Cytec UK Holdings Limited

Annual report and financial statements

Registered number 02834414

For year ended 31 December 2017

Contents

Strategic report	1
Directors' report	2
Director's responsibilities statement	3
Independent auditor's report to the members of Cytec UK Holdings Limited	4
Profit and loss account	7
Balance sheet	8
Statement of changes in equity	9
Notes	10

Strategic report

Principal activities

The principal activity of the Company is that of an intermediate holding company.

Business Review

The company's operations are managed under the supervision of the ultimate overseas parent company and are limited to investments in subsidiary companies and financing transactions with fellow subsidiaries.

Losses for the financial year were £87,590,000 *(2016: loss of £4,361,000).*

The company's balance sheet shows net assets of £167,453,000 *(2016: £255,043,000).*

The investment balance as at 31 December 2017 was £286,275,000 *(2016: £387,411,000)*. The investment balance has been considered for impairment by the Directors, with an impairment loss of £101,136,000 recognised in the year *(2016: £nil)*. See note 7 for explanation by investment.

The company remains a wholly owned subsidiary within the Solvay Group of companies. Given that the principal activity of the company is to act as a holding company on behalf of an overseas subsidiary the directors do not consider that key performance indicators are applicable.

Principal risks and uncertainties

The company's financial position is driven by the performance of the companies in which it holds investments.

The carrying amounts of the investments are reviewed for impairment by the Directors at each reporting date or when events or changes in circumstances indicate that the carrying amount of the investment may not be recoverable.

If any such indication exists, the asset's recoverable amount is estimated by reviewing: the carrying amounts of the investments against the greater of their net realisable value and value in use.

The company is not materially exposed to price risk, credit risk, liquidity risk or cash flow risk.

Future Developments

The company will continue to operate as an intermediate holding company for the foreseeable future. Management do not expect significant changes in the investment portfolio in 2018.

By order of the board

A Schiebroek
Director

Abenbury Way
Wrexham Industrial Estate
Wrexham
Clywd
LL13 9UZ
Date: July 23 2018

Directors' report

The directors present their annual report and audited financial statements for the year ended 31 December 2017.

Dividends

During the year dividends of £Nil *(2016: £nil)* were paid. The directors do not propose any dividends *(2016: £nil).*

Risk management

Details of risk management are discussed in the Strategic Report on page 1 and form part of this report by cross reference.

Events after balance sheet date

In July 2018 Penso Holdings Ltd increased its share capital by issuing new shares to a non-Solvay group company. This event triggered an impairment review to be performed over the Company's investment in Penso Holdings Ltd, and an impairment charge of £6,681,000 to be subsequently booked. The price of the shares is indicative of the fair value of the investment at the balance sheet date and therefore the impairment charge has been recognised in these financial statements. See note 7 for further details.

Directors

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

A.M. Brouhns
J.L. Clamadieu (appointed March 16 2018)
F.L. Costa
M.J. Dawes
S.M. Delpech
B. Moore
J.D. Norris
A.L.Schiebroek

Disclosure of information to auditor

The directors who held office at the date of approval of the financial statements confirm that, in so far as they are aware, there is no relevant audit information of which the Company's auditor is unaware; and each director has taken all steps that they ought to have taken as director to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information

This confirmation is given and should be interpreted in accordance with the 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 Deloitte LLP will therefore continue in office.

By order of the board

A Schiebroek
Director

Abenbury Way
Wrexham Industrial Estate
Wrexham
Clywd
LL13 9UZ
Date: July 23 2018

Director's responsibilities statement

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), 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 UK Holdings Limited

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of Cytec UK Holdings Limited (the 'company'):

- give a true and fair view of the state of the company's affairs as at 31 December 2017 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice including Financial Reporting Standard 101 "Reduced Disclosure Framework"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the profit and loss account;
- the balance sheet;
- the statement of changes in equity; and
- the related notes 1 to 12.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs(UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We are required by ISAs (UK) to report in respect of the following matters where:

- the directors' use of the going concern basis of accounting in preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

We have nothing to report in respect of these matters.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Independent auditor's report to the members of Cytec UK Holdings Limited (continued)

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in respect of these matters.

Responsibilities of directors

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, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

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.

Report on other legal and regulatory requirements

Opinions 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 strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Independent auditor's report to the members of Cytec UK Holdings Limited (continued)

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 strategic report or the directors' report.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in respect of these matters.

