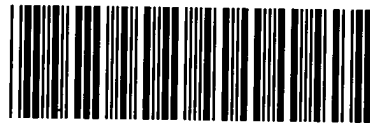


**Alltech Associates Applied Science Limited**  
(Registered Number: 01466844)

**Directors' Report and Financial Statements**

**Year Ended 31 December 2013**

MONDAY



\*L3HFNJUN\*

L14

29/09/2014

#47

COMPANIES HOUSE

# **Alltech Associates Applied Science Limited**

## **Directors' Report for the Year Ended 31 December 2013**

The directors present their annual report and the audited financial statements of the Company for the year ended 31 December 2013.

### **Principal activities**

The Company's principal activity is the manufacture, import and sale of chromatography materials and equipment.

### **Review of business and future developments**

Sales have increased despite being trading in a difficult economic condition which will remain in the coming years. Sales margin levels have improved as result of increased sales. The company has reported an operating profit. Going forward, Alltech Associates Applied Science Limited will continue to expand its product range thus anticipating an increase in sales through organic growth and pricing strategy.

### **Going concern**

The financial statements are prepared on a going concern basis as a fellow group company, Darex UK Limited has confirmed its intention to support Alltech Associates Applied Science Limited to the extent necessary to enable the company to continue trading and meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements for the year ended 31 December 2013. The directors therefore believe that it is appropriate to prepare these financial statements under the going concern basis.

### **Principal risks and uncertainties**

In the opinion of the directors, the principal risks and uncertainties relates to competition from other manufacturers, employee retention and customer payment.

#### Competition from other manufacturers

Management hold regular meetings where the business and competition are discussed including potential business gains & losses. The company offers quality products, availability and customer service thus gaining a competitive edge.

#### Employee retention

The company has already implemented generous incentive schemes, which have proved to be excellent tools towards attracting new recruits and the success of the employee retention policy.

#### Customers

Alltech Associates Applied Science Limited carries out frequent review of the customer base through regular credit checks and export sales are made through letters of credit to avoid any potential defaults on their payments.

### **Key performance indicators**

The company's directors analyse the business using four key performance indicators, which are turnover, gross margins, pre-tax profit/(loss) and cash. The turnover increased by £97,083 during the year, compared to the previous yea. Gross margins have increased by £52,199 as a result of increased in turnover. The pre-tax result has improved due to better cost control and recharges of costs of staff with responsibilities outside the United Kingdom. Cash balances (including cash pooling balances held by other group undertaking) decreased by £381,468 as a result of difficult market conditions during the year and incurred costs of staff with responsibilities outside the United Kingdom.

# **Alltech Associates Applied Science Limited**

## **Directors' Report for the Year Ended 31 December 2013 (Continued)**

### **Results and dividends**

The company's profit for the financial year was £188,710 (2012: loss of £373,731).

The directors do not recommend the payment of a dividend (2012: £nil).

### **Directors**

The following have been directors during the year and up to the date of signing these financial statements:

David M Crowshaw  
David Michael  
Robert Gatte  
Ian Page

### **Consolidated financial statements**

The financial statements disclose information about Alltech Associates Applied Science Limited as an individual company and do not contain consolidated financial information as the holding company 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 parent, W. R. Grace & Co, which are publicly available (see note 24).

### **Research and development**

The company undertakes research and development and has access to research carried out by its ultimate parent company WR Grace & Co.

### **Employment of disabled persons**

It is the policy of the Company to consider the skills and aptitudes of disabled persons fully and fairly at all times in recruitment, career development, training and promotion. In pursuing this policy, and having special concern for employees who become disabled, all practical measures are taken to ensure that disabled persons are placed in jobs suited to their individual circumstances.

### **Information to employees**

The company holds regular meetings with representatives of employees to discuss and consult on matters of mutual interest.

### **Donations**

The Company has made no political donations (2012: £nil) and charitable donations during the year were £nil (2012: £nil).

