

**ICO (UK) Limited**

**ICO (UK) Limited**

**Directors' report and financial statements  
for the year ended 31 August 2012**

Registered number 3261137

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# **ICO (UK) Limited**

## **Directors' report and financial statements for the year ended 31 August 2012**

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# **ICO (UK) Limited**

## **Directors' report for the year ended 31 August 2012**

Registered number 3261137

The directors present their report and the audited financial statements of the company for the year ended 31 August 2012

### **Business review and principal activities**

ICO (UK) Limited operates from a single site in the United Kingdom. The principal activities of the company are the provision of custom particle size reduction services for plastics and non-plastic material, and the manufacture and supply of polymer powder. The company also acts as a distributor of raw material polymer granules to the plastics industry.

During the year the Company continued with its integration initiatives with the implementation of the Parent Company's ERP solution. The directors are satisfied that the new system implementation has been a success and that the disruption to the operation of the business was minimised during the current financial year.

The results for the year and the financial position at the period end were considered to be excellent by the directors given the current economic / market conditions.

### **Results and dividends**

The results of the company for the year show a profit on ordinary activities before taxation of £1,307,000 (2011 £3,428,000) and turnover of £28,322,000 (2011 £32,122,000). The directors do not recommend the payment of a dividend (2011 £nil).

### **Business environment**

The market for particle size reduction in the United Kingdom and Europe is highly competitive and challenges exist both from United Kingdom based competitors and imports from other member states of the EC.

The market for ICO (UK) Limited's principal products continues to expand due to the potential cost savings the end user gains by converting their products to polymer based products. However the impact of the current economic conditions has provided significant challenges for our end customers, resulting in lower overall demand in the marketplace.

### **Financial risk management policy**

The company operates in a framework of tight financial and non financial internal controls, ensuring that the local management operate in line with the overall objectives of the parent company. These internal controls are audited on a regular basis by the group internal control department.

# ICO (UK) Limited

## Directors' report for the year ended 31 August 2012 (continued)

### Strategy

The company's overriding objective is to achieve attractive and sustainable rates of growth, principally through organic growth

There are four key elements to the company's strategy for growth

- 1 Provide products that conform to ICO (UK) Limited's highest quality standards, whilst providing these benefits to our customers at the lowest possible cost
- 2 Provide the highest level of service to both new and existing customers to enable them to maximise the added value inherent in the ICO (UK) Limited product range
- 3 Continue to provide the necessary financial and manpower investment to ensure that we continue in the development of our current product range, ensuring that we meet the challenges of our customers in the future
- 4 Strive to recruit and retain the best employees in our local market

### Future outlook

ICO (UK) Limited strives to maximise competitive advantage within our own markets by ensuring we maintain our approach of maximising value for the benefit of our customers through the continued implementation of our strategic plan

### Principal risks and uncertainties

The management of the business and the execution of the company's strategy are subject to a number of risks. The key business risks affecting the company are set out below

#### *Competition*

The company operates in a very competitive market particularly around price and product availability. This results not only in downward pressure on product margins but also in the risk that we will not meet our customers' expectations. In order to mitigate this risk our sales team monitors market prices on an ongoing basis and uses this information to set product pricing on a monthly basis and ensure product availability through the use of internal management information systems.

#### *Supply chain*

The company is reliant on its continued supply of polymer raw materials to maintain its primary business interests. It is essential that we manage and expand our supply chain to ensure that restrictions of supply do not affect the throughput of the company's production facilities in the short to medium term. In order to mitigate this risk we continue to source raw materials from a large number of suppliers, backed up by the available worldwide resources of the A Schulman Group.

# ICO (UK) Limited

## Directors' report for the year ended 31 August 2012 (continued)

### Key performance indicators

Performance during the period, together with historical trend data, is set out in the table below

	Year ended 31 August 2012	Year ended 31 August 2011	Definition, method of calculation and analysis
Growth in sales (%)	-12.0	+22.0	Year on year sales growth expressed as a percentage. Negative growth of 12% was due to the significant reduction in raw material prices throughout the period being passed onto customers in terms of sales price. In the year sales volumes were lower due to economic conditions, however polymer price reductions caused sales prices to be reduced also.
Profit/Sales turnover (%)	4.6	5.5	Pre-tax profit excluding exceptional items as a percentage of total sales turnover. Profit margins before tax deteriorated due to the impact of volume pressures on Gross margin performance. In addition to this fixed overhead costs increased due to one off items.
Gross profit/Sales turnover (%)	15.7	14.9	Gross profit as a percentage of total sales turnover. Margins on sales improved due to a change in product mix and improved purchasing and manufacturing efficiencies.
Operating costs/Sales turnover (%)	11.0	9.1	Operating costs (distribution costs and administrative expenses) as a percentage of the total sales turnover. This ratio increased significantly due mainly to the reduction in sales turnover, however operating costs did increase due to one off costs eg Redundancy / Bad Debts.

