

**Advanced Composites Group  
Holdings Limited**

Directors' report and financial  
statements

Registered number 03621275

31 December 2012



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## Directors' report

On 4 October 2012 the company changed its accounting reference date to 31 December and these accounts therefore cover the nine month period from 1 April to 31 December 2012

### Principal activity

The principal activity of the company is that of an intermediate holding company for subsidiaries involved in the manufacture and supply of impregnated composite materials, the manufacture of composite tooling and components and the supply of tooling block and ancillary materials

### Business review

Details of the results for the period are shown in the profit and loss account on page 5 The ultimate holding company is Cytec Industries Inc and the detailed business review can be found in their consolidated accounts, see note 12

### Results and dividend

The results for the period are shown on page 5 Dividends of £nil were paid during the period (2012 £2,164,883.)

### Directors

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

E Ghavam-Shahidi

JP Mabbitt (Resigned 6 November 2012)

M Malitskie (Resigned 6 November 2012)

AB Moss (Resigned 20 July 2012)

NA Blatherwick

SJ Bowers (Resigned 20 July 2012)

DM Drillock (Appointed 20 July 2012)

RD Smith (Appointed 20 July 2012)

SM Glennon (Appointed 28 February 2012)


### Disclosure of information to auditor

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the company's auditor is unaware, and each director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the company's auditor is aware of that information

### Auditor

During the period KPMG Audit Plc resigned and KPMG LLP were appointed Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office

By order of the board



DM Drillock  
Director

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

Date 24 September 2013

## **Statement of directors' responsibilities in respect of the Directors' report and the financial statements**

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 they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice)

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

## **Independent auditor's report to the members of Advanced Composites Group Holdings Limited**

We have audited the financial statements of Advanced Composites Group Holdings Limited for the nine months ended 31 December 2012 set out on pages 5 to 11. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

### **Respective responsibilities of directors and auditor**

As explained more fully in the Directors' Responsibilities Statement set out on page 2, 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.

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

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at [www.frc.org.uk/auditscopeukprivate](http://www.frc.org.uk/auditscopeukprivate).

### **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 December 2012 and of its result for the period then ended,
- have been properly prepared in accordance with UK 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 period for which the financial statements are prepared is consistent with the financial statements.

**Independent auditor's report to the members of Advanced Composites Group Holdings 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



**Michael Froom (Senior Statutory Auditor)**

for and on behalf of KPMG LLP, Statutory Auditor  
*Chartered Accountants*  
One Snowhill  
Snowhill Queensway  
Birmingham  
B4 6GH

27 SEPTEMBER 2013

## Profit and loss account

for the nine months to 31 December 2012

	Note	9 months to 31 December 2012 £000	Year to 31 March 2012 £000
Income from shares in group undertakings	4	-	2,165
<b>Result for the financial period</b>	10	-	2,165

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

All of the activities of the company are classified as continuing

**Balance sheet**  
 as at 31 December 2012

	<i>Note</i>	<b>2012 £000</b>	<b>31 March 2012 £000</b>
<b>Fixed assets</b>			
Investments	6	3,594	3,594
<b>Current assets</b>			
Debtors	7	741	741
<b>Net assets</b>		<b>4,335</b>	<b>4,335</b>
<b>Capital and reserves</b>			
Called up share capital	8	1,150	1,150
Share premium	9	3,185	3,185
Profit and loss account	10	-	-
<b>Shareholders' funds</b>	11	<b>4,335</b>	<b>4,335</b>

These financial statements were approved by the board of directors on 24 September 2013 and were signed on its behalf by



**DM Drillock**  
 Director

Registered number 03621275



## **Notes**

*(forming part of the financial statements)*

### **1 Accounting policies**

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

#### ***Basis of preparation***

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

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

As the company is a wholly owned subsidiary of Cytec Industries Inc, it has taken advantage of the exemption contained in FRS 8 and has therefore not disclosed transactions or balances with entities which form part of the group

#### ***Exemption from consolidation***

These financial statements present information about the company as an individual undertaking and not about its group. The company has taken advantage of the exemption from preparing consolidated financial statements afforded by s401 of Companies Act 2006 because it is a wholly owned subsidiary of Cytec Industries Inc which prepares consolidated financial statements that are publically available, see note 12

#### ***Going concern***

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

The company is expected to continue to generate positive cash flows on its own account for the foreseeable future. The company participates in the group's centralised treasury arrangements and so shares banking arrangements with its parent and fellow subsidiaries. The directors, having assessed the responses of the directors of the company's ultimate controlling party Cytec Industries Inc to their enquiries have no reason to believe that a material uncertainty exists that may cast significant doubt about the ability of the Cytec group to continue as a going concern or its ability to continue with the current banking arrangements

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

#### ***Investments***

Fixed asset investments are valued at cost except where there is evidence of a permanent diminution in value

## Notes (continued)

### 2 Profit on ordinary activities before taxation

Auditor's remuneration payable to the company's auditors for the audit of the accounts was £250 (31 March 2012 £250). This remuneration is borne by Cytec Industrial Materials (Derby) Limited (previously Umeco Structural Materials (Derby) Limited).

### 3 Remuneration of directors

During the current and preceding periods, no options over shares in the ultimate parent undertaking were exercised by the directors.