Peter Gallimore FCA (Senior statutory auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
Birmingham, United Kingdom

Date: July 23 2018

Profit and loss account
for the year ended 31 December 2017

	Note	2017 £000	2016 £000
Administrative expenses		(81)	(225)
Operating loss		(81)	(225)
Interest receivable and similar income	4	2	15
Interest payable and similar expenses	5	(1,466)	(4,972)
Impairment Losses	7	(101,136)	-
Dividend income from shares in subsidiary companies		14,617	-
Loss before taxation		(88,064)	(5,182)
Tax on loss	6	474	821
Loss for the financial year		(87,590)	(4,361)

There was no comprehensive income other than that disclosed in the profit and loss account, in either the current or preceding year.

All the activities of the company are classed as continuing.

Balance sheet
as at 31 December 2017

	Note	2017 £000	2017 £000	2016 £000	2016 £000
Fixed assets					
Investments	7		286,275		387,411
Current assets					
Debtors	8	1,758		2,573	
Creditors: amounts falling due within one year	9	(580)		(14,941)	
Net current assets / (liabilities)			1,178		(12,368)
Total assets less current liabilities			287,453		375,043
Creditors: amounts falling due after more than one year	9		(120,000)		(120,000)
Net assets			167,453		255,043
Capital and reserves					
Called up share capital	10		73,000		73,000
Share premium account	10		98,955		98,955
Profit and loss account			(4,502)		83,088
			167,453		255,043

The notes on pages 10 to 19 form an integral part of these financial statements.
These financial statements were approved by the board of directors on July 23 2018 and were signed on its behalf by:

A Schiebroek
Director

Company registered number: 02834414

Statement of changes in equity

	Note	Called up share capital £000	Share premium account £000	Profit and loss account £000	Total equity £000
Balance at 1 January 2016		10,000	40,066	87,449	137,515
Total comprehensive income for the year		-	-	(4,361)	(4,361)
Loss for the year		-	-	(4,361)	(4,361)
Issue of share capital	*10*	63,000	-	-	63,000
Issues of share premium	*10*	-	58,889	-	58,889
Total contributions by and distributions to owners		63,000	58,889	-	121,889
Balance at 31 December 2016		**73,000**	**98,955**	**83,088**	**255,043**
Balance at 1 January 2017		73,000	98,955	83,088	255,043
Total comprehensive income for the year		-	-	(87,590)	(87,590)
Loss for the year		-	-	(87,590)	(87,590)
Total contributions by and distributions to owners		-	-	-	-
Balance at 31 December 2017		**73,000**	**98,955**	**(4,502)**	**167,453**

Notes
(forming part of the financial statements)

1 Accounting policies

Cytec UK Holdings Limited (the "Company") is a private company limited by shares, incorporated and registered in the United Kingdom (England and Wales) under the Companies' Act 2006. Its registered address is Abenbury Way, Wrexham Industrial Estate, Wrexham, Clywd, LL13 9UZ.

The principal activities of the company are that of an intermediate holding company for investments in the business of composites, mining chemicals and additive technology chemicals, for use primarily in the automotive, aerospace and leisure industries, and for use in the mining industry and agriculture.

The financial statements are presented in pounds sterling because that is the functional currency of the primary economic environment, in which the Company operates.

The Company is exempt by virtue of s401 of the Companies Act 2006 from the requirement to prepare group financial statements. These financial statements present information about the Company as an individual undertaking and not about its group.

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 as adopted by the EU and are available to the public and may be obtained from Rue De Ransbeek 310, 1120 Brussels, Belgium.

The Company meets the definition of a qualifying entity under FRS 100 'Application of Financial Reporting Requirements' issued by the FRC. Accordingly, these financial statements were prepared in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework'.

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.

As permitted by FRS 101, the Company has taken advantage of the disclosure exemptions available under that standard in relation to:

- A Cash Flow Statement and related notes;
- Disclosures in respect of transactions with wholly owned subsidiaries;
- Disclosures in respect of capital management;
- The effects of new but not yet effective IFRSs and
- Disclosures in respect of the compensation of Key Management Personnel.

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:

- Certain disclosures required by IFRS 3 *Business Combinations* in respect of business combinations undertaken by the Company.
- 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.

Notes *(continued)*

1 Accounting policies *(continued)*

1.1. Measurement convention

The financial statements are prepared on the historical cost basis.

1.2. Going concern

The financial statements have been prepared on the going concern basis which the directors believe to be appropriate for the following reasons. The directors, having assessed the responses of the directors of the company's ultimate controlling party Solvay S.A. to their enquiries have no reason to believe that a material uncertainty exists that may cast significant doubt about the ability of the Solvay group to continue as a going concern.

On the basis of their assessment of the company's financial position and of the enquiries made of the directors of Solvay S.A., 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.

