

Alltech Associates Applied Science Limited

Registered number: 01466844

Annual report and financial statements

For the year ended 31 December 2017

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ALLTECH ASSOCIATES APPLIED SCIENCE LIMITED

COMPANY INFORMATION

Director	P Stamp
Company secretary	A Przytulla
Registered number	01466844
Registered office	Oakpark Business Centre Alington Road St. Neots Cambridgeshire PE19 6WA
Independent auditors	PricewaterhouseCoopers LLP Chartered Accountants & Statutory Auditor The Atrium 1 Harefield Road Uxbridge UB8 1EX
Bankers	Deutsche Bank AG Winchester House 1 Great Winchester Street London EC2N 2DB
Solicitors	Baker McKenzie 100 New Bridge Street London EC4Y 6JA

ALLTECH ASSOCIATES APPLIED SCIENCE LIMITED

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ALLTECH ASSOCIATES APPLIED SCIENCE LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2017

Introduction

The director presents his strategic report and the audited financial statements of the company for the year ended 31 December 2017. The company is incorporated in England and Wales and is a company limited by shares.

Principal activity

During the year the company's principal activity was that of providing sales support services to Grace GmbH located in Worms, Germany, a fellow subsidiary undertaking of W.R. Grace & Co.

Review of business and future developments

The director is content with the progress made in the year. There is no current intention to change this activity in the future.

Principal risks and uncertainties

In the opinion of the director, the principal risks and uncertainties relate to employee retention. The company is embedded in the W.R. Grace & Co. group-wide risk management system to identify and manage this and other risks.

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.

Financial risk management objectives and policies

The company uses a variety of financial instruments including cash, intercompany debtors and trade creditors that arise directly from its operations. The main purpose of these financial instruments is to provide working capital for the company's operations.

Given the strong financial position of the company and the nature of the company's activities, the director does not consider liquidity risk to be significant to the company at this time, given the access to funding from other group companies. The director sets and reviews policies for managing each of these risks and they are summarized below.

Credit risk

The principal credit risk arises from its receivables from group undertakings. In order to manage credit risk the director performs regular review of the level, aging and collectability of the outstanding balances.

Currency risk

The company is exposed to foreign exchange risk. This risk is mitigated, where possible, by undertaking transactions with overseas suppliers in Pound Sterling. The company has the facility to enter into forward currency agreements if deemed necessary given the specific risks of each situation.

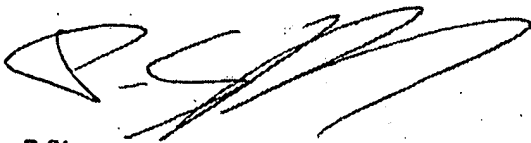
ALLTECH ASSOCIATES APPLIED SCIENCE LIMITED

**STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2017**

Key performance indicators

Given the nature of the business and its ownership, key performance indicators are not regarded as being applicable by the director.

This report was approved by the director on 20/11/2018



P Stampp
Director

Date: 20.11.2018

ALLTECH ASSOCIATES APPLIED SCIENCE LIMITED

**DIRECTOR'S REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2017**

The director presents his annual report and the audited financial statements for the year ended 31 December 2017.

Results and dividends

The profit for the financial year amounted to £540,346 (2016: £1,453,925).

During the year, there was an interim dividend payment of £3,712,172 (2016: £nil).

Director

The director who served during the year was:

P Stamp

Statement of director's responsibilities in respect of the financial statements

The director is responsible for preparing the annual 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 director has prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law). Under company law the director must not approve the financial statements unless he is satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing the financial statements, the director is required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The director is responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006.

The director is 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.

Disabled employees

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.

ALLTECH ASSOCIATES APPLIED SCIENCE LIMITED

**DIRECTOR'S REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2017**

Communication 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 (2016: £nil) and no charitable donations during the year (2016: £nil).

Provision of information to auditors

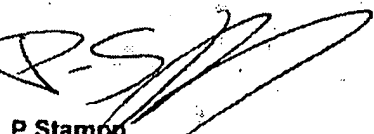
The director at the time when this director's report is approved has confirmed that:

- so far as he is aware, there is no relevant audit information of which the company's auditors are unaware, and
- he has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Independent auditors

The auditors, PricewaterhouseCoopers LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board and signed on its behalf.



