

A Schulman Gainsborough Limited

Annual report and financial statements for the year ended 31 August 2018

Company registration number: 03261137



A SCHULMAN GAINSBOROUGH LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR
ENDED 31 AUGUST 2018

Contents

	Page
Officers and professional advisers	2
Strategic report	3
Directors' report	5
Independent auditors' report to the members of A Schulman Gainsborough Limited	8
Income Statement	10
Statement of Comprehensive Income	11
Statement of Financial Position	12
Statement of Changes in Equity	13
Notes to the financial statements	14

A SCHULMAN GAINSBOROUGH LIMITED

OFFICERS AND PROFESSIONAL ADVISERS

Directors

C Bridle
C Cluyse – resigned 22 August 2018
H B Lingnau-Schneider

Company Secretary

C Bridle

Registered Office

Sandars Road
Heapham Road Industrial Estate
Gainsborough
Lincolnshire
DN21 1RZ

Bankers

Bank of America NA
2 King Edward Street
London
EC1A 1HQ

Independent Auditors

PricewaterhouseCoopers LLP
One Kingsway
Cardiff
CF10 3PW

A SCHULMAN GAINSBOROUGH LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 AUGUST 2018

The directors present their Strategic Report on the company for the year ended 31 August 2018.

Review of the business

The directors are satisfied with the performance in the year, although performance was adversely affected by increasing materials costs. Sales volumes and revenues increased compared with prior year, however material costs were negatively impacted due to the foreign exchange fluctuations. This resulted in a reduction in gross profit margin of 1.9%. The directors expect operational growth to be limited in the future given the potential risks of Brexit. The main factor negatively impacting the business in the year is the constant pressure on the cost of the company's main materials, as a large proportion are sourced from continental Europe.

Key performance indicators

The directors believe that the key performance indicators ('KPIs') are revenue growth and profitability.

Revenue has increased from £35,097,000 to £35,962,000 as a result of the growth in our added value manufactured polymer compounding & grinding business.

The loss for the financial year was £239,000 (2017: loss £2,122,000) which will be transferred to reserves. This is as a result of the interest payable on the intercompany loan. On 31 August 2018 the long term loan agreement was updated following acquisition. The new long term loan agreement with LYB Finance Company BV, a wholly owned subsidiary of LyondellBasell Group, is now denominated in GBP and has an interest rate of 2.34% per annum. Repayment of the loan is on 31 August 2023. Going forward the directors expect that there will be reduced exposure to translation and interest rate risk.

Cost of sales have increased at a proportionally higher rate than turnover resulting in a decrease in gross profit margins to 11.20% (2017: 13.13%). This is due to a number of factors, including the impact of foreign currency movements on the cost of raw materials purchased, worldwide oil markets plus internal sales where prices are determined by the intercompany transfer pricing policy.

Operating margins decreased in relation to sales to 1.9% (2017: 3.8%). The company has continued its efforts to control costs and to work as efficiently as possible to aid the overall European result.

Employee numbers have reduced through the year and although we have experienced a turnover of staff the impact on the business has been minimal.

Among the non-financial key performance indicators, the directors review the 'cost of quality' in detail, which assesses customer complaints, reasons for credit notes raised and also provides a broad measure of customer satisfaction.

Principal risks and uncertainties

The management of the business is subject to a number of risks including commercial risk, credit risk and pricing risk. The mitigation of these risks has been outlined below.

A SCHULMAN GAINSBOROUGH LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 AUGUST 2018 (continued)

Principal risks and uncertainties (continued)

Commercial risk

The company continues to develop its products and services in order to maintain and develop its market share in the various product groups that it operates. This product development work is ongoing and forms an integral part of our long term plans.

Although the company provides service and product solutions for its customers the core business requires maintenance of relatively high levels of inventory at any point in time. This results in a continual ongoing working capital and pricing risk for the business. The level of risk is controlled by ensuring we manage the sourcing of raw materials and review product / service pricing levels on a monthly basis.

Credit risk

The company has implemented policies that require appropriate credit checks on potential customers before sales are made. The amount of exposure to any individual counterparty is subject to a limit, which is continually reviewed by the senior management team and central credit team.

Financial risk management

The company's operations expose it to a variety of financial risks that include pricing risk, credit risk, and currency risk. The company has in place a risk management process that seeks to limit the adverse effects on the financial performance of the company by monitoring levels of foreign currency exposure, accounts receivable credit exposure and the related finance costs.

In order to ensure stability of cash out flows and hence manage interest rate risk, the company is supported by fellow group operations. The company does not use derivative financial instruments to manage interest rate costs and as such, no hedge accounting is applied.

The policies set by the board of directors are implemented by the company's finance department. The department has a policy and procedures manual that sets out specific guidelines to manage all aspects of financial risk defined above.

Currency risk

The company is exposed to currency risk as a result of its operations. Any requirement for hedging currency exposure is managed centrally in the A Schulman Inc Global Treasury function. The company operates foreign currency bank accounts as it receives receipts and payments in other currencies (mainly euros) as a result of its European operations.

Interest rate cash flow risk

The company has both interest bearing assets and interest bearing liabilities in the form of intercompany cashpool balances covering GBP and Euro currencies. The management of the cashpool activities is carried out by an intercompany Treasury team. In addition to this the company has an interest bearing long term intercompany loan, the details of this are outlined in the group loan agreement.