### **Statement of directors' responsibilities**

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are

## **Alltech Associates Applied Science Limited**

### **Directors' Report for the Year Ended 31 December 2013 (Continued)**

**Statement of directors' responsibilities** (continued)  
required to:

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

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

#### **Disclosure of information to auditors**

In accordance with Section 418, directors' reports shall include a statement, in the case of each director in office at the date the directors' report is approved, that:

(a) so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and

(b) he has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

#### **Special Provisions**

This directors' report has been prepared in accordance with the special provision relating to small companies within part 15 of the Companies Act 2006.

#### **Independent auditors**

The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office and a resolution to reappoint them will be proposed at the annual general meeting in accordance with section 487 of the Companies Act 2006.

On behalf of the board



David Michael  
Director

29/09/14

# **Alltech Associates Applied Science Limited**

## **Independent Auditors' Report to the Members of Alltech Associates Applied Science Limited**

### **Report on the financial statements**

#### **Our opinion**

In our opinion the financial statements, defined below:

- give a true and fair view of the state of the company's affairs as at 31 December 2013 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

This opinion is to be read in the context of what we say in the remainder of this report.

#### **What we have audited**

The financial statements, which are prepared by Alltech Associate Applied Science Limited, comprise:

- Balance Sheet as at 31 December 2013;
- Profit and Loss Account for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

#### **What an audit of financial statements involves**

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) ("ISAs (UK & Ireland)"). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the directors; and
- the overall presentation of the financial statements.

In addition, we read all the financial and non-financial information in the Directors' Report and Financial Statements (the "Annual Report") to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

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

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

## **Alltech Associates Applied Science Limited**

### **Other matters on which we are required to report by exception**

#### **Adequacy of accounting records and information and explanations received**

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, 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.

We have no exceptions to report arising from this responsibility.

#### **Directors' remuneration**

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.


### **Responsibilities for the financial statements and the audit**

#### **Our responsibilities and those of the directors**

As explained more fully in the Statement of directors' responsibilities set out on pages 3 to 4, 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 ISAs (UK & Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

  
Christopher Maw (Senior Statutory Auditor)  
for and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
Uxbridge

29/09/14

## Alltech Associates Applied Science Limited

### Profit And Loss Account for the Year Ended 31 December 2013

	Note	2013 £	2012 £
Turnover	2	930,906	833,823
Cost of sales		(626,898)	(582,014)
Gross profit		304,008	251,809
Distribution costs		(503,089)	(657,795)
Administrative expenses		499,171	(64,445)
Operating Profit/(loss)	3	300,090	(470,431)
Interest receivable and similar income	6	-	9
Interest payable and similar charges	7	(89,261)	(64,264)
Profit/(loss) on ordinary activities before taxation		210,829	(534,686)
Tax charge/(credit) on loss on ordinary activities	8	(22,119)	160,955
Profit/(loss) for the financial year	18	188,710	(373,731)

All amounts relate to continuing operations.

The company has no recognised gains or losses during the financial year other than those included in the results above, and therefore no separate statement of total recognised gains and losses has been presented.

There is no material difference between the profit/(loss) on ordinary activities before taxation and the profit/(loss) for the financial year stated above and their historical cost equivalents