P Stamp
Director

Date: 20.11.2018

ALLTECH ASSOCIATES APPLIED SCIENCE LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ALLTECH ASSOCIATES APPLIED SCIENCE LIMITED

Report on the audit of the financial statements

Opinion

In our opinion, Alltech Associates Applied Science Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2017 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual report and financial statements (the "Annual Report"), which comprise: the statement of financial position as at 31 December 2017; the statement of comprehensive income, and the statement of changes in equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

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

Independence

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

Conclusions relating to going concern

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

- the director's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the director has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

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

ALLTECH ASSOCIATES APPLIED SCIENCE LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ALLTECH ASSOCIATES APPLIED SCIENCE LIMITED

Reporting on other information

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

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

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

Strategic Report and Director's Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and Director's Report for the year ended 31 December 2017 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

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

Responsibilities for the financial statements and the audit

Responsibilities of the director for the financial statements

As explained more fully in the Statement of director's responsibilities in respect of the financial statements set out on page 3, the director is responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The director is also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the director is 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 director either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

ALLTECH ASSOCIATES APPLIED SCIENCE LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ALLTECH ASSOCIATES APPLIED SCIENCE LIMITED

Auditors' responsibilities for the audit of the financial statements

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

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

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

Other required reporting**Companies Act 2006 exception reporting**

Under the Companies Act 2006 we are required to report to you if, in our opinion:

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

We have no exceptions to report arising from this responsibility.



Christopher Maw (Senior Statutory Auditor)

for and on behalf of PricewaterhouseCoopers LLP

Chartered Accountants and Statutory Auditor

Uxbridge

Date: 23/11/2018

ALLTECH ASSOCIATES APPLIED SCIENCE LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2017**

	Note	Continuing operations 2017 £	Discontinued operations 2017 £	Total 2017 £	Restated Continuing operations 2016 £	Discontinued operations 2016 £	Restated Total 2016 £
Turnover	4	3,845,294	-	3,845,294	3,070,965	335,091	3,406,056
Cost of sales		(2,254,592)	-	(2,254,592)	(1,341,794)	(70,082)	(1,411,876)
Gross profit		1,590,702	-	1,590,702	1,729,171	265,009	1,994,180
Distribution costs		-	-	-	-	(513,489)	(513,489)
Administrative expenses		-	-	-	(490,000)	(27,802)	(517,802)
Exceptional administrative expenses	5	(654,702)	-	(654,702)	-	-	-
Other operating income	6	-	-	-	-	63,407	63,407
Operating profit/(loss)	7	936,000	-	936,000	1,239,171	(212,875)	1,026,296
Income on sale of discontinued operations		-	-	-	-	980,793	980,793
Finance cost	11	(457)	-	(457)	(9,188)	-	(9,188)
Profit before taxation		935,543	-	935,543	1,229,983	767,918	1,997,901
Taxation on profit	12	(395,197)	-	(395,197)	(257,198)	(286,778)	(543,976)
Profit for the financial year		540,346	-	540,346	972,785	481,140	1,453,925

The statement of comprehensive income in the current year has been prepared on the basis that all operations are continuing operations.

ALLTECH ASSOCIATES APPLIED SCIENCE LIMITED
REGISTERED NUMBER: 01466844

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2017

	Note	2017 £	Restated 2016 £
Fixed assets			
Intangible assets	14	1,508,125	1,910,292
Tangible assets	15	1,844	2,366
Investments	16	2,028,693	2,028,693
		<u>3,538,662</u>	<u>3,941,351</u>
Current assets			
Debtors	17	2,258,588	4,967,373
Cash at bank and in hand	18	6,995	-
		<u>2,265,583</u>	<u>4,967,373</u>
Creditors: amounts falling due within one year	19	(1,618,163)	(1,509,127)
Net current assets		<u>647,420</u>	<u>3,458,246</u>
Total assets less current liabilities		<u>4,186,082</u>	<u>7,399,597</u>
Provisions for liabilities			
Other provisions	21		(41,689)
			<u>(41,689)</u>
Net assets		<u>4,186,082</u>	<u>7,357,908</u>
Capital and reserves			
Called up share capital	22	3,931,594	3,931,594
Share premium account		13,325	13,325
Profit and loss account		241,163	3,412,989
Total equity		<u>4,186,082</u>	<u>7,357,908</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

P Stamp
Director

Date: 20.11.2018

The notes on pages 11 to 25 form part of these financial statements.