On behalf of the board



Director : C. Bridle

Date : 9th January 2019

A SCHULMAN GAINSBOROUGH LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 AUGUST 2018

The directors present their Annual Report and the audited financial statements of the company for the year ended 31 August 2018. All amounts disclosed in the financial statements are rounded to the nearest £'000.

Principal activities

The principal activities are the provision of custom particle size reduction services for plastic and non-plastic materials and the manufacture and supply of polymer powder. The company also acts as a distributor of raw material polymer granules to the plastics industry. The company has a manufacturing plant in the UK and sells primarily to UK and Ireland.

Review

The results for the financial year are set out in the Income Statement on page 10. The result for the financial year ended 31 August 2018 after taxation was a £239,000 loss (2017: £2,122,000 loss).

Future developments

The A.Schulman group was acquired by LyondellBasell (LyB) on the 22nd August 2018 and we are now part of a newly created business segment called Advanced Polymer Solutions (APS). These are the early days in the new organisation, but we are very excited about the opportunities that being part of a larger company will offer. Competition in the UK market remains fierce with both established and new producers aggressively chasing business. Margin and market share will again be a challenge across all product ranges and business units, but we hope that the synergies relating to LyB's greater buying power will help us improve. The company will continue to work to drive excellence through Safety, Smart Sales and Smart Savings throughout FY19

Dividends

The directors have not recommended the payment of a dividend in respect of the current year (2017: £nil).

Going concern

The directors believe that preparing the financial statements on the going concern basis is appropriate due to the continued financial support of the ultimate parent company. The directors have received confirmation that LyondellBasell Industries N.V. intend to support the company for at least one year after these financial statements are signed.

Financial risk management

Details of the Company's financial risk management policies can be found within the 'Principal risks and uncertainties' section of the Strategic Report.

Directors

The directors who held office during the year and up to the date of signing the financial statements are given below:

C Bridle

C Cluyse (resigned 22 August 2018)

H B Lingnau-Schneider

Directors during the year had no interests in the shares of any company within the group. H B Lingnau-Schneider is a director of the company's parent company and details of his interests can be found, where applicable, in those financial statements.

A SCHULMAN GAINSBOROUGH LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 AUGUST 2018 (continued)

Third party indemnity provision

The company has made qualifying third party indemnity provisions for the benefit of its directors (which extend to the performance of any duties as a director of any associated company) and these remain in force at the date of this report.

Research and development

The company doesn't have a formal research and development investment programme. There was no expenditure on research and development in the year (2017: £nil).

Employees

The company recognises the benefit of keeping employees informed of the progress of the business and of involving them in the company's performance and, accordingly, maintains regular communications with employees and has well established consultation arrangements.

Disabled employees

The company gives full consideration to applications for employment from disabled persons where the requirements of the job can be adequately fulfilled by a disabled person.

Where existing employees become disabled, it is the company's policy wherever practicable to provide continuing employment under normal terms and conditions and to provide training and career development and promotion wherever appropriate.

Health and safety

The company is committed to ensuring the safety of its employees, our customers and communities. As a global, socially responsible corporate citizen, we will conduct our business with the highest ethical and legal standards. To achieve these goals A Schulman will continue to:

- Comply with applicable environmental, health and safety regulations, laws and A Schulman standards.
- Establish systems and set corporate goals that seek continuous improvement.
- Integrate safety and environmental standards into key business decisions.

Political and charitable donations

The Company made no political or charitable donations in the year (2017: £nil).

Disclosure of information to auditors

Each of the persons who are directors at the time this Directors' Report is approved have confirmed that:

- So far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- Each director has taken all the steps that he/she should have taken as a director to make himself/herself 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 provisions of Section 418 of the Companies Act 2006.

A SCHULMAN GAINSBOROUGH LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 AUGUST 2018 (continued)

Directors' Responsibilities Statement

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

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, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", 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 the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; 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 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.

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.

The directors of the ultimate parent company are responsible for the maintenance and integrity of the of the ultimate parent company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

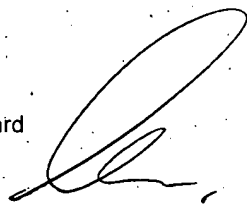
Independent Auditors

The auditors, PricewaterhouseCoopers LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006. PricewaterhouseCoopers LLP have indicated their willingness to continue in office.

On behalf of the board

Director : C Bridle

Date : 9th January 2019



A SCHULMAN GAINSBOROUGH LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF A SCHULMAN GAINSBOROUGH LIMITED

Report on the audit of the financial statements

Opinion

In our opinion, A Schulman Gainsborough Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 August 2018 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual report and financial statements for the year ended 31 August 2018 (the "Annual Report"), which comprise: the statement of financial position as at 31 August 2018; the income statement, the statement of comprehensive income, the statement of changes in equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which ISAs (UK) require us to report to you when:

- the directors' use of the going concern basis of accounting in the 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.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

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 an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of 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 based on these responsibilities.

With respect to the Strategic Report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

A SCHULMAN GAINSBOROUGH LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF A SCHULMAN GAINSBOROUGH LIMITED

Strategic Report and Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and Directors' Report for the year ended 31 August 2018 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic Report and Directors' Report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Directors' Responsibilities Statement set out on page 7, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they 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.

Auditors' 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 auditors' 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 FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

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.

