hr/>

Factors that may affect future current and total tax charges

In the Budget on 8 July 2015, the Chancellor announced additional planned reductions in the UK corporation tax rate to 18% by 2020. This will reduce the company's future current tax charge accordingly.

7 Debtors

	2014 £000	2013 £000
Amounts owed by group undertakings	463	463
	<hr/>	<hr/>

8 Called up share capital

	2014 £	2013 £
<i>Issued, called up and fully paid</i>		
2 (2013: 2) Ordinary shares of £1 each	2	2
	<hr/>	<hr/>

Notes (continued)

9 Reserves

	Profit and loss account £000
Funds at beginning and end of year	463

10 Reconciliation of movements in shareholder's funds

	2014 £000	2013 £000
Profit for the financial year	-	281
Net movement in shareholder's funds	-	281
Opening shareholder's funds	463	182
Closing shareholder's funds	463	463

11 Pension scheme

The Company was a member of the Advanced Composites Group pension scheme providing benefits based on final pensionable pay. The plan is for the benefit of all relevant employees of Cytec Industrial Materials (Derby) Limited and Advanced Composites Limited.

As the scheme was run for Advanced Composites Limited and Cytec Industrial Materials (Derby) Limited as a whole, the Company was unable to identify its share of the scheme assets and liabilities on a consistent and reasonable basis, and as permitted by FRS 17 'Retirement benefits', the scheme has been accounted for, in these financial statements, as if the scheme was a defined contribution scheme.

As at 31 December 2014, the trade, assets and liabilities of the company were transferred to the immediate parent company, which is also a member of the scheme. As at this date, the defined benefit scheme has been recognised as a liability in the financial statements of Cytec Industrial Materials (Derby) Limited.

The company also participated in the Advanced Composites Group defined contribution stakeholder scheme. The pension cost charge for the period represents contributions payable by the company to the scheme and amounted to £nil (2013: £21,000).

12 Related party transactions

On 31 December 2013, the trade, assets and liabilities of the company were acquired by its immediate parent, Cytec Industrial Materials (Derby) Limited. The trade and assets were transferred at net book value as the directors believe that there was no material difference between book value and fair value.

The consideration and net assets transferred on this date were as follows:

	£000
<i>Assets transferred:</i>	
Fixed assets	3,070
Creditors	(2,594)
Provisions for liabilities and charges	(13)
Net assets transferred	463
Consideration	463

Notes *(continued)*

13 Ultimate holding company and ultimate controlling party

The ultimate parent undertaking and ultimate controlling undertaking, at 31 December 2014, into which the results of this company are consolidated is Cytec Industries Inc, a corporation organised under the laws of the State of Delaware USA, and copies of their financial statements are available on Cytec's website www.cytec.com.