ALLTECH ASSOCIATES APPLIED SCIENCE LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2017**

	Called up share capital	Share premium account	Profit and loss account	Total equity
	£	£	£	£
At 1 January 2016	3,931,594	13,325	1,959,064	5,903,983
Comprehensive income for the year				
Profit for the year (restated)			1,453,925	1,453,925
Total comprehensive income for the year (restated)			1,453,925	1,453,925
At 31 December 2016 and 1 January 2017 (restated)	3,931,594	13,325	3,412,989	7,357,908
Comprehensive income for the year				
Profit for the year	-	-	540,346	540,346
Total comprehensive income for the year	-	-	540,346	540,346
Dividends	-	-	(3,712,172)	(3,712,172)
Total transactions with owners	-	-	(3,712,172)	(3,712,172)
At 31 December 2017	3,931,594	13,325	241,163	4,186,082

ALLTECH ASSOCIATES APPLIED SCIENCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

1. General Information

Alltech Associates Applied Science Limited is a private company limited by shares, incorporated in England and Wales. The address of its registered office is Oakpark Business Centre, Alington Road, St Neots, PE19 6WA.

The principal activity of the company is to provide sales support services, to a fellow subsidiary undertaking of W.R.Grace & Co.

The reporting currency for the company is Pound Sterling as this is the currency of the primary economic environment in which the company operates and is rounded to the nearest pound.

2. Accounting policies

The financial statements of Alltech Associates Applied Science Limited have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland ("FRS 102") and the Companies Act 2006.

2.1 Basis of preparation of financial statements

The 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 below.

2.2 Consolidated financial statements

The company is exempt under section 400 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. These financial statements therefore present information about the company as an individual undertaking and not about its group.

2.3 Restatement of prior year comparatives

During the year it became apparent that commission revenue derived from intercompany sales in respect of FY16 had been calculated based on incorrect sales figures. This error has been corrected by restating the prior year financial statements.

The impact on the FY16 financial statements is to increase turnover by £640,023, tax expense by £139,208, corporation tax payable by £139,208 and amounts owed by group undertakings by £640,023. The total impact on the statement of comprehensive income and net assets are £500,815.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

2. Accounting policies (continued)

2.4 Tangible fixed assets

Tangible fixed assets are stated at historic purchase cost attributable to bringing the asset to its working condition for its intended use less accumulated depreciation. Depreciation is calculated to write off the costs less the estimated residual value of tangible fixed assets by installments over their estimated useful economic lives. Depreciation is charged to the statement of comprehensive income on a straight line basis at the following annual rates:

Plant and machinery	- 5% to 25%
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The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the statement of comprehensive income.

2.5 Intangible assets

Intangible assets are stated at cost less accumulated amortisation and accumulated impairment losses. Amortisation is calculated, using the straight-line method, to allocate the depreciable amount of the assets to their residual values over their estimated useful lives.

The estimated useful lives are as follows:

Investment in sales force	- 6 years
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Amortisation is charged to cost of sales in the statement of comprehensive income.

Where factors, such as technological advancement, indicate that residual value or useful life have changed, the residual value, useful life or amortisation rate are amended prospectively to reflect the new circumstances. The assets are reviewed for impairment if the above factors indicate that the carrying amount may be impaired.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

2. Accounting policies (continued)

2.6 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the statement of comprehensive income.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the country.

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 conducted.

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.

2.7 Turnover

Turnover comprises the amount receivable for services, excluding value added tax and net of trade discounts. Turnover is recognised when services have been provided based on the contract term.

2.8 Foreign currencies

Functional and presentation currency

The company's functional and presentational currency is the Pound Sterling.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction. Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses are presented in the statement of comprehensive income within 'cost of sales'.

