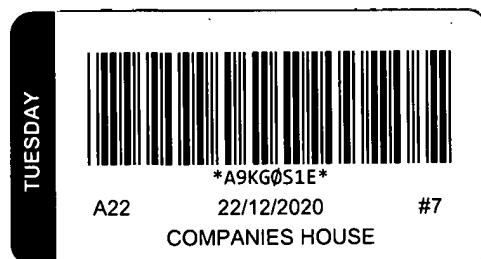


Company Registration No. 05643286 (England and Wales)

MACDERMID ACTIUM, LTD
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 2019



MACDERMID ACTIUM, LTD

COMPANY INFORMATION

Directors	P A Bray M J Siegmund
Secretary	M J Siegmund
Company number	05643286
Registered office	Unit 2 Genesis Business Park Albert Drive Sheerwater Woking Surrey GU21 5RW United Kingdom
Auditor	RSM UK Audit LLP Chartered Accountants 25 Farringdon Street London EC4A 4AB United Kingdom

MACDERMID ACTIUM, LTD

STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2019

The directors present the strategic report for the year ended 31 December 2019.

Principal activities and business review

The principal activity of the company during the financial year was that of an intermediate holding company for the group of specialty chemical companies owned by Element Solutions Inc. (the Group).

The profit before taxation for the year amounted to £3,306,000 (2018: £5,496,000) which included dividend income of £3,271,000 (2018: £5,492,000).

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 and uncertainties affecting the company are considered to relate to the performance of the company's subsidiary undertakings. The subsidiary undertakings are managed on a daily basis by their directors, and other senior managers. The performance of each subsidiary undertaking is continually monitored by the group using a comprehensive management process.

It is still too early to know how the UK exit from the EU will impact on the company. Similarly, the ongoing impact of the COVID-19 pandemic may impact the trading performance of investments held by the company. The investment values and receivables will continue to be reviewed for recoverability as more is known regarding the likely impact on these amounts.

Financial and non-financial key performance indicators

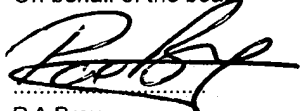
Given the nature of the business, the company's directors are of the opinion that further analysis using KPIs is not necessary for an understanding of the development, performance or position of the business.

The group's key performance indicators are discussed in the consolidated financial statements of Element Solutions Inc for the year ended 31 December 2019, which are publicly available, but do not form part of these financial statements, and are available from their website at www.elementsolutionsinc.com.

Future developments

The company is part of the group headed by Element Solutions Inc., which is well established and as such the directors do not consider that there will be significant developments or plans for change in the company's activities in the near future.

On behalf of the board



P A Bray
Director

Date: 14/12/2020

MACDERMID ACTIUM, LTD

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2019

The directors present their annual report and financial statements for the year ended 31 December 2019.

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

J E Capps	(Resigned 18 October 2019)
P A Bray	
J P Connolly	(Resigned 31 March 2019)
M J Siegmund	(Appointed 18 October 2019)

Results and dividends

The results for the year are set out on page 7.

No ordinary dividends were paid during the year. The directors do not recommend payment of a final dividend.

Qualifying third party indemnity provisions

The company has made qualifying third party indemnity provisions for the benefit of its directors during the year. These provisions remain in force at the reporting date.

Financial risk management

The main risk arising from the company's financial instruments is interest rate risk. The company does not enter into derivative transactions. It is, and has been throughout the year under review, the company's policy that no trading in the financial instruments shall be undertaken.

Given the size of the company, the directors have not delegated the responsibility of monitoring financial risk management to a sub-committee of the board. The policies set by the board of directors are implemented by the company's finance department. The department has guidelines to manage interest rate risk and circumstances where it would be appropriate to use financial instruments to manage these.

The board reviews and agree policies for managing interest rate risk as summarised below.