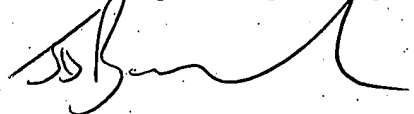
Other required reporting

Companies Act 2006 exception reporting

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

We have no exceptions to report arising from this responsibility.



Jonathan Bound (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Cardiff

9 January 2019

A SCHULMAN GAINSBOROUGH LIMITED

INCOME STATEMENT

	Note	Year ended 31 August	
		2018 £'000	2017 £'000
Turnover	5	35,962	35,097
Cost of sales		(31,930)	(30,490)
Gross profit		4,032	4,607
Distribution costs		(1,059)	(1,087)
Administrative expenses		(2,272)	(2,192)
Operating profit	6	701	1,328
Income from shares in group undertakings	7	-	-
Profit before taxation		701	1,328
Interest receivable and similar income	9	16	8
Interest payable and similar expenses	9	(670)	(3,613)
Net interest expense	9	(654)	(3,605)
Profit / (loss) before taxation		47	(2,277)
Tax on profit / (loss)	10	(286)	155
Loss for the financial year		(239)	(2,122)

A SCHULMAN GAINSBOROUGH LIMITED
STATEMENT OF COMPREHENSIVE INCOME

	Year ended 31 August	
	2018	2017
	£'000	£'000
(Loss) for the financial year	(239)	(2,122)
Other comprehensive income:		
Other comprehensive income	-	-
Total comprehensive expense for the year	(239)	(2,122)

A SCHULMAN GAINSBOROUGH LIMITED

STATEMENT OF FINANCIAL POSITION

		As at 31 August	
	Note	2018 £'000	2017 £'000
Fixed assets			
Intangible assets	11	13	118
Tangible assets	12	1,398	1,370
Investments	13	25,410	25,410
		26,821	26,898
Current assets			
Inventories	14	3,192	3,263
Debtors	15	12,633	12,932
Cash at bank and in hand		13	116
		15,838	16,311
Creditors - amounts falling due within one year	16	(7,492)	(7,067)
Net current assets		8,346	9,244
Total assets less current liabilities		35,167	36,142
Creditors- amounts falling due after more than one year	17	(28,154)	(28,885)
Provisions for other liabilities	19	-	(5)
Net assets		7,013	7,252
Capital and reserves			
Called-up share capital	21	1,194	1,194
Share premium account		2,896	2,896
Retained earnings		2,923	3,162
		7,013	7,252
Total equity			

The notes on pages 14 to 31 are an integral part of these financial statements.

The financial statements on pages 10 to 31 were authorised for issue by the board of directors on 9th January 2019 and were signed on its behalf

Director: C. Bridle

A Schulman Gainsborough Limited
Company registration number: 03261137

A SCHULMAN GAINSBOROUGH LIMITED
STATEMENT OF CHANGES IN EQUITY

	Called up share capital £'000	Share premium £'000	Retained earnings £'000	Total £'000
Balance as at 1 September 2016	1,194	2,896	7,284	11,374
(Loss) for the financial year	-	-	(2,122)	(2,122)
Other comprehensive income for the year	-	-	-	-
Total comprehensive expense	-	-	(2,122)	(2,122)
Dividend Paid	-	-	(2,000)	(2,000)
Balance as at 31 August 2017	1,194	2,896	3,162	7,252
Balance as at 1 September 2017	1,194	2,896	3,162	7,252
(Loss) for the financial year	-	-	(239)	(239)
Other comprehensive income for the year	-	-	-	-
Total comprehensive expense	-	-	(239)	(239)
Balance as at 31 August 2018	1,194	2,896	2,923	7,013

A SCHULMAN GAINSBOROUGH LIMITED

NOTES TO THE FINANCIAL STATEMENTS

1. General Information

A Schulman Gainsborough Limited's ('the company') principal activities are the provision of custom particle size reduction services for plastic and non-plastic materials and the manufacture and supply of polymer powder. The company also acts as a distributor of raw material polymer granules to the plastics industry. The company has a manufacturing plant in the UK and sells primarily to UK and Ireland. The address of the registered office is Sandars Road, Heapham Road Industrial Estate, Gainsborough, Lincolnshire, DN21 1RZ.

2. Statement of compliance

The individual financial statements of A Schulman Gainsborough Limited have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, 'The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland' ('FRS 102') and the Companies Act 2006.

3. Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

(a) Basis of preparation

These financial statements have been prepared on a going concern basis, under the historical cost convention, as modified by the revaluation of certain financial assets and liabilities measured at fair value through profit and loss in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom.

The preparation of financial statements in conformity with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 4.

(b) Going concern

The directors believe that preparing the financial statements on the going concern basis is appropriate due to the continued financial support of the ultimate parent company. The directors have received confirmation that LyondellBasell Industries N.V. intend to support the company for at least one year after these financial statements are signed.

The company meets its day-to-day working capital requirements through its bank facilities. The current economic conditions continue to create uncertainty over (a) the level of demand for the company's products; and (b) the availability of bank finance for the foreseeable future. The company's forecasts and projections, taking account of reasonably possible changes in trading performance, show that the company should be able to operate within the level of its current facilities. After making enquiries, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. The company therefore continues to adopt the going concern basis in preparing its financial statements.