2.9 Operating leases

Rentals are charged to the statement of comprehensive income on a straight line basis over the term of the lease.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

2. Accounting policies (continued)

2.10 Pensions

Defined contribution pension plans

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

2.11 Investments

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

2.12 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.

2.13 Cash and cash equivalents

The company, along with other members of the W.R. Grace & Co 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 cash resources through the treasury department of this company.

2.14 FRS 102 Exemptions

FRS 102 allows a qualifying entity certain disclosure exemptions, subject to certain conditions, which have been complied with, including notification of, and no objection to, the use of exemptions by the company's shareholders. The company has taken advantage of the following exemptions:

- (i) from the requirement to prepare a statement of cash flows as required by paragraph 3.17. (d) of FRS 102; and
- (ii) from the requirement to present financial instrument disclosures, as required under FRS 102 paragraphs 11.39 to 11.48A and paragraphs 12.26 to 12.29.
- (iii) from the requirement to disclose the key management personnel compensation in total as required by paragraph 33.7 of FRS 102.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

2. Accounting policies (continued)

2.15 Financial instruments

The company has chosen to adopt Sections 11 and 12 of FRS 102 in respect of financial instruments. The company has only basic financial instruments.

Basic financial assets comprise other receivables, amounts owed by other group companies and cash and bank balances and are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Such assets are subsequently carried at amortised cost using the effective interest method.

Financial assets are de-recognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of ownership of the asset are transferred to another party or (c) control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

Basic financial liabilities comprise trade and other payables and 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 method.

Trade payables are obligations to pay for goods and services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Financial liabilities are de-recognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

Financial assets and financial liabilities are offset and 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 liability simultaneously.

Finance income from financial assets and finance costs on financial liabilities are recognised in the statement of comprehensive income using the effective interest rate method.

2.16 Finance costs

Finance costs are charged to the statement of comprehensive income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.17 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

2.18 Exceptional items

ALLTECH ASSOCIATES APPLIED SCIENCE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

2. Accounting policies (continued)

Exceptional items are transactions that fall within the ordinary activities of the company but are presented separately due to their size or incidence.

ALLTECH ASSOCIATES APPLIED SCIENCE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

3. Judgements in applying accounting policies and key sources of estimation uncertainty

The company makes estimates and assumptions concerning the future. The resulting accounting estimates will seldom equal the actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year are:

a) Impairment of intangible assets

Intangible assets are tested for impairment where there is an indication that the asset may be impaired. Existence of impairment indicators is assessed at each reporting date, and the director deemed there to be no indicators at the end of the year.

b) Impairment of fixed assets

The company considers whether fixed asset including investments are impaired. Where an indication of impairment is identified the estimation of recoverable value requires estimation of the recoverable value of the investment. This requires estimation of the future cash flows from the investment and also selection of appropriate discount rates in order to calculate the net present value of those cash flows.

4. Turnover

Analysis of turnover by country of destination:

	2017 £	Restated 2016 £
United Kingdom	-	1,645,588
Rest of Europe	3,845,294	1,735,154
Rest of the world	-	25,314
	<u>3,845,294</u>	<u>3,406,056</u>

5. Exceptional administrative expenses

	2017 £	2016 £
Other receivable write off	654,702	-
	<u>654,702</u>	<u>-</u>

ALLTECH ASSOCIATES APPLIED SCIENCE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

6. Other operating income

	2017 £	2016 £
Other operating income	-	63,407
	<u>-</u>	<u>63,407</u>

Other operating income comprises mainly recharges of costs made on behalf of other group companies.

7. Operating profit/(loss)

The operating profit/(loss) is stated after charging:

	2017 £	2016 £
Depreciation of tangible fixed assets	522	2,243
Amortisation of intangible assets	402,167	402,166
Foreign exchange losses	48,457	59,063
Operating lease rentals	28,245	39,304
Defined contribution pension cost	<u>39,959</u>	<u>125,818</u>

8. Auditors' remuneration

	2017 £	2016 £
Fees payable to the company's auditors and their associates for the audit of the company's annual financial statements	<u>21,000</u>	<u>19,598</u>

ALLTECH ASSOCIATES APPLIED SCIENCE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

9. Employees

Staff costs were as follows:

	2017 £	2016 £
Wages and salaries	1,027,686	1,130,331
Social security costs	173,735	192,586
Other pension costs	39,959	125,818
	<u>1,241,380</u>	<u>1,448,735</u>

The average monthly number of employees, including the director, during the year was as follows:

	2017 No.	2016 No.
Distribution sector	9	9
Manufacturing sector	2	4
	<u>11</u>	<u>13</u>

10. Director's emoluments

	2017 £	2016 £
Aggregate emoluments (excluding defined benefit pension scheme contributions of £nil (2016: £2,583))	-	23,278
	<u>-</u>	<u>23,278</u>

The director was primarily employed by other companies in the group and remunerated by those companies for his services to the group as a whole. No recharge has been made to the company (2016: £nil).

ALLTECH ASSOCIATES APPLIED SCIENCE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

11. Finance costs

	2017 £	2016 £
Interest payable on amounts owed to group undertakings	-	9,188
Other interest payable	457	-
	<u>457</u>	<u>9,188</u>

12. Tax on profit

	2017 £	Restated 2016 £
Corporation tax		
Current tax on profits for the year	373,556	560,528
Adjustments in respect of previous periods	-	5,093
Total current tax	<u>373,556</u>	<u>565,621</u>
Deferred tax		
Origination and reversal of timing differences	21,641	(21,713)
Effect of tax rate change on opening balance	-	68
Total deferred tax	<u>21,641</u>	<u>(21,645)</u>
Taxation on profit	<u>395,197</u>	<u>543,976</u>

ALLTECH ASSOCIATES APPLIED SCIENCE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

12. Tax on profit (continued)**Factors affecting tax charge for the year**

The tax assessed for the year is higher than (2016 -higher than) the standard rate of corporation tax in the UK of 19.25% (2016 -20%). The differences are explained below:

	2017 £	Restated 2016 £
Profit before tax	<u>935,543</u>	<u>1,997,901</u>
Profit multiplied by standard rate of corporation tax in the UK of 19.25% (2016 - 20%)	180,060	399,580
Effects of:		
Fixed asset differences	77,430	82,840
Expenses not deductible for tax purposes	140,568	59,979
Income not taxable for tax purposes	-	(196,159)
Chargeable gains/(losses)	-	196,159
Adjustments to tax charge in respect of previous periods	-	5,093
Adjust closing deferred tax to average rate of 19.25%	160	4,032
Adjust opening deferred tax to average rate of 19.25%	(3,021)	(875)
Deferred tax not recognised	-	(6,673)
Total tax charge for the year	<u>395,197</u>	<u>543,976</u>

Factors that may affect future tax charges

A reduction in the UK corporation tax rate from 20% to 19% was substantively enacted in July 2015 and takes effect from 1 April 2017. A further reduction in the UK corporation tax rate to 17% from 1 April 2020, was substantively enacted in September 2016.

Deferred tax has been calculated at the rate applicable for the period in which the timing difference is expected to reverse.

ALLTECH ASSOCIATES APPLIED SCIENCE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

13. Dividends

	2017 £	2016 £
Dividends of £0.9441 per share	3,712,172	-
	<u>3,712,172</u>	<u>-</u>

14. Intangible assets

	Investment in sales force £
Cost	
At 1 January 2017	2,413,000
At 31 December 2017	<u>2,413,000</u>
Accumulated amortisation	
At 1 January 2017	502,708
Charge for the year	402,167
At 31 December 2017	<u>904,875</u>
Net book value	
At 31 December 2017	<u>1,508,125</u>
At 31 December 2016	<u>1,910,292</u>

ALLTECH ASSOCIATES APPLIED SCIENCE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

15. Tangible assets

	Plant and machinery £
Cost	
At 1 January 2017	2,610
At 31 December 2017	<u>2,610</u>
Accumulated depreciation	
At 1 January 2017	244
Charge for the year	522
At 31 December 2017	<u>766</u>
Net book value	
At 31 December 2017	<u>1,844</u>
At 31 December 2016	<u>2,366</u>

ALLTECH ASSOCIATES APPLIED SCIENCE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

16. Investments

	Investments in subsidiary companies £
Cost	
At 1 January 2017	2,028,693
At 31 December 2017	<u>2,028,693</u>