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. Foreign exchange differences arising on translation are recognised in the income statement. 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. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are retranslated to the functional currency at foreign exchange rates ruling at the dates the fair value was determined.

1.4 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.

Investments in subsidiaries

Investments in subsidiaries are carried at cost less impairment.

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.

Notes *(continued)*

1 Accounting policies *(continued)*

1.5 Impairment excluding 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. 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 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.

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" or "CGU").

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.

Notes *(continued)*

1 Accounting policies *(continued)*

1.6 Provisions

A provision is recognised in the balance sheet when the Company has a present legal or constructive obligation as a result of a past event, that can be reliably measured and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects risks specific to the liability.

1.7 Expenses

Interest payable and similar charges

Interest payable is recognised in profit or loss as it accrues, using the effective interest method.

1.8 Revenue

Dividend income and interest revenue

Dividend income from investments is recognised when the shareholders' rights to receive payment have been established (provided that it is probable that the economic benefits will flow to the Company and the amount of revenue can be measured reliably).

Interest income is recognised when it is probable that the economic benefits will flow to the Company and the amount of revenue can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

1.9 Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the income statement 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.

Notes *(continued)*

2 Auditor's remuneration

Auditor's remuneration payable to the company's auditors for the audit of the financial statements was £9,000 *(2016: £9,000).*

No non-audit services were provided in the current or prior year.

3 Directors' remuneration

Directors' emoluments have been borne by another group company. The directors of the company are also directors or officers of a number of the companies within the group and their services to the company do not occupy a significant amount of their time. As such the directors do not consider that they have received any remuneration for their incidental services to the company for the years ended 31 December 2017 or 31 December 2016.

4 Interest receivable and similar income

	2017 £000	2016 £000
Interest income on unimpaired financial assets	**2**	15
Total interest receivable and similar income	**2**	15

Interest receivable and similar income includes income from group undertakings of £2,000 *(2016: £15,000).*

5 Interest payable and similar expenses

	2017 £ 000	2016 £ 000
Interest expense on financial liabilities measured at amortised cost	**1,466**	4,972
Total interest payable and similar expenses	**1,466**	4,972

Interest payable and similar expenses includes interest payable to group undertakings £1,465,000 *(2016: £4,532,000)*

Notes *(continued)*

6 Taxation

Recognised in the profit and loss account

	2017		2016	
	£000	£000	£000	£000
UK corporation tax				
Current tax on loss for the year	297		821	
Adjustments in respect of prior years	177		-	
Tax on loss		474		821

Corporation tax is calculated at 19.25% *(2016: 20%)* of the estimated taxable profit for the year.

The credit for the year can be reconciled to the profit and loss account and other comprehensive income as follows;

	2017	2016
	£000	£000
Loss before taxation	(88,064)	(5,182)
Loss before taxation multiplied by standard rate of corporation tax 19.25% *(2016: 20%)*	16,952	1,036
Effects of		
Non-deductible expenses	(19,469)	(215)
Non-taxable income	2,814	-
Overprovided in previous years	177	-
Total tax credit for the year	474	821

A reduction to the UK corporation tax rate from 21% to 20% took effect from 1 April 2015. Finance (No.2) Act 2015 The Act included provisions to reduce the rate of corporation tax to 19% with effect from 1 April 2017 and 18% from 1 April 2020. Finance Act 2016 included a further reduction to the corporation tax rate to 17% from 1 April 2020.

Notes *(continued)*

7 Fixed asset investments

Shares in group undertakings

		2017	2016
		£000	£000
Cost			
At 1 January		387,411	387,411
Additions		-	-
Disposals		-	-
At 31 December		387,411	387,411
Provisions			
At 1 January		-	-
Provided in the year			
Umeco Ltd.	(80,155)		
Cytec Industries UK Ltd	(14,300)		
Penso Holdings Ltd	(6,681)		
		(101,136)	-
At 31 December		(101,136)	-
Net book value			
At 31 December		286,275	387,411

The carrying amount of the investment in Umeco Ltd has been reduced from £272,562,000 to £192,407,000, the net asset value less investments of Umeco Ltd and its subsidiaries. A subsidiary of Umeco Ltd incurred an unexpected loss after tax in 2017. Such losses may also arise in future years, triggering the impairment.

In preparation for its dissolution, Cytec Industries UK Ltd, reduced its share capital to £1 in December 2017 and distributed by way of dividend its retained earnings to the Company. On receipt of the dividend of £14,617,000 the Company recorded an impairment of £14,300,000 to revise the carrying amount to £1. Cytec Industries UK Ltd was dissolved on May 8 2018.