Interest rate risk

The company has interest-bearing liabilities which include only intercompany loans. The company's current practice is to maintain debt at a fixed rate to ensure certainty of future interest cash flows. The director will revisit the appropriateness of this practice should the company change in size and nature. The company seeks to manage financial risk by ensuring sufficient liquidity is available to meet foreseeable needs and to invest cash assets safely and profitably.

Impairment of investments

The company holds significant investments and balances in group companies. The financial position of the company may be adversely impacted should the carrying value of these investments and balance be impaired. The directors use their judgement to determine the extent to which fixed asset investments have a value that will benefit the performance of the company over future periods on an annual basis.

Auditor

The auditor, RSM UK Audit LLP, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

MACDERMID ACTIUM, LTD

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

Strategic report

The company has chosen in accordance with Companies Act 2006, s. 414C(11) to set out in the company's strategic report information required by Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, Sch. 7 to be contained in the directors' report. It has done so in respect of:

- an indication of likely future developments in the business of the company required by paragraph 7(1)(b).

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, each director has taken all the necessary steps that they ought to have taken as a director in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

Going concern

The company meets its day-to-day working capital requirements through its intercompany financing arrangements. The company has net current assets of £17,654,000 (2018: £14,348,000) at the reporting date and made a profit after tax of £3,306,000 (2018: £5,489,000) for the financial year.

The COVID-19 pandemic is a worldwide event. It has caused widespread disruption to businesses and financial markets, in addition to the human toll on life and health. Unfortunately, this pandemic could not have been predicted or prevented.

Trading subsidiaries implemented action points to minimise disruptions caused by the COVID-19. Those actions have permitted trading companies to continue their operations and remain as ongoing businesses.


Therefore, the directors of the company have not impaired the value of investments in the trading companies and hence believe the company's status as a going concern is not at risk.

The directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future due to the continued support of the ultimate parent company, Element Solutions Inc (through the related treasury company, MacDermid Performance Acquisitions Limited).

Events after the reporting date

The World Health Organisation (WHO) officially declared the Coronavirus (COVID-19) outbreak a global pandemic on 11 March 2020. The impact of COVID-19 is a non-adjusting post balance sheet event and has had no impact on balance sheet carrying values at 31 December 2019.

On behalf of the board



P A Bray
Director

Date: 14/12/2020

MACDERMID ACTIUM, LTD

DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2019

The directors are responsible for preparing the Strategic Report and 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 elected to prepare 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 period. 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;
- 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MACDERMID ACTIUM, LTD

Opinion

We have audited the financial statements of MacDermid Actium, Ltd (the 'company') for the year ended 31 December 2019 which comprise the statement of comprehensive income, the statement of financial position, the statement of changes in equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2019 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

- 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.

Other information

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MACDERMID ACTIUM, LTD (CONTINUED)

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the directors' report.

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.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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

Use of our report

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



Mark Nisbett FCA (Senior Statutory Auditor)

For and on behalf of RSM UK Audit LLP, Statutory Auditor

Chartered Accountants

25 Farringdon Street

London

EC4A 4AB

United Kingdom

18 Dec 2020

MACDERMID ACTIUM, LTD

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2019

	Notes	2019 £'000	2018 £'000
Turnover		-	-
Administrative expenses		10	(14)
Operating profit/(loss)	5	10	(14)
Income from shares in group undertakings		3,271	5,492
Interest receivable from group undertakings		25	18
Profit before taxation		3,306	5,496
Tax on profit	6	-	(7)
Profit for the financial year		3,306	5,489

MACDERMID ACTIUM, LTD**STATEMENT OF FINANCIAL POSITION****AS AT 31 DECEMBER 2019**

		2019	2018
	Notes	£'000	£'000
Fixed assets			
Investments	7	1,693	1,693
Current assets			
Debtors	9	17,654	14,359
Creditors: amounts falling due within one year	10	-	(11)
Net current assets		17,654	14,348
Total assets less current liabilities		19,347	16,041
Capital and reserves			
Called up share capital	11	-	-
Share premium account	12	30	30
Profit and loss reserves	12	19,317	16,011
Total equity		19,347	16,041