### Directors

The directors who held office during the year and up to the date of signing the financial statements unless where otherwise stated are as follows:

R Stanworth  
H Lingnau  
P Speak

### Political and charitable donations

Charitable donations amounting to £nil (2011: £nil) were made during the year. There were no political donations (2011: £nil).

# ICO (UK) Limited

## Directors' report for the year ended 31 August 2012 (continued)

### Statement of directors' responsibilities

The directors are responsible for preparing the Directors' report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law 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 year. 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 financial statements,
- 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.

### Disclosure of information to auditors

In the case of each director in office at the date the Directors' report is approved, that

- (a) so far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware, and
- (b) they have taken all the steps that they need to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

On behalf of the Board

R Stanworth

Director



8<sup>th</sup> January 2013

# **ICO (UK) Limited**

## **Independent auditors' report to the members of ICO (UK) Limited**

We have audited the financial statements of ICO (UK) Limited for the year ended 31 August 2012 which comprise the Profit and Loss account, the Balance Sheet and the related notes. 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).

### **Respective responsibilities of directors and auditors**

As explained more fully in the statement of directors' responsibilities set out on page 6 the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

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.

### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Directors' report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

### **Opinion on financial statements**

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 August 2012 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.

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

In our opinion the information given in the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

## **ICO (UK) Limited**

### **Independent auditors' report to the members of ICO (UK) Limited (continued)**

#### **Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, 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

*David Martin*

David Martin (Senior Statutory Auditor)  
For and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
East Midlands

*9 January 2013*



# ICO (UK) Limited

## Profit and loss account for the year ended 31 August 2012

Registered number 3261137

	Note	Year ended 31 Aug 2012	Year ended 31 Aug 2011
		£'000	£'000
<b>Turnover</b>	2	<b>28,322</b>	32,122
Cost of sales		<b>(23,857)</b>	(27,333)
Gross profit		<b>4,465</b>	4,789
Distribution costs		<b>(873)</b>	(965)
Administrative expenses		<b>(2,236)</b>	(1,965)
<b>Operating profit</b>	3	<b>1,356</b>	1,859
Income from other group undertakings		-	4,493
Amounts written off investments		-	(2,843)
Interest receivable and similar income		2	1
Interest payable and similar charges	4	<b>(51)</b>	(82)
<b>Profit on ordinary activities before taxation</b>		<b>1,307</b>	3,428
Tax on profit on ordinary activities	6	<b>(369)</b>	(533)
<b>Profit for the financial year</b>		<b>938</b>	2,895

There are no recognised gains or losses other than the profit for the financial year above, and therefore no separate statement of total recognised gains and losses has been presented

All results derive from continuing operations

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

The accompanying notes on pages 11 to 25 form an integral part of these financial statements

# ICO (UK) Limited

## Balance sheet as at 31 August 2012

Registered number 3261137

Note

		31 Aug 2012 £'000	31 Aug 2011 £'000
<b>Fixed assets</b>			
Intangible assets	7	641	746
Tangible assets	8	1,852	2,051
		<b>2,493</b>	<b>2,797</b>
<b>Current assets</b>			
Stocks	9	3,154	2,565
Debtors	10	6,749	6,172
Cash at bank and in hand		138	3,177
		<b>10,041</b>	<b>11,914</b>
<b>Creditors: amounts falling due within one year</b>	11	<b>(5,511)</b>	<b>(8,609)</b>
<b>Net current assets</b>		<b>4,530</b>	<b>3,305</b>
<b>Total assets less current liabilities</b>		<b>7,023</b>	<b>6,102</b>
<b>Creditors amounts falling due after more than one year</b>	12	<b>(65)</b>	<b>(77)</b>
<b>Provisions for liabilities</b>	6	<b>(93)</b>	<b>(98)</b>
<b>Net assets</b>		<b>6,865</b>	<b>5,927</b>
<b>Capital and reserves</b>			
Called up share capital	15	1,194	1,194
Share premium account	16	2,896	2,896
Profit and loss account	16	2,775	1,837
<b>Total shareholders' funds</b>	17	<b>6,865</b>	<b>5,927</b>