Directors' remuneration for services as a director of the company is borne by Umeco Limited and Cytec Industrial Materials (Derby) Limited (previously Umeco Structural Materials (Derby) Limited).

### 4 Dividends

	9 months to 31 December 2012 £000	Year to 31 March 2012 £000
Dividend received from group undertakings	-	2,165

### 5 Taxation

Factors affecting the current tax charge

The tax charge is equal to (2012 below) the standard rate of UK corporation tax. The reasons for this are as follows:

	9 months to 31 December 2012 £000	Year to 31 March 2012 £000
Result on ordinary activities before tax	-	2,165
Profit on ordinary activities before tax multiplied by the standard rate of corporation tax in the UK 24% (2012 26%)	-	563
Non-taxable dividend income	-	(563)
	-	-

A reduction in the UK corporation tax rate from 26% to 25% (effective from 1 April 2012) was substantively enacted on 5 July 2011, and further reductions to 24% (effective from 1 April 2012) and 23% (effective from 1 April 2013) were substantively enacted on 26 March 2012 and 3 July 2012 respectively. This will reduce the company's future current tax charge accordingly.

The March 2013 Budget announced that the rate will further reduce to 20% by 2015 in addition to the planned reduction to 21% by 2014 previously announced in the December 2012 Autumn Statement. It has not yet been possible to quantify the full anticipated effect of the announced further 3% rate reduction, although this will further reduce the company's future current tax charge accordingly.

## Notes (continued)

### 6 Fixed asset investments

	Shareholding of ordinary share capital	Country of incorporation and registration	9 months to 31 December 2012 £000	Year to 31 March 2012 £000
<b>Shares in subsidiary undertakings</b>				
Cytec Industrial Materials (Derby) Limited (formerly Umeco Structural Materials (Derby) Limited)	100%	Great Britain (Registered in England and Wales)	3,594	3,594

The share capital of Umeco Structural Materials (Derby) Limited comprises

	Number	Number
Ordinary shares of £1 each	209,212	209,212
Cumulative preference shares of £1 each	1,000,000	1,000,000

In addition to the above shareholding, Cytec Industrial Materials (Derby) Limited itself owns 100% of the issued share capital of Advanced Composites Limited (incorporated in Great Britain), Advanced Composites Group SA (Pty) Limited (incorporated in South Africa) and Cytec Industrial Materials (Manchester) Limited (formerly Umeco Structural Materials (Manchester) Limited)

The principal activities of these trading companies during the year were as follows

Cytec Industrial Materials (Derby) Limited	Manufacture and supply of impregnated composite materials, the manufacture of composite tooling and components and the supply of tooling block and ancillary materials
Advanced Composites Limited	Administrative and technical support, including research and development, to other group companies
Advanced Composites Group SA (Pty) Limited	Previously the manufacture of advanced composites components parts principally for McLaren Automotive. The company is no longer trading
Cytec Industrial Materials (Manchester) Limited	Manufacture and supply of impregnated composite materials, the manufacture of composite tooling and components

	Shareholding of ordinary share capital	Country of incorporation and registration	9 months to 31 December 2012 £000	Year to 31 March 2012 £000
<b>Other investments</b>				
Advanced Composite Master Materials Limited	50%	Great Britain (Registered in England and Wales)	1	1

The shares in Advanced Composite Master Materials Limited are owned by Cytec Industrial Materials (Derby) Limited

## Notes (continued)

### 7 Debtors

	9 months to 31 December 2012 £000	Year to 31 March 2012 £000
Amounts owed by group undertakings	741	741

### 8 Share capital

	9 months to 31 December 2012 £000	Year to 31 March 2012 £000
<i>Allotted, called up and fully paid</i>		
3,378,125 ordinary shares of 10p each	338	338
2,471,875 'A' ordinary shares of 10p each	247	247
1,893,660 'B' ordinary shares of 10p each	189	189
3,756,336 deferred shares of 10p each	376	376
	<b>1,150</b>	<b>1,150</b>

All classes of shares have equal rights in a distribution of profits of the company. The voting rights of all classes of shares are equal.

In the event of a distribution of assets, the 'B' ordinary shares rank ahead of the other classes of shares in respect of repayment of capital. After all share capital has been repaid, all four classes of shares rank equally in the distribution of any surplus of assets.



## Notes (continued)

### 9 Share premium

	£000
At beginning and end of period	3,185

### 10 Reserves

	2012 £000
At start of period	-
Result for the financial period	-
Dividends	-
At end of period	-

### 11 Reconciliation of movements in shareholders' funds

	9 months to 2012 £000	Year to 31 March 2012 £000
Result/profit for the period	-	2,165
Dividends paid	-	(2,165)
Net movement to shareholders' funds	-	-
Opening shareholders' funds	4,335	4,335
Closing shareholders' funds	4,335	4,335

### 12 Ultimate holding company and ultimate controlling party

On 20 July 2012 the whole of the issued share capital of the company's ultimate parent company Umeco Limited (formerly Umeco plc), was purchased by Cytec UK Holdings Limited a wholly owned subsidiary of Cytec Industries Inc. The ultimate parent undertaking and ultimate controlling undertaking into which the results of this company are consolidated is Cytec Industries Inc, incorporated in the United States of America. The consolidated accounts of this group are available to the public and may be obtained from Five Garret Mountain Plaza, Woodland Park, NJ 07424, USA.



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