The financial statements were approved by the board of directors and authorised for issue on 14 December 2020 and are signed on its behalf by:



P A Bray
Director

14/12/2020

MACDERMID ACTIUM, LTD

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2019

	Share capital £'000	Share premium account £'000	Profit and loss reserves £'000	Total £'000
Balance at 1 January 2018	-	30	10,522	10,552
Year ended 31 December 2018:				
Profit and total comprehensive income for the year	-	-	5,489	5,489
	<hr/>	<hr/>	<hr/>	<hr/>
Balance at 31 December 2018	-	30	16,011	16,041
Year ended 31 December 2019:				
Profit and total comprehensive income for the year	-	-	3,306	3,306
	<hr/>	<hr/>	<hr/>	<hr/>
Balance at 31 December 2019	-	30	19,317	19,347
	<hr/>	<hr/>	<hr/>	<hr/>

MACDERMID ACTIUM, LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

1 Accounting policies

Company information

MacDermid Actium, Ltd is a private company limited by shares and is registered and incorporated in England and Wales. The registered office is Unit 2 Genesis Business Park, Albert Drive, Sheerwater, Woking, Surrey, GU21 5RW, United Kingdom.

The company's principal activities and nature of its operations are disclosed in the Strategic Report.

Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements have been prepared with the adoption of the FRS 102 Triennial Review 2017 amendments in full. This is the first set of financial statements where the Triennial Review amendments have been adopted. There have been no changes to amounts presented in respect of transactions or balances in any of the main statements as a result of adoption of the changes, but certain disclosures have been updated in line with the new requirements.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £1,000, unless stated otherwise.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

This company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements:

- Section 7 'Statement of Cash Flows' – Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues' – Carrying amounts, interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 33 'Related Party Disclosures' – Compensation for key management personnel.

The company has taken advantage of the exemption under section 401 of the Companies Act 2006 not to prepare consolidated financial statements. The financial statements present information about the company as an individual entity and not about its group.

The financial statements of MacDermid Actium, Ltd are consolidated in the financial statements of Element Solutions Inc. which are available from 1450 Centrepark Boulevard, Suite 210 West Palm Beach, Florida 33401, USA and also available from www.elementsolutionsinc.com.

MACDERMID ACTIUM, LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

1 Accounting policies (Continued)

Going concern

The company meets its day-to-day working capital requirements through its intercompany financing arrangements. The company has net current assets of £17,654,000 (2018: £14,348,000) at the reporting date and made a profit after tax of £3,306,000 (2018: £5,489,000) for the financial year.

The COVID-19 pandemic is a worldwide event. It has caused widespread disruption to businesses and financial markets, in addition to the human toll on life and health. Unfortunately, this pandemic could not have been predicted or prevented.

Trading subsidiaries implemented action points to minimise disruptions caused by the COVID-19. Those actions have permitted trading companies to continue their operations and remain as ongoing businesses.

Therefore, the directors of the company have not impaired the value of investments in the trading companies and hence believe the company's status as a going concern is not at risk.

The directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future due to the continued support of the ultimate parent company, Element Solutions Inc (through the related treasury company, MacDermid Performance Acquisitions Limited).

Fixed asset investments

Interests in subsidiaries are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

A subsidiary is an entity controlled by the company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include trade and other debtors, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the financial asset is measured at the present value of the future receipts discounted at a market rate of interest.

MACDERMID ACTIUM, LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

1 Accounting policies (Continued)

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. 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 a 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.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including trade and other creditors and amounts due to 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 payments discounted at a market rate of interest.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Derecognition of financial liabilities

Financial liabilities are derecognised when, and only when, the company's contractual obligations are discharged, cancelled, or they expire.

Equity instruments

Equity instruments issued by the company are recorded at the fair value of proceeds received, net of transaction costs.