Net book value

At 31 December 2017	<u>2,028,693</u>
At 31 December 2016	<u>2,028,693</u>

Subsidiary undertakings

The following was a subsidiary undertaking of the company:

Name	Class of shares	Holding	Principal activity
		100	Manufacture and sale of
Grace Davison India Pvt.	ordinary	%	chromatography porous materials

The registered address of Grace Davison India Pvt. is Grace Davison Chemicals India Pvt. Ltd., 4th Floor, Pinnacle Srestha, No.20/39, Oliver Road, Mylapore, Chennai 600004, Tamil Nadu, India.

ALLTECH ASSOCIATES APPLIED SCIENCE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

17. Debtors

	2017 £	Restated 2016 £
Amounts owed by group undertakings	2,165,408	4,773,887
Other debtors	85,398	150,257
Deferred taxation	1,209	22,850
Prepayments and accrued income	6,573	20,379
	<u>2,258,588</u>	<u>4,967,373</u>

Amounts owed by group undertakings are unsecured, have no fixed repayment date and do not attract interest.

18. Cash and cash equivalents

	2017 £	2016 £
Cash at bank and in hand	6,995	-
Less: bank overdrafts	(18,953)	(3,320)
	<u>(11,958)</u>	<u>(3,320)</u>

ALLTECH ASSOCIATES APPLIED SCIENCE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
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19. Creditors: Amounts falling due within one year

	2017 £	Restated 2016 £
Bank loans and overdrafts	18,953	3,320
Trade creditors	44,605	31,664
Amounts owed to group undertakings	396,772	-
Corporation tax	908,978	678,680
Other taxation and social security	11,909	150,233
Other creditors	-	615,818
Accruals and deferred income	236,946	29,412
	<u>1,618,163</u>	<u>1,509,127</u>

Included in amounts owed to group undertakings is £387,150 (2016: £nil), the cash pooling facility, which incur interest at a rate of 1.75%.

Amounts owed to group undertakings are unsecured, have no fixed repayment date and do not attract interest.

ALLTECH ASSOCIATES APPLIED SCIENCE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
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20. Deferred taxation

	2017 £	2016 £
At beginning of year	22,850	1,205
Credited/(charged)	(21,641)	21,645
At end of year	<u>1,209</u>	<u>22,850</u>

The deferred tax asset is made up as follows:

	2017 £	2016 £
Accelerated capital allowances	1,209	1,461
Short term timing differences	-	21,389
	<u>1,209</u>	<u>22,850</u>

ALLTECH ASSOCIATES APPLIED SCIENCE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

21. Other provisions

Long term
lease
incentives
£

At 1 January 2017 41,689

Credited to profit or loss (41,689)

At 31 December 2017

22. Called up share capital

2017
£

2016
£

Shares classified as equity

Authorised, allotted, called up and fully paid

3,931,594- (2016: 3,931,594) ordinary shares of £1 each

3,931,594 3,931,594

ALLTECH ASSOCIATES APPLIED SCIENCE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
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23. Pension commitments

Defined contribution scheme

Following the exits from the defined benefit scheme in the previous year, the company provides a defined contribution scheme for its employees.

	2017 £	2016 £
Current year contributions	39,959	125,818
	<u>39,959</u>	<u>125,818</u>

24. Commitments under operating leases

At 31 December the company had future minimum lease payments under non-cancellable operating leases as follows:

	2017 £	2016 £
Not later than 1 year	36,273	34,223
Later than 1 year and not later than 5 years	61,707	57,134
	<u>97,980</u>	<u>91,357</u>

25. Related party transactions

The company is a wholly owned subsidiary of W.R. Grace & Co and is included in the consolidated financial statements of the company.

The company has availed of the exemption provided in FRS102, "Related Party Disclosures", for subsidiary undertakings whose voting rights are wholly controlled within the group, from the requirement to give details of transactions with entities that are part of the group or investees of the group qualifying as related parties.

26. 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 are those of the ultimate holding company. Copies of the ultimate holding company's financial statement are publicly available and can be obtained from W. R. Grace & Co, 7500 Grace Drive, Columbia, Maryland, 21044, USA.