(c) Exemptions for qualifying entities under FRS 102

Cash flow statement and related party disclosures

The company is included in the consolidated financial statements of LyondellBasell Industries N.V. Which will be publicly available. Consequently, as the company is a 100% owned subsidiary, the company has taken advantage of the exemption, under FRS 102 paragraph 1.12(b), from preparing a statement of cash flows, on the basis that it is a qualifying entity and its ultimate parent company, LyondellBasell Industries N.V., includes the company's cash flows in its own consolidated financial statements.

A SCHULMAN GAINSBOROUGH LIMITED

NOTES TO THE FINANCIAL STATEMENTS

3. Summary of significant accounting policies (continued)

The company has taken advantage of the exemption, under FRS 102 paragraph 26.18(b), 26.19 to 26.21 and 26.23, concerning group equity instruments and has not disclosed the share-based payments of any director as they are share-based payment arrangements which concern equity instruments of the Schulman group entity. Equivalent disclosures have been made in the groups consolidated financial statements.

(d) Foreign currency

(i) *Functional and presentation currency*

The company's functional and presentation currency is the pound sterling.

(ii) *Transactions and balances*

Transactions in foreign currencies are translated into sterling at the exchange rate ruling at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the statement of financial position date. Any gain or loss arising from a change in exchange rates subsequent to the date of the transactions is included as an exchange gain or loss in the income statement except when deferred in other comprehensive income as qualifying cash flow hedges.

Non-monetary items measured at historical costs are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the income statement within 'Finance income / (expense)'. All other foreign exchange gains and losses are presented in the profit and loss account within 'Other operating gains / (losses)'.

(e) Turnover recognition

Turnover is measured at the fair value of the consideration received or receivable and represents the amount receivable for goods supplied or services rendered, net of returns, discounts and rebates allowed by the Company and value added taxes. The Company bases its estimate of returns on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

The Company recognises turnover when (a) the significant risks and rewards of ownership have been transferred to the buyer; (b) the Company retains no continuing involvement or control over the goods; (c) the amount of turnover can be measured reliably; (d) it is probable that future economic benefits will flow to the entity and (e) when the specific criteria relating to each of the Company's sales channels have been met, as described below.

(i) *Sale of goods*

The company shall recognise revenue from the sale of goods when all the following conditions are satisfied:

- (a) the entity has transferred to the buyer the significant risks and rewards of ownership of the goods;
- (b) the entity retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- (c) the amount of revenue can be measured reliably;
- (d) it is probable that the economic benefits associated with the transaction will flow to the entity;
- and
- (e) the costs incurred or to be incurred in respect of the transaction can be measured reliably.

(ii) *Rendering of services*

The company shall recognise revenue from the performance of a service when the service has been fully completed.

A SCHULMAN GAINSBOROUGH LIMITED

NOTES TO THE FINANCIAL STATEMENTS

3. Summary of significant accounting policies (continued)

(iii) Interest income

Interest income is recognised using the effective interest rate method.

(f) Consolidated financial statements

The financial statements contain information about A Schulman Gainsborough Limited as an individual company and do not contain consolidated financial information as the parent of a group. The company is exempt under section 401 of the Companies Act 2006 from the requirement to prepare consolidated financial statements as it and its subsidiary undertakings are included by full consolidation in the consolidated financial statements of its ultimate parent company, LyondellBasell Industries N.V., a company incorporated in the Netherlands (see note 24).

(g) Exceptional items

The company classifies certain one-off charges or credits that have a material impact on the company's financial results as 'exceptional items'. These are disclosed separately to provide further understanding of the financial performance of the company.

(h) Employee benefits

The company provides a range of benefits to employees, including annual bonus arrangements, paid holiday arrangements and defined contribution pension plans.

(i) Short term benefits

Short term benefits, including holiday pay and other similar non-monetary benefits, are recognised as an expense in the period in which the service is received.

(ii) Defined contribution pension plans

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations. The contributions are recognised as an expense when they are due. Amounts not paid are shown in accruals in the Statement of Financial Position. The assets of the plan are held separately from the Company in independently administered funds.

(iii) Annual bonus plan

The company operates an annual bonus plan for employees. An expense is recognised in the income statement when the company has a legal or constructive obligation to make payments under the plan as a result of past events and a reliable estimate of the obligation can be made.

(i) Taxation

Taxation expense for the period comprises current and deferred tax recognised in the reporting period. Tax is recognised in the Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case tax is also recognised in other comprehensive income or directly in equity respectively.

Current or deferred taxation assets and liabilities are not discounted.

(i) Current tax

Current tax is the amount of income tax payable in respect of the taxable profit for the year or prior years. Tax is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the period end.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

A SCHULMAN GAINSBOROUGH LIMITED

NOTES TO THE FINANCIAL STATEMENTS

3. Summary of significant accounting policies (continued)

(i) Taxation (continued)

(ii) Deferred tax

Deferred tax arises from timing differences that are differences between taxable profits and total comprehensive income as stated in the financial statements. These timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements.

Deferred tax is recognised on all timing differences at the reporting date except for certain exceptions. Unrelieved tax losses and other deferred tax assets are only recognised when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the period end and that are expected to apply to the reversal of the timing difference.

(j) Group relief

Group relief is surrendered to/received from other group companies for no consideration.

In specific circumstances, individual group companies may reach agreement between themselves to surrender and/or receive group relief for consideration within the tax on profit with the Income Statement.