# Alltech Associates Applied Science Limited

Registered Number: 01466844

Balance Sheet as at 31 December 2013

	Note	2013 £	2012 £
<b>Fixed assets</b>			
Tangible assets	9	17,524	16,376
Investments	10	2,028,693	2,028,693
		<b>2,046,217</b>	<b>2,045,069</b>
<b>Current assets</b>			
Stocks	11	63,898	73,326
Debtors	12	1,213,971	777,269
Cash at bank and in hand		149,254	83,025
		<b>1,427,123</b>	<b>933,620</b>
<b>Current liabilities</b>			
Creditors – amounts falling due within one year	13	(1,059,969)	(816,027)
<b>Net current assets</b>		<b>367,154</b>	<b>117,593</b>
<b>Total assets less current liabilities</b>		<b>2,413,371</b>	<b>2,162,662</b>
<b>Creditors - amounts falling due after more than one year</b>	14	<b>(2,153,137)</b>	<b>(2,094,845)</b>
<b>Provisions for liabilities</b>	16	<b>(7,414)</b>	<b>(3,707)</b>
<b>Net assets</b>		<b>252,820</b>	<b>64,110</b>
<b>Capital and reserves</b>			
Called up share capital	17	9,000	9,000
Share premium account	18	13,325	13,325
Profit and loss account	18	230,495	41,785
<b>Total shareholders' funds</b>	19	<b>252,820</b>	<b>64,110</b>

The financial statements on pages 7 to 19 were approved by the board of directors on 29/09/14 2014 and were signed on its behalf by:



David Michael  
Director



# **Alltech Associates Applied Science Limited**

## **Notes to the Financial Statements for the Year Ended 31 December 2013**

### **1 Accounting policies**

#### **(a) Basis of preparation**

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

The financial statements contain information relating to Alltech Associates Applied Science Limited as an individual company and do not contain consolidated financial information as the parent of a group. The company is a wholly-owned subsidiary of W.R Grace & Co. and is included in the consolidated financial statements of W.R. Grace & Co. which are publicly available. Consequently, the company has taken advantage of the exemption from preparing consolidated financial statements under the terms of section 401 of the Companies Act 2006.

The financial statements are prepared on a going concern basis as a fellow group company, Darex UK Limited has confirmed its intention to support Alltech Associates Applied Science Limited to the extent necessary to enable the company to continue trading and meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements for the year ending 31 December 2013. The directors therefore believe that it is appropriate to prepare these financial statements under the going concern basis.

#### **(b) Tangible fixed assets and accumulated depreciation.**

Tangible fixed assets are stated at historic purchase cost less accumulated depreciation. Cost includes the original purchase price of the asset and the costs attributable to bringing the assets to its working condition for its intended use. Depreciation is calculated to write off costs less the estimated residual value of tangible fixed assets by instalments over their estimated useful economic lives. Depreciation is charged to the profit and loss account on a straight line basis at the following annual rates:

Leasehold buildings	The greater of 2% or remaining life of lease
Plant and machinery	5% to 25%

#### **(c) Stocks and work in progress**

Stock and work in progress are stated at the lower of cost attributable to bringing the asset to its working condition for its intended use and net realisable value. Cost is determined using the FIFO method, which includes expenditure directly incurred in bringing stocks and work in progress to their current condition together with an appropriate proportion of production overhead expenditure. Provision is made for obsolete, slow moving and defective stocks.

# **Alltech Associates Applied Science Limited**

## **Notes to the Financial Statements for the Year Ended 31 December 2013**

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

#### **(d) Deferred taxation**

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date, where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date.

A net deferred tax asset is recognised as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits against which to recover carried forward tax losses and from which the future reversal of underlying timing differences can be deducted.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been or substantively enacted by the balance sheet date. Deferred tax is measured on an undiscounted basis.

#### **(e) Turnover**

Turnover comprises the amount receivable for goods supplied, excluding value added tax and net of trade discounts. Turnover is recognised on delivery of goods to the customer.

#### **(f) Foreign currencies**

Monetary assets and liabilities expressed in foreign currencies are translated into sterling at rates of exchange ruling at the date of the balance sheet or at the agreed contractual rate. Transactions in foreign currency are converted to sterling at the rate ruling at the date of the transaction. All differences on exchange are taken to the profit and loss account.

#### **(g) Operating leases**

Rentals are charged to the profit and loss account on a straight line basis over the term of the lease.