The financial statements on pages 8 to 25 were approved by the Board of directors on and were signed on its behalf by

R Stanworth  
Director



8<sup>th</sup> January 2013

# ICO (UK) Limited

## Notes to the financial statements for the year ended 31 August 2012

### 1 Accounting policies

#### Basis of accounting

The financial statements are prepared on the going concern basis, under the historical cost convention and in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom. The principal accounting policies, which have been applied consistently throughout the year are set out below.

#### Exemption from preparing group financial statements

The financial statements contain information about ICO (UK) Limited as an individual company and do not contain consolidated financial information as the parent of a group. The company is exempt under section 400 of the Companies Act 2006 from the requirement to prepare consolidated financial statements as the company's results are consolidated into the financial statements of its immediate parent undertaking (as detailed in note 20) which is established under the law of an EEA state.

#### Turnover

Turnover represents the invoiced value of goods and services supplied, net of value added tax and trade discounts. Turnover is recognised when goods are delivered to customer premises or in the case of ex-works deliveries when goods leave the company's premises.

Revenue is recognised when the customer takes legal ownership of the goods or in the case of services, when the service is completed.

#### Goodwill

Goodwill represents the excess of the fair value of the consideration given over the fair value of the identifiable net assets acquired. Goodwill is eliminated by amortisation through the profit and loss account over its estimated useful economic life of nineteen years. The company evaluates the carrying value of goodwill in each financial year to determine if there has been an impairment in value, which would result in the inability to recover the carrying amount. When it is determined that the carrying value exceeds the recoverable amount, the excess is written off to the profit and loss account.

#### Fixed assets and depreciation

The cost of the tangible fixed assets includes the original purchase price of the assets and the costs attributable to bringing the assets to their working condition for their intended use.

Tangible fixed assets are stated at historic purchase cost less accumulated depreciation.

Depreciation is calculated so as to write off the cost of tangible fixed assets, less their estimated residual values, on a straight line basis over the expected useful economic lives of the assets concerned. The principal annual rates used for this purpose are:

Freehold buildings	3.33%
Land improvements	5.00%
Plant and machinery	10.00%
Motor vehicles	33.33%
Fixtures and fittings	10.00%

Freehold land is not depreciated and assets under construction are not depreciated until they are in use.

Impairment reviews are carried out by the directors when there has been an indication of potential impairment to a specific asset.

Additional depreciation may be charged where the directors consider there to have been impairment in the underlying value of an asset.

# **ICO (UK) Limited**

## **Notes to the financial statements for the year ended 31 August 2012 (continued)**

### **1 Accounting policies (continued)**

#### **Operating leases**

Costs in respect of operating leases are charged to the profit and loss account on a straight line basis over the lease term

#### **Government grants**

Grants that relate to specific capital expenditure are treated as deferred income which is then credited to the profit and loss account over the related asset's useful life. Other grants are credited to the profit and loss account when received.

#### **Stocks**

Stocks are stated at the lower of cost and net realisable value, net realisable value is the price at which stock can be sold in the normal course of business after allowing for the costs of realisation.

The cost of stock is determined by using the weighted average method for calculation.

Stock provisions are made in cases where stocks can be categorised as either obsolete, slow moving or defective. A review of stocks is carried out on a monthly basis to determine whether stock provisions are necessary.

#### **Foreign currencies**

During the accounting period transactions of income and expenditure are translated at the rate specified for the relevant period. The rate of exchange is set on a monthly basis for all transactions carried out in period and gains or losses on translation are included in the profit and loss account.

Monetary trading assets and liabilities expressed in foreign currencies at the period end are translated into sterling at a rate of exchange specified at the end of the financial period.

#### **Deferred taxation**

Provision is made for deferred tax, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes that have arisen but not reversed by the balance sheet date, except as otherwise required by Financial Reporting Standard 19 "Deferred Tax". Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered.

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 substantively enacted by the balance sheet date.

#### **Pension costs**

The company makes contributions to personal pension plans. Contributions are charged to the profit and loss account in the year in which they are due.