Should group relief be surrendered to/received from other group companies for consideration, the consideration paid will reflect, at a minimum, the corporation tax amounts surrendered and/or received. These amounts are reported as expenses or benefits within the tax on (loss)/profit within 'Retained earnings'.

On a discretionary basis, group companies, may agree to compensate for amounts in excess of the corporation tax amounts surrendered and/or received. In this instance, the excess over the corporation tax amount is shown as a separate movement within the 'Retained earnings' reserve on the Statement of Financial Position.

(k) Dividend income

Dividend income is recognised when the right to receive payment is established.

(l) Intangible assets

Goodwill

Goodwill represents the excess of the fair value of the consideration given over the fair value of the identifiable net assets acquired. Under the FRS 102 section 18 and 19, goodwill arising on acquisitions has been capitalised and is being amortised over 20 years, being the period expected to benefit. 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 Income Statement.

A SCHULMAN GAINSBOROUGH LIMITED

NOTES TO THE FINANCIAL STATEMENTS

3. Summary of significant accounting policies (continued)

(m) Tangible assets

Tangible fixed assets are stated at historic purchase cost, net of accumulated depreciation and any provision for impairment. Cost includes the original purchase price of the asset and costs attributable to bringing the asset into its working condition for its intended use.

(i) Land and buildings

Land and buildings include freehold manufacturing sites and offices. Land and buildings are stated at cost less accumulated depreciation and accumulated impairment losses.

(ii) Plant and machinery and fixtures, fittings, tools and equipment

Plant and machinery and fixtures, fittings, tools and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

(iii) Depreciation and residual values

Freehold land is not depreciated. The fixed assets have been depreciated on a straight line basis at rates calculated to reduce the net book value of each asset to its estimated residual value by the end of its expected useful economic life in the company's business, and the rates are as follows:

Freehold land and buildings	- 20 to 30 years
Plant and machinery	- 4 to 10 years
Fixtures, fittings and computer equipment	- 10 years
Motor vehicles	- 3 years

The assets' residual values and useful lives are reviewed, and adjusted, if appropriate, at the end of each reporting period. The effect of any change is accounted for prospectively.

(iv) Subsequent additions and major components

Subsequent costs, including major inspections, are included in the assets carrying amount or recognised as a separate asset, as appropriate, only when it is probable that economic benefits associated with the item will flow to the Company and the cost can be measured reliably.

The carrying amount of any replaced component is derecognised. Major components are treated as a separate asset where they have significantly different patterns of consumption of economic benefits and are depreciated separately over its useful life.

Repairs, maintenance and minor inspection costs are expensed as incurred.

(v) Assets in the course of construction

Assets in the course of construction are stated at cost. These assets are not depreciated until it is available for use.

(vi) De-recognition

Tangible assets are derecognised on disposal or when no future economic benefits are expected. On disposal, the difference between the net disposal proceeds and the carrying amount is recognised in profit or loss and included in 'Other operating (losses)/gains'.

A SCHULMAN GAINSBOROUGH LIMITED

NOTES TO THE FINANCIAL STATEMENTS

3. Summary of significant accounting policies (continued)

(n) Leased assets

At inception the Company assesses agreements that transfer the right to use assets. The assessment considers whether the arrangement is, or contains, a lease based on the substance of the arrangement.

(i) Operating leased assets

Leases that do not transfer all the risks and rewards of ownership are classified as operating leases. Payments under operating leases are charged to the Income Statement on a straight-line basis over the period of the lease.

(o) Investments

Investments in subsidiary companies are held at cost less accumulated impairment losses.

(p) Inventories

Inventories are stated at the lower of cost and estimated selling price less costs to complete and sell. Inventories are recognised as an expense in the period in which the related revenue is recognised.

Cost is determined on the first-in, first-out (FIFO) method. Cost includes the purchase price, including taxes and duties and transport and handling directly attributable to bringing the inventory to its present location and condition. The cost of manufactured finished goods and work in progress includes design costs, raw materials, direct labour and other direct costs and related production overheads (based on normal operating capacity). At the end of each reporting period inventories are assessed for impairment. If an item of inventory is impaired, the impairment charge is recognised in the Income Statement.

(q) Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid intercompany balances with a maturity of three months or less and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

(r) Impairment of non-financial asset

At each Statement of Financial Position date, non-financial assets not carried at fair value are assessed to determine whether there is an indication that the asset (or asset's cash generating unit) may be impaired. If there is such an indication the recoverable amount of the asset (or asset's cash generating unit) is compared to the carrying amount of the asset (or asset's cash generating unit).

The recoverable amount of the asset (or asset's cash generating unit) is the higher of the fair value less costs to sell and value in use. Value in use is defined as the present value of the future cash flows before interest and tax obtainable as a result of the asset's (or asset's cash generating unit) continued use. These cash flows are discounted using a pre-tax discount rate that represents the current market risk-free rate and the risks inherent in the asset.

If the recoverable amount of the asset (or asset's cash generating unit) is estimated to be lower than the carrying amount, the carrying amount is reduced to its recoverable amount. An impairment loss is recognised in the Income Statement, unless the asset has been revalued when the amount is recognised in other comprehensive income to the extent of any previously recognised revaluation. Thereafter any excess is recognised in profit or loss.