#### **(h) Pensions**

The company participates in a multi-employer defined benefit pension scheme for the benefit of the majority of its employees, the assets of which are held separately from those of the company in independently administered funds. As the company is unable to identify its share of the assets and liabilities of the group scheme, it accounts for contributions as if they were to a defined contribution pension scheme in accordance with Financial Reporting Standard Number 17 "Retirement Benefit".

#### **(i) Research and development**

Research and development expenditure is written off to the profit and loss account as it is incurred.

# Alltech Associates Applied Science Limited

## Notes to the Financial Statements for the Year Ended 31 December 2013

### 1 Accounting policies (continued)

#### (j) Investments

Investments in group undertakings are recorded at cost plus incidental expenses less any provision for impairment. Impairment reviews are performed by the directors when there has been an indication of potential impairment.

#### (k) Provisions

Provisions are recognised when the company has a present obligation as a result of a past event, it is probable that a transfer of economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

#### (l) Cash pooling

The company, along with other European members of the Grace group, is party to a cash pooling arrangement with Deutsche bank whereby each members' local bank accounts are zero balanced each day by transfer to or from Grace Construction Products N.V. a fellow group company, in order to more efficiently manage the overall European cash resources through the treasury department of this company. See note 15.

### 2 Turnover

All turnover arose in the United Kingdom. Analysis of turnover by geographical destination is set out below:	<b>2013</b>	<b>2012</b>
	<b>£</b>	<b>£</b>
United Kingdom	<b>930,906</b>	<b>833,823</b>

### 3 Operating loss

	<b>2013</b>	<b>2012</b>
	<b>£</b>	<b>£</b>
<b>Operating profit/(loss) is stated after (crediting)/charging:</b>		
Staff costs including Directors' emoluments (note 4):		
Wages and salaries	<b>385,319</b>	478,998
Social security costs	<b>54,543</b>	43,358
Other pension costs (note 21)	<b>54,733</b>	68,774
Staff costs total	<b>495,595</b>	591,130
Depreciation of tangible fixed assets – owned	<b>4,725</b>	3,000
Foreign exchange loss/(gains)	<b>19,468</b>	(2,573)
Operating lease rental – leasehold buildings	<b>31,500</b>	29,900
Auditors' remuneration – audit services	<b>5,000</b>	6,000

Included in the administrative expenses in 2013 is a credit of £615,625 relating to the recharge of payroll costs and associated expenses incurred in 2013 and 2012 to other group companies.

# Alltech Associates Applied Science Limited

Notes to the Financial Statements for the Year Ended 31 December 2013

## 4 Directors' emoluments

	2013 £	2012 £
Aggregate emoluments (excluding defined benefit pension scheme contributions of £14,900 (2012: £ 15,000))	203,653	258,341

Retirement benefits are accruing to 1 director (2012: 1) under a defined benefit scheme. Three (2012: three) of the directors are primarily employed by other companies in the Group and remunerated by those companies for their services to the group as a whole. No recharge has been made to the company (2012: nil).

## 5 Employees

	2013 Number	2012 Number
The average monthly number of persons including directors employed during the year by activity was:		
Distribution staff	4	5
Other (manufacturing)	3	3
	7	8

## 6 Interest receivable and similar income

	2013 £	2012 £
Interest receivable on deposits at the bank	-	9

## 7 Interest payable and similar charges

	2013 £	2012 £
Interest payable on overdrafts and bank loans	-	-
Interest payable on loans from group undertakings	81,287	64,264
	81,287	64,264

# Alltech Associates Applied Science Limited

Notes to the Financial Statements for the Year Ended 31 December 2013

## 8 Tax on Profit/(loss) on ordinary activities

	2013 £	2012 £
<b>(a) Analysis of tax charge/(credit) in the year</b>		
<b>Current tax:</b>		
UK corporation tax on profit/(loss) of the year	21,132	(161,716)
Adjustments in respect of previous years	-	-
<b>Total current tax</b>	<b>21,132</b>	<b>(161,716)</b>
<b>Deferred tax:</b>		
Origination and reversal of timing differences	987	761
Adjustments in respect of previous years	-	-
<b>Total deferred tax</b>	<b>987</b>	<b>761</b>
<b>Tax on profit/(loss) on ordinary activities</b>	<b>22,119</b>	<b>(160,955)</b>