The company provides no other post retirement benefits to its employees.

# **ICO (UK) Limited**

## **Notes to the financial statements for the year ended 31 August 2012 (continued)**

### **1 Accounting policies (continued)**

#### **Related party transactions**

The company has taken advantage of the exemption given in Financial Reporting Standard 8 "Related Party Disclosure" to wholly owned subsidiaries in not disclosing transactions with fellow group companies

#### **Fixed Asset Investments**

Investments held as fixed assets are stated at cost less any provision for impairment in value

Impairment reviews are carried out by the directors when there has been an indication of potential impairment to a specific asset or investment

#### **Cash flow statement**

The company takes advantage of the exemption in Financial Reporting Standard 1 (revised 1996) "Cash Flow Statements" not to prepare a cash flow statement on the grounds that the company is a wholly owned subsidiary whose ultimate parent prepares consolidated financial statements which are publicly available

### **2 Turnover**

Turnover, which excludes value added tax and trade discounts, represents the amount of goods and services supplied. Turnover, operating profit and net assets are all in respect of the company's principal activity. 79% (2011: 80%) of sales are made within the United Kingdom with the majority of the remainder being to the rest of Europe

# ICO (UK) Limited

## Notes to the financial statements for the year ended 31 August 2012 (continued)

### 3 Operating profit

The operating profit is stated after charging

	Year ended 31 Aug 2012	Year ended 31 Aug 2011
	£'000	£'000
Depreciation of tangible fixed assets (note 8)	266	249
Amortisation of intangible fixed assets (note 7)	105	105
Amortisation of government grants (note 14)	(12)	(12)
Loss on sale of tangible fixed assets	2	-
Operating lease rentals		
Other	28	22
Plant and machinery	48	46
Exchange loss / (gain)	105	(65)
Auditors' remuneration		
- in respect of audit services	34	32

### 4 Interest payable and similar charges

	Year ended 31 Aug 2012	Year ended 31 Aug 2011
	£'000	£'000
Interest payable		
- on intercompany loans	51	82
	51	82

# ICO (UK) Limited

## Notes to the financial statements for the year ended 31 August 2012 (continued)

### 5 Employee information and directors' remuneration

Employee costs during the period comprise

	Year ended 31 Aug 2012	Year ended 31 Aug 2011
	£'000	£'000
Wages and salaries	2,049	2,078
Social security costs	206	213
Other pension costs (note 18)	135	130
	2,390	2,421

The average monthly number of persons employed by the company during the period, including directors, were

	Year ended 31 Aug 2012	Year ended 31 Aug 2011
	Number	Number
Production	52	58
Administration	24	22
	76	80

The aggregate emoluments of the directors during the period were £nil (2011 £ nil)

H Lingnau, R Stanworth and P Speek did not receive any emoluments for the company in respect of their services to the company. Their costs were paid by a parent undertaking and, under the rules of an intercompany service recharge agreement, a portion of these costs have been recharged to the company. Total company contributions to a money purchase pension scheme in respect of directors was £nil (2011 £nil). The number of directors accruing benefits under the money purchase pension scheme is nil (2011 nil).

# ICO (UK) Limited

## Notes to the financial statements for the year ended 31 August 2012 (continued)

### 6 Tax on profit on ordinary activities

The tax for the period comprises

	Year ended 31 Aug 2012	Year ended 31 Aug 2011
	£'000	£'000
<b>Current Tax</b>		
UK corporation tax on profits of the period	375	533
Adjustments in respect of prior period	-	-
<b>Total current tax</b>	<b>375</b>	<b>533</b>
<b>Deferred tax</b>		
Origination and reversal of timing differences	(6)	11
Impact of change in tax rate used for deferred tax calculation and recognition	-	(11)
Adjustment in respect of prior period	-	-
<b>Total deferred tax</b>	<b>(6)</b>	<b>-</b>
<b>Tax on profit on ordinary activities</b>	<b>369</b>	<b>533</b>



# ICO (UK) Limited

## Notes to the financial statements for the year ended 31 August 2012 (continued)

### 6 Tax on profit on ordinary activities (continued)

The tax assessed for the year is lower (2011: lower) than the standard effective rate of corporation tax in the UK of 25.17% (2011: 27.17%). The differences are explained below:

	Year ended 31 Aug 2012	Year ended 31 Aug 2011
	£'000	£'000
<b>Profit on ordinary activities before taxation</b>	<b>1,307</b>	<b>3,428</b>
Profit on ordinary activities multiplied by standard effective rate of Corporation tax in the UK of 25.17% (2011: 27.17%)	329	931
Effects of:		
Income not taxable	-	(1,220)
Expenses not deductible for tax purposes	58	833
Withholding tax adjustment	(18)	-
Capital allowances in excess of depreciation	6	(11)
<b>Current tax charge for the year</b>	<b>375</b>	<b>533</b>

#### Deferred tax

The movement in the deferred tax liability is as follows:

	£'000
At 1 September 2011	(98)
Charge to the profit and loss account	6
<b>As at 31 August 2012</b>	<b>(93)</b>

# ICO (UK) Limited

## Notes to the financial statements for the year ended 31 August 2012 (continued)

### 6 Tax on profit on ordinary activities (continued)

The deferred taxation liability at 24% (2011 25%) is as follows	Year ended 31 Aug 2012	Year ended 31 Aug 2011
	£'000	£'000
Accelerated capital allowances	105	110
Short term timing differences	(4)	(4)
Losses	(8)	(8)
<b>Deferred tax liability</b>	<b>93</b>	<b>98</b>

#### Factors affecting current and future tax charges

A number of changes that were announced in the Finance Act 2012 on 17 July 2012 to reduce the main rate of corporation tax from 26% to 24%, this was substantially enacted effective 1 April 2012. The effect of this is negligible to the financial statements.

Further reduction to the main corporation tax rate were announced in the UK Budget 2012 on 21 March 2012 and passed into law based on the UK Finance Act 2012 on 17 July 2012. These changes which are expected to be enacted separately each year, reduce the rate by 1% per annum to 23% by 1 April 2013. The changes have been substantively enacted at the balance sheet date and, therefore, are recognised in these financial statements.

In addition to the changes in rates of Corporation tax disclosed above further changes to the UK Corporation tax system were announced in the Autumn statement 2012. This includes a further reduction to the main rate to reduce the rate to 21% from 1 April 2014. This change had not been substantively enacted at the balance sheet date and, therefore, is not included in these financial statements.

The proposed reduction of the main rate of corporation tax to 21% from 1 April 2014 will be enacted separately. The overall effect of this further change, if it applied to the deferred tax balance at the balance sheet date, would be to further reduce the deferred tax liability by an additional £6k.

The effect of this is negligible to the financial statements.

# ICO (UK) Limited

## Notes to the financial statements for the year ended 31 August 2012 (continued)

### 7 Intangible assets

	<b>Goodwill Total</b>
	<b>£'000</b>
<b>Cost</b>	
<b>At 1 September 2011 and 31 August 2012</b>	<b>2,000</b>
<b>Accumulated amortisation</b>	
At 1 September 2011	1,254
Charge for the period	105
<b>At 31 August 2012</b>	<b>1,359</b>
<b>Net book amount</b>	
<b>At 31 August 2012</b>	<b>641</b>
At 31 August 2011	746

The goodwill in ICO (UK) Limited, arose on 1 October 1999 when the trade and assets of Wedco Technology UK Limited, ICO Polymers (UK) Limited and Rotec Chemicals Limited were transferred to ICO (UK) Limited at book value £2,000,000 of goodwill for the trade of Rotec Chemicals Limited

# ICO (UK) Limited

## Notes to the financial statements for the year ended 31 August 2012 (continued)

### 8 Tangible Fixed Assets

	Freehold land and buildings	Plant and machinery	Fixtures and fittings	Motor vehicles	Construction in progress	Total
	£'000	£'000	£'000	£'000	£'000	£'000
<b>Cost</b>						
At 1 September 2011	2,612	5,210	479	6	20	8,327
Additions	-	161	10	-	(20)	151
Disposals	-	(84)	-	-	-	(84)
<b>At 31 August 2012</b>	<b>2,612</b>	<b>5,287</b>	<b>489</b>	<b>6</b>	<b>-</b>	<b>8,394</b>
<b>Accumulated depreciation</b>						
At 1 September 2011	1,428	4,395	447	6	-	6,276
Charge for the year	74	178	14	-	-	266
On disposals	-	-	-	-	-	-
<b>At 31 August 2012</b>	<b>1,502</b>	<b>4,573</b>	<b>461</b>	<b>6</b>	<b>-</b>	<b>6,542</b>
<b>Net book amount</b>						
<b>At 31 August 2012</b>	<b>1,110</b>	<b>714</b>	<b>28</b>	<b>-</b>	<b>-</b>	<b>1,852</b>
At 31 August 2011	1,184	815	32	-	20	2,051