MACDERMID ACTIUM, LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

1 Accounting policies (Continued)

Taxation

The tax expense represents the sum of the current tax expense and deferred tax expense. Current tax assets are recognised when tax paid exceeds the tax payable.

Current and deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited to other comprehensive income or equity, when the tax follows the transaction or event it relates to and is also charged or credited to other comprehensive income, or equity.

Current tax assets and current tax liabilities and deferred tax assets and deferred tax liabilities are offset, if and only if, there is a legally enforceable right to set off the amounts and the entity intends either to settle on the net basis or to realise the asset and settle the liability simultaneously.

Current tax is based on taxable profit for the year. Current tax assets and liabilities are measured using tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled based on tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax liabilities are recognised in respect of all timing differences that exist at the reporting date. Timing differences are differences between taxable profits and total comprehensive income that arise from the inclusion of income and expenses in tax assessments in different periods from their recognition in the financial statements. Deferred tax assets are recognised only to the extent that it is probable that they will be recovered by the reversal of deferred tax liabilities or other future taxable profits.

Foreign exchange

Transactions in currencies other than the functional currency (foreign currency) are initially recorded at the exchange rate prevailing on the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date. Non-monetary assets and liabilities denominated in foreign currencies are translated at the rate ruling at the date of the transaction, or, if the asset or liability is measured at fair value, the rate when that fair value was determined.

All translation differences are taken to profit or loss, except to the extent that they relate to gains or losses on non-monetary items recognised in other comprehensive income, when the related translation gain or loss is also recognised in other comprehensive income.

2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

MACDERMID ACTIUM, LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

2 Judgements and key sources of estimation uncertainty (Continued)

Key sources of estimation uncertainty

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows.

Fixed asset investments

The Directors use their judgement to determine the extent to which fixed asset investments have a value that will benefit the performance of the company over future periods. To assist in making this judgement, the Directors undertake an assessment of the carrying value of the company's investments in subsidiaries. In performing this assessment undertaken as at 31 December 2019 value in use was derived from the rolled up valuations of each entity in the group based on a net assets approach or a net present value approach from the lowest level of the group structure. Changes to the assumptions used in this assessment could significantly alter the Directors' assessment of the carrying value of its investments, which is £1,693,000 (2018: £1,693,000) as shown in note 7.

3 Employees

The company had no employees in the current or prior year.

4 Directors' remuneration

No directors received any remuneration from the company during either the current or preceding year. The directors' service to the company are of a non-executive nature and their emoluments are deemed to be wholly attributable to their service to other fellow subsidiary undertakings or the ultimate parent company.

5 Operating profit/(loss)

	2019 £'000	2018 £'000
Operating profit/(loss) for the year is stated after charging:		
Fees payable to the company's auditor for the audit of the company's financial statements	4	2
	==	==

6 Taxation

	2019 £'000	2018 £'000
Current tax		
Adjustments in respect of prior periods	-	7
	==	==

MACDERMID ACTIUM, LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

6 Taxation (Continued)

The total tax charge for the year included in the income statement can be reconciled to the profit before tax multiplied by the standard rate of tax as follows:

	2019 £'000	2018 £'000
Profit before taxation	3,306	5,496
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2018: 19.00%)	628	1,044
Tax effect of expenses that are not deductible in determining taxable profit	(621)	(1,043)
Adjustments in respect of prior years	-	7
Group relief	(7)	(1)
Taxation charge for the year	-	7

The Finance Act 2016 was enacted so as to reduce the corporation tax rate from 19% to 17% with effect from 1 April 2020. These rates have been used to measure deferred tax assets and liabilities where applicable. In March 2020 the Chancellor announced that tax rate would remain at 19%, however, this rate had not been substantively enacted at the reporting date and it has not been used in the measurement of deferred tax.