The tax credit assessed for the year is lower (2012: lower) than the standard rate of corporation tax in the UK 23.25% (2012: 24.50%). The differences are explained below:

<b>(b) Factors affecting tax charge/(credit) for the year</b>	<b>2013 £</b>	<b>2012 £</b>
<b>Profit/(loss) on ordinary activities before taxation</b>	<b>210,829</b>	<b>(534,686)</b>
Profit/(loss) on ordinary activities multiplied by standard rate of UK corporation tax of 23.25% (2012: 24.50%)	49,018	(130,998)
<b>Effects of:</b>		
Other permanent differences	(28,131)	(29,560)
Depreciation in excess of capital allowances	245	(1,158)
Adjustments in respect of previous years	-	-
<b>Current tax charge/(credit) for the year</b>	<b>21,132</b>	<b>(161,716)</b>

From 1 April 2013 the main rate of corporation tax will be reduced to 23%.

On 17 July 2013, Finance Act 2013 was enacted which reduced the main rate of corporation tax from 23% to 21% from 1 April 2014 and 20% from 1 April 2015.

The directors are of the opinion that the financial effect of the rate changes outlined above on the company's deferred tax asset will not be materially significant

# Alltech Associates Applied Science Limited

Notes to the Financial Statements for the Year Ended 31 December 2013

## 9 Tangible fixed assets

	Short Leasehold Buildings £	Plant and Machinery £	Total £
<b>Cost</b>			
At 1 January 2013	26,043	190,416	216,459
Additions	-	5,873	5,873
<b>At 31 December 2013</b>	<b>26,043</b>	<b>196,289</b>	<b>222,332</b>
<b>Accumulated depreciation</b>			
At 1 January 2013	24,578	175,505	200,083
Depreciation for the year	74	4,651	4,725
<b>At 31 December 2013</b>	<b>24,652</b>	<b>180,156</b>	<b>204,808</b>
<b>Net book value</b>			
<b>At 31 December 2013</b>	<b>1,391</b>	<b>16,133</b>	<b>17,524</b>
At 31 December 2012	1,465	14,911	16,376

## 10 Fixed assets investments

	2013 £	2012 £
<b>Cost and net book value</b>		
Investment in Grace Davison India Pvt. (incorporated in India) - 100% of Equity Ordinary Capital	2,028,693	2,028,693

The investment is in Grace Davison India Pvt. (incorporated in India). The principal activity of this company is the manufacture and sale of chromatography porous materials. Grace Davison India Pvt. is a wholly owned subsidiary of Alltech Associates Applied Science Limited with net assets at the balance sheet date of £2,348,901 (2012 £2,182,456), and retained earnings of £166,445 (2012: £330,924). The directors believe that the carrying value of the investment is supported by its underlying net assets.

## 11 Stocks

	2013 £	2012 £
Raw materials and consumables	5,585	6,926
Work in progress	58,313	66,400
	<b>63,898</b>	<b>73,326</b>

# Alltech Associates Applied Science Limited

## Notes to the Financial Statements for the Year Ended 31 December 2013

### 12 Debtors

	2013 £	2012 £
Trade debtors	92,955	225,278
Amounts owed by group undertakings	696,562	105,417
Corporation tax receivable	421,829	443,949
Prepayments and accrued income	2,625	2,625
	<b>1,213,971</b>	<b>777,269</b>

Amounts owed by group undertakings are unsecured and have no fixed repayment date and no interest is charged.