If an impairment loss is subsequently reversed, the carrying amount of the asset (or asset's cash generating unit) is increased to the revised estimate of its recoverable amount, but only to the extent that the revised carrying amount does not exceed the carrying amount that would have been determined (net of depreciation or amortisation) had no impairment loss been recognised in prior periods. A reversal of an impairment loss is recognised in the Income Statement.

A SCHULMAN GAINSBOROUGH LIMITED

NOTES TO THE FINANCIAL STATEMENTS

3. Summary of significant accounting policies (continued)

(s) Provisions and contingencies

(i) Provisions

Provisions are recognised when the company has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount of the obligation can be estimated reliably.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

In particular:

(a) Restructuring provisions are recognised when the company has a detailed, formal plan for the restructuring and has raised a valid expectation in those affected by either starting to implement the plan or announcing its main features to those affected and therefore has a legal or constructive obligation to carry out the restructuring; and

(b) Provision is not made for future operating losses.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as a finance cost.

(ii) Contingencies

Contingent liabilities, arising as a result of past events, are not recognised when (i) it is not probable that there will be an outflow of resources or that the amount cannot be reliably measured at the reporting date or (ii) when the existence will be confirmed by the occurrence or non-occurrence of uncertain future events not wholly within the Company's control. Contingent liabilities are disclosed in the financial statements unless the probability of an outflow of resources is remote.

Contingent assets are not recognised. Contingent assets are disclosed in the financial statements when an inflow of economic benefits is probable.

(t) Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction, net of tax, from the proceeds.

(u) Distributions to equity holders

Dividends and other distributions to company's shareholders are recognised as a liability in the financial statements in the period in which the dividends and other distributions are approved by the company's shareholders. These amounts are recognised in the Statement of Changes in Equity.

(v) Related party transactions

The company discloses transactions with related parties which are not wholly owned with the same group. It does not disclose transactions with members of the same group that are wholly owned.

A SCHULMAN GAINSBOROUGH LIMITED

NOTES TO THE FINANCIAL STATEMENTS

3. Summary of significant accounting policies (continued)

(w) Financial instruments

The Company has chosen to adopt the Sections 11 and 12 of FRS 102 in respect of financial instruments.

Financial assets

The Company only enters into basic financial assets, including trade and other receivables and cash and bank balances. These are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Such assets are subsequently carried at amortised cost using the effective interest method.

At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is decrease in the impairment loss arising from an event occurring after the impairment was recognised the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Financial liabilities

Basic financial liabilities, including trade and other payables, bank loans and balances due to from fellow group companies, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest.

4. Critical accounting judgements and estimation uncertainty

In applying the accounting policies detailed above, decisions sometimes have to be made as to the likely outcome of future events. Those judgements and estimates made in preparing the financial statements are based on historical experience and assumptions that the directors believed were reasonable in the circumstances.

(i) Useful economic lives of tangible assets

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are reassessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets. See note 12 for the carrying amount of the property plant and equipment, and note 3 for the useful economic lives for each class of assets.

(ii) Inventory provisioning

The Company manufactures and sells polymer powder for use in a wide variety of applications in the plastics industry. As a result it is necessary to consider the recoverability of the cost of inventory and the associated provisioning required. When calculating the inventory provision, management considers the nature and condition of the inventory, as well as applying assumptions around anticipated sale ability of finished goods and future usage of raw materials. See note 14 for the net carrying amount of the inventory and associated provision.

(iii) Impairment of debtors

The Company makes an estimate of the recoverable value of trade and other debtors. When assessing impairment of trade and other debtors, management considers factors including the current credit rating of the debtor, the ageing profile of debtors and historical experience. See note 15 for the net carrying amount of the debtors and associated impairment provision.

A SCHULMAN GAINSBOROUGH LIMITED

NOTES TO THE FINANCIAL STATEMENTS

5. Turnover

Analysis of turnover by geography	2018 £'000	2017 £'000
United Kingdom	30,611	29,683
Rest of Europe	5,172	5,208
Rest of World	179	206
	35,962	35,097

Analysis of turnover by nature	2018 £'000	2017 £'000
Sales of goods	35,249	34,512
Rendering of services	713	585
	35,962	35,097

6. Operating profit

Operating profit is stated after charging/(crediting):

	Note	2018 £'000	2017 £'000
Wages and salaries		2,367	2,248
Social security costs		249	218
Other pension costs	26	197	186
Total staff costs		2,813	2,652

Operating lease charges			
- Plant and machinery		54	54
- Other		27	25
Depreciation of tangible fixed assets			
- Owned assets	12	229	233
Amortisation of intangible assets	11	105	105
Foreign exchange (gain)/loss		28	37
Audit fees payable to the company's auditor		32	32
Impairment of trade debtors		2	(5)
Inventory recognised as an expense		32,001	29,979
Impairment of inventory (included in cost of sales)		19	-

A SCHULMAN GAINSBOROUGH LIMITED

NOTES TO THE FINANCIAL STATEMENTS

6. Operating profit (continued)

In accordance with SI 2008/489 the Company has not disclosed the fees payable to the Company's auditor for 'Other services' as this information is included in the consolidated financial statements of A Schulman Inc.

Administrative expenses included corporate recharges of £650,685 (2017: £684,417).

7. Income from group undertakings

The company didn't receive a dividend from a subsidiary company in the current year, (2017: £nil).