On July 16 2018 Penso Holdings Ltd increased its share capital by issuing new shares to a non-Solvay group company. The new share issue reduced Cytec UK Holdings Limited shareholding ownership to 15% and indicated the investment as at 31 December 2017 was impaired. The investment carrying value has been impaired to the equivalent per share value paid by the new shareholder.

Notes *(continued)*

7 Fixed asset investments (continued)

The Company has the following investments in subsidiaries:

	Registered Address Note	Class of shares held	Ownership 2017	2016
Cytec Industries UK Ltd	i	Ordinary	**100%**	100%
Cytec Engineered Materials Ltd	i	Ordinary	**100%**	100%
Cytec Industries BV	ii	Ordinary	**100%**	100%
Cytec Engineered Materials GmbH	*iii*	Ordinary	**90%**	90%
Umeco Ltd	iv	Ordinary	**100%**	100%
Penso Holdings Ltd	v	Ordinary	**20%**	20%
Cytec Russia OOO	vi	Ordinary	**1%**	1%

Registered Address

i) Abenbury Way , Wrexham Industrial Estate, Wrexham, Clywd, LL13 9UZ, U.K.
ii) Burgemeester van Lierplein 75, 3134 ZB Vlaardingen, The Netherlands.
iii) Industriestrasse 3, 76684 Ostringen, Germany.
iv) Composites House, Sinclair Close, Heanor, Derbyshire, DE75 7SP, U.K.
v) 2 Woodhams Road, Coventry, Warwickshire, CV3 4FX, U.K.
vi) Building 4, 72 Leningradskiy Avenue, 125315 Moscow, Russia.

8 Debtors

	2017 £000	2016 £000
Amounts owed by fellow group undertakings	**1,460**	1,751
Corporation tax	**297**	821
Other debtors	**1**	1
Due within one year	**1,758**	2,573

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

9 Creditors

Amounts falling due within one year

	2017 £000	2016 £000
Accruals and deferred income	**17**	25
Amount owed to fellow group undertakings (loan interest)	**563**	16
Amounts owed to subsidiaries (loans)	**-**	14,900
	580	14,941

Amounts falling due in more than one year

	2017 £000	2016 £000
Amounts owed to fellow group undertakings (loans)	**120,000**	120,000

Notes *(continued)*

9 Creditors (continued)

This note provides information about the contractual terms of the Company's interest-bearing loans and borrowings, which are measured at amortised cost.

	2017 £000	2016 £000
Creditors falling due more than one year		
Debenture loans	**120,000**	120,000
	120,000	120,000
Creditors falling due within less than one year		
Debenture loans	-	14,900
	-	14,900

Debenture loans: Terms and debt repayment schedule

	Currency	Nominal interest rate	Year of maturity	Carrying amount 2017 £000	Carrying amount 2016 £000
Intercompany Loan Cytec Industries UK Limited	GBP	0.00%	2017	-	14,900
Intercompany Loan Solvay SA	GBP	1.215%	2019	**120,000**	120,000
				120,000	134,900

10 Capital and reserves

Share capital

	2017 £000	2016 £000
Authorised, allotted, called up and fully paid		
Ordinary shares of £1 each		
At beginning of year 73,000,003 (2016: 10,000,001)	**73,000**	10,000
Issued during 2016 (63,000,002 ordinary shares at £1)	-	63,000
	73,000	73,000

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.

Notes *(continued)*

10 Capital and reserves (continued)

Share premium account

	2017	2016
	£000	£000
At beginning of year	**98,955**	40,066
Share premium received during 2016 for 63,000,002 ordinary shares	-	58,889
	98,955	98,955

11 Ultimate parent company and parent company of larger group

The Company is a subsidiary undertaking of Cytec Luxembourg International Holding sarl. The ultimate controlling party is Solvay S.A.(Belgium).

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

12 Accounting estimates and judgements

Key sources of estimation uncertainty

The preparation of the financial statements requires the Company to make estimates and assumptions that affect the application of policies and reported amounts. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are considered to be reasonable under the circumstances. Actual results may differ from these estimates. The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are:

Investment Valuation

Investments in subsidiaries are carried at cost less impairment. They are assessed at each reporting date to determine whether there is objective evidence that the asset is impaired. In determining the recoverable amounts, management must estimate the quantum and timing of future cash flows from the subsidiary. Impairment changes are recognised where the calculated recoverable amount is lower than the investment carrying value.

Critical accounting judgements in applying the Company's accounting policies

The directors do not consider that there are any critical accounting judgements in applying the Company's accounting policies.