### 13 Creditors – amounts falling due within one year

	2013 £	2012 £
Trade creditors	5,740	50,457
Amounts owed to group undertakings	997,895	621,268
Taxation and social security	41,709	120,182
Accruals and deferred income	14,625	24,120
	<b>1,059,969</b>	<b>816,027</b>

Amounts owed to group undertakings are unsecured and have no fixed repayment date and no interest is charged.

### 14 Creditors – amounts falling due after more than one year

	2013 £	2012 £
Amounts owed to group undertakings	<b>2,153,137</b>	<b>2,094,845</b>

Amounts owed to group undertakings are unsecured. There is no repayment date, but the company has received confirmation that no repayment will be due within the next 12 months from the balance sheet date. Interest is charged at 1.5% above LIBOR.

### 15 Cash pooling

Included within the amounts owed to/by group undertakings is the cash pooling balance of an overdraft of £844,831 (2012: £397,134 Overdraft). As disclosed in note 1, the company is subject to a cash pooling arrangement with Deutsche Bank whereby its bank accounts are zero balanced each day by transfer to or from Grace N.V. Amounts owed to or held by within this cash pooling arrangement attributable to Alltech Associates Applied Science Limited are immediately payable or accessible by/to the company on demand.

# Alltech Associates Applied Science Limited

## Notes to the Financial Statements for the Year Ended 31 December 2013

### 16 Provisions for liabilities

	Dilapidation Provision £
At 1 January and Increased during the year	3,707 3,707
At 31 December 2013	7,414

The dilapidation provision represents estimated dilapidation costs to be incurred on leasehold properties. Under the lease agreements of these properties the company is liable for the rectification costs associated with dilapidation over the life of the lease. The provision is calculated on management's best estimates of the obligation arising from the extent of the wear and tear taking place each year.

### 17 Called up share capital

	2013 £	2012 £
Authorised – 9,000 ordinary shares of £1 each	9,000	9,000
Allotted and fully paid - 9,000 ordinary shares of £1 each	9,000	9,000

### 18 Reserves

	Profit and loss account £	Share Premium account £	Total £
At 1 January 2013	41,785	13,325	55,110
Profit/(loss) for the financial year	188,710	-	188,710
At 31 December 2013	230,495	13,325	243,820

### 19 Reconciliation of movements in shareholders' funds

	2013 £	2012 £
Opening shareholders' funds	64,110	437,841
Profit/(loss) for the financial year	188,710	(373,731)
Closing shareholders' funds	252,820	64,110



# Alltech Associates Applied Science Limited

## Notes to the Financial Statements for the Year Ended 31 December 2013

### 20 Lease commitments

At 31 December 2013 the company had annual commitments under non-cancellable leases for land and buildings expiring as follows:

	Land and buildings 2013 £	Land and buildings 2012 £
Within 1 year	-	-
Between 2 - 5 years	31,500	31,500
	<b>31,500</b>	<b>31,500</b>

### 21 Pension commitments

#### The Grace UK Pension Plan

The Company participates in the Grace UK Pension Plan ("the Plan"), which is a defined benefit plan. The Plan is a multi-employer scheme. However, the Plan has been accounted for on a defined contribution basis because the employer is unable to identify its share of the underlying assets and liabilities of the Plan because the underlying contribution rate is set at a common level and does not reflect the underlying characteristics of the workforce of the Company.

Although the Plan is "defined benefit" in nature, under the provisions of FRS17, the pension cost charged to the profit and loss has been determined as the actual contributions paid over the financial year, i.e. as if it were on a "defined contribution" basis.

The Plan is a funded pension scheme providing benefits based on final pensionable salary. The assets of the Plan are held separately from those of the Company and a qualified actuary, on the basis of triennial valuations using the projected unit method, determines contributions to the Plan.

The most recent formal valuation of the Plan prepared for the Trustees as at 31 March 2013 showed a funding surplus at that date of £1.6 million. The next formal valuation of the Plan is due as at 31 March 2016.