8. Employees and directors

Employees

Average monthly number of persons employed (including directors) by the Company during the year was:

By activity	2018 Number	2017 Number
Production	54	58
Administration	21	23
	75	81

Directors	2018 £'000	2017 £'000
Emoluments	104	83

Number of directors in company pension schemes

Money purchase schemes	1	1
------------------------	----------	----------

The aggregate emoluments of the directors during the year were £104k (2017: £83k).

C. Cluyse, and H. Lingnau-Schneider, 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 defined contribution pension scheme in respect of directors was £8,938 (2017: £6,953). The number of directors accruing benefits under the defined contribution pension scheme is 1 (2017: 1).

A SCHULMAN GAINSBOROUGH LIMITED

NOTES TO THE FINANCIAL STATEMENTS

9. Net interest expense

Interest receivable and similar income	2018 £'000	2017 £'000
Interest receivable from group undertakings	16	8
Total interest receivable and similar income	16	8
Interest payable and similar expenses	2018 £'000	2017 £'000
Net exchange differences on foreign exchange currency borrowings	725	(2,251)
Interest payable to group undertakings	(1,395)	(1,362)
Total interest payable and similar expenses	(670)	(3,613)
Net interest expense	2018 £'000	2017 £'000
Total interest receivable and similar income	16	8
Total interest payable and similar charges	(670)	(3,613)
Net interest expense	(654)	(3,605)

10. Tax on the profit / (loss)

(a) Tax expense included in the Income Statement

	2018 £'000	2017 £'000
Current tax		
UK corporation tax on profit of the year	293	-
Adjustment in respect of previous periods	(2)	(136)
Total current tax	291	(136)
Deferred tax		
Origination and reversal of timing differences	(5)	(8)
Impact of changes in tax rates	-	(1)
Adjustment in respect of previous periods	(1)	(10)
Total deferred tax (note 19)	(6)	(19)
Tax on profit / (loss)	285	(155)

A SCHULMAN GAINSBOROUGH LIMITED

NOTES TO THE FINANCIAL STATEMENTS

10. Tax on the profit / (loss) (continued)

(b) Reconciliation of tax expense

The tax assessed for the year is higher (2017: higher) than the standard rate of corporation tax in the UK 18.58% (2017: 19.58%). The differences are outlined below:

	2018 £'000	2017 £'000
Profit before taxation	47	(2,277)
Profit multiplied by the standard rate of corporation tax in the UK 18.58% (2017: 19.58%)	9	(445)
Effects of:		
Expenses not deductible for tax purposes	259	22
Accelerated capital allowances and other timing differences	-	10
Depreciation expense not deductible for tax purposes	20	-
Group relief surrendered	-	413
Movement in deferred tax accounts	-	(9)
Adjustment in respect of previous periods	(2)	(146)
Tax charge / (crediting) for the year	286	(155)

The standard rate of corporation tax in the UK changed from 19% to 18% with effect from 1 April 2018. Accordingly, the Company's profits for this accounting period are taxed at an effective rate of 18.58% (2017: 19.58%).

Factors that may affect future tax charges

The UK Corporation tax rate which will reduce to 17% from 1 April 2020. Accordingly, the deferred tax balance has been calculated using a rate of 17%.

A SCHULMAN GAINSBOROUGH LIMITED

NOTES TO THE FINANCIAL STATEMENTS

11. Intangible assets

	Goodwill £'000
Cost	
At 1 September 2017 and 31 August 2018	2,000
Accumulated amortisation	
At 1 September 2017	1,882
Charge for the year	105
At 31 August 2018	1,987
Net book value	
At 31 August 2018	13
At 31 August 2017	118

12. Tangible assets

	Freehold land and buildings £'000	Plant and machinery £'000	Fixtures, fittings and computer equipment £'000	Motor Vehicles £'000	Assets under Construction £'000	Total £'000
Cost						
At 1 September 2017	2,690	5,678	277	6	143	8,794
Additions	-	93	11	-	153	257
Disposals	-	-	(42)	-	-	(42)
At 31 August 2018	2,690	5,771	246	6	296	9,009
Accumulated depreciation						
At 1 September 2017	1,877	5,284	257	6	-	7,424
Charge for the year	77	145	7	-	-	229
Disposals	-	-	(42)	-	-	(42)
At 31 August 2018	1,954	5,429	222	6	-	7,611
Net book value						
At 31 August 2018	736	342	24	-	296	1,398
At 31 August 2017	813	394	20	-	143	1,370

A SCHULMAN GAINSBOROUGH LIMITED

NOTES TO THE FINANCIAL STATEMENTS

13. Investments

Net book value		Subsidiary undertakings £'000
As at 31 August 2018 and 31 August 2017		25,410

The directors believe that the carrying value of the investments is supported by their underlying net assets and future cash flows. The company's subsidiary is as follows:

	Incorporated in	Share Class	Percentage held	Activity
A Schulman Thermoplastic Compounds Limited	UK	Ordinary	100%	The compounding of PVC, engineering and thermoplastic polymers

A Schulman Thermoplastic Compounds Limited is incorporated in England. Address: 1 Kingsland Grange, Woolston, Warrington, Cheshire, WA1 4RA. During the year dividends of £nil (2017: £ nil) were received from A Schulman Thermoplastic Compounds Limited.