7 Fixed asset investments

	Notes	2019 £'000	2018 £'000
Investments in subsidiaries	8	1,693	1,693

Movements in fixed asset investments

	Shares in group undertakings £'000
Cost or valuation	
At 1 January 2019 & 31 December 2019	1,693
Carrying amount	
At 31 December 2019	1,693
At 31 December 2018	1,693

MACDERMID ACTIUM, LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

8 Subsidiaries

Details of the company's subsidiaries at 31 December 2019 are as follows:

Name of undertaking	Registered office key	Class of shares held	% Held	
			Direct	Indirect
MacDermid Offshore Fluidos do Brazil Industrial Ltda	a)	Ordinary	98.00	-

Registered Office addresses:

- a) Rua Afonso Figueiró, n. 43, Parque Industrail José G. Gimenes, City of Cambé, State of Paraná, 86183-752, Brazil.

9 Debtors

	2019 £'000	2018 £'000
Amounts falling due within one year:		
Amounts owed by group undertakings	17,654	14,359

Amounts owed by group undertakings classified as loans attract interest at market rates. All balances are repayable on demand and are unsecured.

10 Creditors: amounts falling due within one year

	2019 £'000	2018 £'000
Amounts owed to group undertakings	-	3
Accruals and deferred income	-	8
	-	11

Amounts owed to group undertakings are non interest bearing, are repayable on demand and are unsecured.

11 Called up share capital

	2019 £'000	2018 £'000
Ordinary share capital		
Issued and fully paid		
2 Ordinary shares of £1 each	-	-

The company's ordinary shares, which carry no right to fixed income, each carry the right to one vote at general meetings of the company.

MACDERMID ACTIUM, LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

12 Reserves

Share premium

The share premium account represents consideration received for shares issued above their nominal value net of transaction costs.

Profit and loss reserves

Profit and loss reserves represent cumulative profit and loss net of distributions to owners.

13 Financial commitments, guarantees and contingent liabilities

On 13 April 2016 the Company entered into a guarantee in respect of the bank borrowings of fellow subsidiary undertakings of the Element Solutions Inc. group. The guarantee is secured by a charge on the Company's tangible and intangible assets. At 31 December 2019 the Directors believe that the Group will continue to meet its liabilities under its credit agreement and that there was no financial effect on the Company as a result of providing this guarantee.

14 Events after the reporting date

The COVID-19 is a worldwide event. It has caused widespread disruption to businesses and financial markets, in addition to the human toll on life and health. Unfortunately, this pandemic could not have been predicted or prevented.

Trading subsidiaries implemented action points to minimize disruptions caused by the COVID-19. Those actions have permitted trading companies to continue their operations and remain as ongoing businesses.

Therefore, the directors of the company have not impaired the value of investments in the trading companies and hence believe the company's future is not in danger.

After the year end the immediate parent of MacDermid Actium Limited ceased to be MacDermid (UK) Limited and became MacDermid Continental Investments Limited.

15 Related party transactions

The company has taken advantage of the exemption under FRS 102 not to disclose details of intra-group transactions.

During the year MacDermid Actium Limited received a dividend of £3,271,319 (2018: £5,491,651) from MacDermid Offshore Fluidos do Brazil Industrial Ltda which is a subsidiary of the company.

MACDERMID ACTIUM, LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

16 Ultimate controlling party

The immediate parent company is MacDermid (UK) Limited, a company registered in England & Wales. Post year end the immediate parent company changed to MacDermid Continental Investments Limited, which is also a company registered in England & Wales. Both companies have their registered offices at: Unit 2 Genesis Business Park, Albert Drive, Woking, Surrey, GU21 5RW.

The ultimate controlling entity is Element Solutions Inc, a company incorporated in the United States of America. Element Solutions Inc has its registered office at: 1450 Centrepark Boulevard, Suite 210 West Palm Beach, Florida 33401, USA.

The largest and smallest group in which the results of the Company are consolidated is headed by Element Solutions Inc, a company incorporated in the United States of America. The consolidated financial statements of the group are available to the public and may be obtained from the following address: 1450 Centrepark Boulevard, Suite 210 West Palm Beach, Florida 33401, USA, and are also available from www.elementsolutionsinc.com.