The surplus in the Plan at 31 December 2013, calculated on a basis consistent with the requirements of FRS17, was £13.3 million (2012: surplus of £10.4 million). The market value of the Plan's assets at 31 December 2013 was £152.7 million (2012: £158.9 million), while the actuarial value of the Plan's liabilities totalled £139.4 million (2012: £148.5 million).

# Alltech Associates Applied Science Limited

## Notes to the Financial Statements for the Year Ended 31 December 2013

### 21 Pension commitments (continued)

The assumptions which have the most significant effect on the FRS17 consistent valuation as of 31 December 2013 were:

ASSUMPTIONs	2013	2012
Discount rate	4.50%	4.60%
Inflation (RPI)	3.60%	3.10%
Inflation (CPI)	2.60%	2.10%
Rate of increase in salaries	4.60%	4.10%
Pre retirement pension increase rate		
Statutory revaluation capped at 5.0%	2.60%	2.10%
Statutory revaluation capped at 2.5%	2.50%	2.10%
Post retirement pension increase rate:		
Pension earned since 2006	2.50%	2.50%
Pension earned 1997-2006	3.60%	3.10%
Pre 97 pension (in excess of GMP)	0.00%	0.00%
Post 88 GMP	2.60%	2.10%
Pre 88 GMP	0.00%	0.00%
Mortality unadjusted	S1NA tables unadjusted CMIB 2013 Projections based on year of birth with 1.500% minimum improvement per annum	S1NA tables unadjusted CMIB 2009 Projections based on year of birth with 1.500% minimum improvement per annum
	2013	2012
Active retirements	100% at age 60	100% at age 60
Deferred retirements	At Normal	At Normal
Pension Age Cash	10% of pension	10% of pension

During 2013 the Company paid ongoing contributions of 23.6% (2012: 23.6%) of Plan Salaries. However, this is inclusive of the contribution due from members of 7% (2012: 7%) of Plan Salary, although those contributions are now made by way of a salary sacrifice arrangement. The Company meets non-investment expenses including PPF levy payments as they fall due. The Company also pays contributions on a defined contribution basis relating to member AVCs. Pension costs prepaid or outstanding at year-end were nil (2012: nil)

The Company also pays contributions on a defined contribution basis relating to member additional voluntary contributions. The Pension Charge for 2013 was £54,733 (2012: £68,774), corresponding to the actual contributions paid by Grace Construction Products Limited and recharged to Alltech Associates Applied Science Limited. This includes an amount of £2,252 (2012: £11,652), which relates to Additional Voluntary Contributions made.

# **Alltech Associates Applied Science Limited**

**Notes to the Financial Statements for the Year Ended 31 December 2013**

## **22 Related party transactions**

As the Company is a wholly owned subsidiary of W. R. Grace & Co, which prepares publicly available consolidated financial statements, the Company has taken advantage of the disclosure exemption under Financial Reporting Standard Number 8 "Related Party Disclosures" in relation to transactions and balances with other wholly owned companies within the W. R. Grace & Co Group.

## **23 Cash flow statement**

As the Company is a wholly owned subsidiary of W. R. Grace & Co, the Company has taken advantage of the disclosure exemption under Financial Reporting Standard Number 1 "Cash Flow Statements" (Revised 1996) not to produce a Cash Flow Statement as it is included in the consolidated financial statements of that company, which are publicly available.

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

The immediate parent undertaking is Alltech Associates Inc. and the ultimate parent undertaking and controlling party is W. R. Grace & Co, both of which are incorporated in the United States of America.

The only consolidated financial statements prepared and of which the Company is a member is that of the ultimate holding company. Copies of the ultimate holding company's financial statement are publicly available and can be obtained at the address below.

Name	W. R. Grace & Co
Country of incorporation	United States of America
Address from which copies of the group financial statements are publicly available	7500 Grace Drive Columbia, Maryland 21044 USA

---