

Advanced Composites Group Investments Limited

Directors' report and financial statements

31 December 2014

Registered number 6158460



Advanced Composites Group Investments Limited

Contents

	<i>Page</i>
Strategic report	1
Directors' report	2
Statement of directors' responsibilities in respect of the Strategic Report, the Directors' report and the financial statements	3
Independent auditor's report to the members of Advanced Composites Group Investments Limited	4
Profit and loss account	5
Balance sheet	6
Notes	7

Advanced Composites Group Investments Limited

Strategic report

Review of business developments

The business of the company continues to be that of an intermediate holding company within the Umeco Limited group.

The company is not involved in any trading activity other than the management of its investments.

Investment

The investment balance as at 31 December 2014 is \$29,076,000, (2013: \$29,076,000). The investment balance has been considered for impairment by the Directors, and the balances were considered to be recoverable in full. Therefore, management do not consider the investment balances held within this intermediate holding company to be impaired.

By order of the board



DG Darazsdi

Director

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

20 July 2015

Advanced Composites Group Investments Limited

Directors' report

The directors present their annual report and the audited financial statements for the year ended 31 December 2014.

Principal activities

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

Results and dividend

The profit for the year was \$16,600,000 (2013: \$9,750,000). Dividends of \$16,600,000 were declared and paid during the year (2013: \$9,750,000).

Directors

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

DM Drillock (resigned 31 October 2014)
DG Darazsdi (appointed 1 November 2014)
RD Smith

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

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



DG Darazsdi
Director

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

20 July 2015

Advanced Composites Group Investments Limited

Statement of directors' responsibilities in respect of the Strategic report, the Directors' report and the financial statements

The directors are responsible for preparing the Strategic Report, 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.



Independent auditor's report to the members of Advanced Composites Group Investments Limited

We have audited the financial statements of Advanced Composites Group Investments Limited for the year ended 31 December 2014 set out on pages 5 to 10. 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 3, 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.

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 2014 and of its profit for the year 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 Strategic Report and Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

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; or

Michael Froom (Senior Statutory Auditor)

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

20 July 2015

Advanced Composites Group Investments Limited

Profit and loss account *for the year to 31 December 2014*

	<i>Note</i>	2014 \$000	2013 \$000
Investment income	4	16,600	9,750
Profit on ordinary activities before taxation		16,600	9,750
Tax on profit on ordinary activities	5	-	-
Profit for the year	8	16,600	9,750

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

All the activities of the company are classed as continuing.

The notes on pages 7 to 10 form part of the financial statements.

Advanced Composites Group Investments Limited

Balance sheet

as at 31 December 2014

	Note	2014 \$000	2013 \$000
Fixed assets			
Investments	6	29,076	29,076
		<hr/>	<hr/>
Net assets		29,076	29,076
		<hr/>	<hr/>
Capital and reserves			
Called up share capital	7	2	2
Share premium	8	29,074	29,074
		<hr/>	<hr/>
Shareholders' funds	9	29,076	29,076
		<hr/>	<hr/>

The notes on pages 7 to 10 form part of the financial statements.

These financial statements were approved by the board of directors on 20 July 2015 and were signed on its behalf by:



DG Darazsdi
Director

Registered number 6158460

Advanced Composites Group Investments Limited

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 10.

Going concern

The financial statements have been prepared on the going concern basis which the directors believe to be appropriate for the following reasons. The directors, having assessed the responses of the directors of the company's ultimate controlling party 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.

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 in subsidiary undertakings are stated at cost, less any provision for impairment.

Advanced Composites Group Investments Limited

Notes (continued)

1 Accounting policies (continued)

Taxation

The charge for taxation is based on the result for the year and includes full provision for taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes. The company has adopted FRS19 in the preparation of these financial statements.

2 Profit on ordinary activities before taxation

Auditor's remuneration payable to the company's auditors for the audit of the accounts was \$1,000 (2013: \$1,000). This remuneration was borne by Umeco Limited.

3 Remuneration of directors

Directors' emoluments have been borne by another group company. The directors of the company are also directors or officers of a number of the companies within the group. The directors' services to the company do not occupy a significant amount of their time. As such the directors do not consider that they have received any remuneration for their incidental services to the company for the year ended 31 December 2014 or year ended 31 December 2013.

4 Investment income

	2014 \$000	2013 \$000
Dividends received from group undertakings	16,600	9,750

Advanced Composites Group Investments Limited

Notes (continued)

5 Tax on profit on ordinary activities

	2014 \$000	2013 \$000
Corporation tax on profit on ordinary activities	-	-
The current tax for the year is lower than (2013: lower than) the standard rate of UK corporation tax of 21.5% (2013: 23.25%).		
Profit on ordinary activities before taxation	16,600	9,750
Profit on ordinary activities before taxation multiplied by the standard rate of UK corporation tax 21.5% (2013: 23.25%)	3,569	2,267
Effects of: Non-taxable dividend income	(3,569)	(2,267)
Total current tax charge	-	-

A reduction in the UK corporation tax rate from 21% to 20% (effective from 1 April 2015) was substantively enacted on 2 July 2013. This will reduce the company's future current tax charge accordingly.

6 Investments

	2014 \$000	2013 \$000
Cost	29,076	29,076

Name of undertaking	Country of registration	Principal activity	Shareholding
Cytec Industrial Materials (OK) Inc.	United States of America	Manufacture of impregnated materials for the manufacture of composite tools and composites	100%

Advanced Composites Group Investments Limited

Notes (continued)

7 Called up share capital

	2014 \$000	2013 \$000
<i>Allotted, called up and fully paid</i>		
1,000 Ordinary shares of £1 each	2	2
	<u>2</u>	<u>2</u>

8 Reserves

	Share premium account \$000	Profit and loss account \$000
At the beginning of year	29,074	-
Profit for the year	-	16,600
Dividends	-	(16,600)
	<u>29,074</u>	<u>-</u>
At the end of year	<u>29,074</u>	<u>-</u>

9 Reconciliation of movement in shareholders' funds

	2014 \$'000	2013 \$'000
Profit for the financial year	16,600	9,750
Dividend paid	(16,600)	(9,750)
Net movement in shareholders' funds	<u>-</u>	<u>-</u>
Opening shareholders' funds	29,076	29,076
Closing shareholders' funds	<u>29,076</u>	<u>29,076</u>

10 Ultimate holding company and ultimate controlling party

The company's ultimate holding company and ultimate controlling company 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.