14. Inventories

	2018 £'000	2017 £'000
Raw materials and consumables	1,499	1,401
Finished goods and goods for resale	1,693	1,862
	3,192	3,263

There is no significant difference between the replacement cost of work in progress and finished goods and goods for resale and their carrying amounts. Inventories are stated after provisions for impairment of £27,000 (2017: £8,000).

15. Debtors

	Note	2018 £'000	2017 £'000
Trade debtors		6,552	6,850
Amounts owed by group undertakings		5,762	5,828
Corporation tax recoverable		57	-
Deferred tax	19	1	-
Prepayments and accrued income		261	254
		12,633	12,932

Trade debtors are stated after provision for impairment of £13,000 (2017: £11,000). Amounts owed by the group undertakings are unsecured, interest free and are payable on demand.

A SCHULMAN GAINSBOROUGH LIMITED

NOTES TO THE FINANCIAL STATEMENTS

16. Creditors - amounts falling due within one year

	2018 £'000	2017 £'000
Trade creditors	4,576	4,836
Amounts owed to group undertakings	351	619
Amounts owed to group undertakings - Intercompany loan	2,110	1,079
Corporation tax payable	-	2
Other taxation and social security	171	284
Accruals and deferred income	284	247
	7,492	7,067

The amounts owed to group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

17. Creditors - amounts falling due after more than one year

	Note	2018 £'000	2017 £'000
Amounts falling due between one and five years			
Government grants	18	-	5
Amounts owed to group undertakings		28,154	28,880
		28,154	28,885

The amounts owed to group undertakings were previously denominated in Euros and were secured under a long term loan agreement with A Schulman Holdings SARL (Luxembourg). On 31 August 2018 the long term loan agreement was updated following acquisition. The new long term loan agreement with LYB Finance Company BV, a wholly owned subsidiary of LyondellBasell Group, is now denominated in GBP and has an interest rate of 2.34% per annum. Repayment of the loan is on 31 August 2023.

18. Government Grant

Government grant		£'000
At 1 September 2017		5
Credit to Income Statement		(5)
At 31 August 2018		-

A SCHULMAN GAINSBOROUGH LIMITED

NOTES TO THE FINANCIAL STATEMENTS

19. Deferred tax (asset) / liability

	2018 £'000	2017 £'000
Accelerated capital allowances	10	17
Pension timing differences	(4)	(2)
Other timing differences	(7)	(10)
Deferred tax (asset) / liability	(1)	5

Provision for deferred taxation

	£'000
At 1, September 2017	5
Credit to Income Statement	(6)
Impact of rate change	
At 31 August 2018	(1)

20. Financial instruments

The Company has the following financial instruments

	2018 £'000	2017 £'000
Financial assets that are debt instruments measured at amortised cost		
Trade Debtors	6,552	6,850
Amounts owed by group undertakings	278	205
Amounts owed by group undertakings – Intercompany Loan	5,484	5,623
Cash	13	116
Total	12,327	12,794
Financial liabilities measured at amortised cost		
Trade creditors	4,576	4,836
Amounts owed to group undertakings	351	619
Amounts owed to group undertakings – Intercompany loan	30,264	29,959
Total	35,191	35,414

A SCHULMAN GAINSBOROUGH LIMITED

NOTES TO THE FINANCIAL STATEMENTS

21. Called up share capital

	2018 £'000	2017 £'000
Allotted and fully paid		
1,193,906 (2017: 1,193,906) ordinary shares of £1	1,194	1,194

22. Capital and other commitments

	2018 £'000	2017 £'000
Contracts authorised for future capital expenditure not provided in the financial statements	-	-

The Company had the following minimum lease payments under non-cancellable operating leases for each of the following years:

	2018 £'000	2017 £'000
Within one year	48	67
Within two to five years	105	95
	153	162

The Company has no other off-balance sheet arrangements.

23. Related party transactions

The company is exempt from disclosing transactions with members of the group headed by LyondellBasell Industries N.V. that are wholly owned within the group.

Key management, in addition to the directors, include a number of senior managers who have the authority and responsibility for planning, directing and controlling the activities of the Company. The total compensation paid to key management personnel for services provided to the Company was £212,000 (2017: £186,000).

24. Controlling parties

The immediate parent undertaking is A Schulman Europe International BV whose registered office is Mijlweg 7, s-Gravendeel NL 3295 KG, The Netherlands.

As of 22nd August 2018 the A.Schulman group was acquired by LyondellBasell Industries N.V., who became the ultimate parent undertaking and controlling party. The company is incorporated in the Netherlands and its common stock is listed on the New York stock exchange. Copies of the financial statements of the ultimate parent company will be publically available and can be obtained from its headquarters at LyondellBasell Industries N.V., 4th Floor, One Vine Street, London, W1J 0AH, United Kingdom.

A SCHULMAN GAINSBOROUGH LIMITED

NOTES TO THE FINANCIAL STATEMENTS

25. Contingent liabilities

In the opinion of the directors, there were no material contingent liabilities or commitments requiring disclosure.

The company is a participant in a group banking arrangement under which all surplus cash balances are held as collateral for bank facilities advanced to group members. No liability is expected to arise under this arrangement.

26. Post-employment benefits

The Company provides a group personal pension arrangement for its employees. The amount recognised as an expense for this defined contribution arrangement was £197,000 (2017: £186,000). There was an amount of £32,000 outstanding at the year-end (2017: £33,000).