Included within the 'Freehold land and buildings' cost is freehold land amounting to £270,000 (2011 £270,000) which is not depreciated

Company capital commitments at the period end totalled £35,000 (2011 £ 37,000)

# ICO (UK) Limited

## Notes to the financial statements for the year ended 31 August 2012 (continued)

### 9 Stocks

	31 Aug 2012	31 Aug 2011
	£'000	£'000
Raw materials and consumables	1,820	965
Finished goods	1,334	1,600
	3,154	2,565

### 10 Debtors

	31 Aug 2012	31 Aug 2011
	£'000	£'000
Trade debtors	4,940	5,302
Amounts owed by group undertakings	1,693	822
Prepayments	116	48
	6,749	6,172

Included in amounts owed by group undertakings is an amount of £1,478,000 (2011 £283,000) relating to a loan receivable (cashpool mechanism) receiving interest at a rate of 0.20%. The interest rate is assessed on a 3 monthly basis. The remainder of the amount is interest free. The total amounts owed by group undertakings are unsecured and repayable on demand.

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

# ICO (UK) Limited

## Notes to the financial statements for the year ended 31 August 2012 (continued)

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

	31 Aug 2012	31 Aug 2011
	£'000	£'000
Trade creditors	4,331	4,608
Amounts owed to group undertakings	268	405
Intercompany loans	127	2,569
Corporation tax	181	276
Other taxation and social security	291	400
Accruals and deferred income	313	351
	5,511	8,609

Amounts owed to group undertakings are unsecured, not interest bearing and are repayable on demand

#### Intercompany loans - maturity analysis

The inter company loan balance in 2012, which is payable on demand comprises

A loan payable of £127,000 (2010 £nil) incurring interest at a rate of 0.024% (Euro Cashpool mechanism)

To aid comparison with the prior year the details of the loan from A Schulman International BV, £2,569,000 incurring interest at a rate of 3.371% was fully repaid during the financial year ended 31 August 2012

	31 Aug 2012	31 Aug 2011
	£'000	£'000
A Schulman International BV	127	2,569
	127	2,569

# ICO (UK) Limited

## Notes to the financial statements for the year ended 31 August 2012 (continued)

### 12 Creditors: amounts falling due after more than one year

	31 Aug 2012	31 Aug 2011
	£'000	£'000
Government grants (note 14)	65	77

### 13 Operating lease commitments

The company has the following annual financial commitments in respect of non-cancellable operating leases for assets other than land and buildings expiring as follows

	31 Aug 2012	31 Aug 2011
	£'000	£'000
Expiring within one period	1	5
Expiring within two to five periods	55	43
	56	48

### 14 Government grants

	31 Aug 2012	31 Aug 2011
	£'000	£'000
At 1 September	77	89
Amortisation in the year (note 3)	(12)	(12)
At 31 August	65	77

# ICO (UK) Limited

## Notes to the financial statements for the year ended 31 August 2012 (continued)

### 15 Called up share capital

	31 Aug 2012	31 Aug 2011
	£'000	£'000
<b>Allotted and fully paid:</b>		
(2012 1,193,906) ordinary shares of £1 each	1,194	1,194

### 16 Reserves

	Profit and loss account	Share premium account
	£'000	£'000
At 1 September 2011	1,837	2,896
Profit for the financial year	938	-
<b>At 31 August 2012</b>	<b>2,775</b>	<b>2,896</b>

### 17 Reconciliation of movement in shareholders' funds

	31 Aug 2012	31 Aug 2011
	£'000	£'000
Profit for the financial year	938	2,895
Opening shareholders' funds	5,927	3,032
<b>Closing shareholders' funds</b>	<b>6,865</b>	<b>5,927</b>



# **ICO (UK) Limited**

## **Notes to the financial statements for the year ended 31 August 2012 (continued)**

### **18 Pensions**

The company participates in a defined contribution personal pension scheme operated by Friends Provident for its employees

The total pension cost for the company was £135,000 (2011 £130,000) An amount of £20,000 (2011 £15,000) is outstanding at the period end in respect of pension costs

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

The 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 NL 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