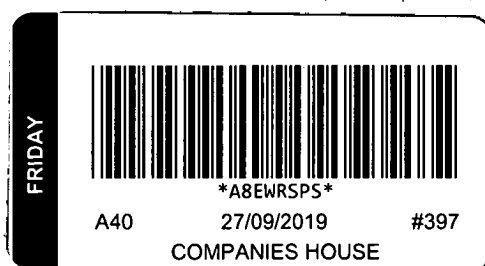


**Advanced Composites Group  
Holdings Limited**

**Annual report and financial  
statements**

**Registered number 03621275**

**31 December 2018**



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## **Strategic report**

The directors present their strategic report for the year ended 31 December 2018.

### **Review of the business**

During the year the company continued to act as an intermediate holding company.

The profit for the financial year was £ 43,460,933 (2017 £nil).

During the year, steps were taken to prepare the company for liquidation. The Company sold its subsidiary to its parent company. The issued share capital of the Company was reduced to £1 from £1,150,000 and dividend payments were made to its parent £47,796,398 (2017 £ nil).

### **Key performance indicators**

Due to the nature of the company being a holding company, the directors do not consider key performance indicators to be necessary to understand the performance of the business.

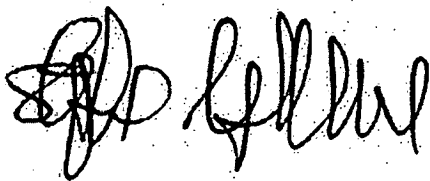
### **Principal risks and uncertainties**

As a result of the planned liquidation of the business in the foreseeable future, the entity holds only £1 of intercompany debtors and £1 share capital at year end. Therefore, it is not considered to be materially exposed to cashflow, credit or liquidity risks.

### **Future developments**

The directors intend to liquidate the company in the foreseeable future. As such, the accounts have been prepared on a basis other than that of a going concern.

Approved by the board and signed on its behalf by



**S Glennon**  
*Director*  
27<sup>th</sup> September 2019

## Directors' report

The directors present their annual report and the audited financial statements for the year ended 31 December 2018.

### Principal Activities

Formerly the principal activity of the company was the holding of an investment in a subsidiary company. The Company was dormant in the prior year, and became active during the year as a result of transactions completed in preparation for liquidation of the company.

### Business review and dividends

The profit for the financial year was £ 43,460,933 (2017 £nil).

During the year, steps were taken to prepare the company for liquidation. The Company sold its subsidiary to its parent company. The issued share capital of the Company was reduced to £1 from £1,150,000 and dividend payments were made to its parent of £47,796,398 (2017 £ nil).

### Directors

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

S Glennon

D Clears

### Going Concern

As a result of the divestment event noted above, the directors intend to start liquidation proceedings during the 2019 financial year. Hence these financial statements have been prepared on the basis that the company is no longer a going concern.

### Strategic report

Financial risk management and future developments have been elevated to the strategic report, and form part of this report by cross reference.

### Auditor

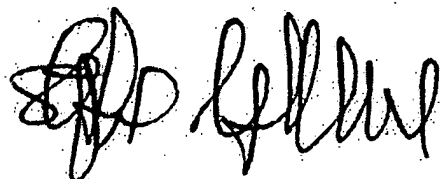
Each of the persons who is a director at the date of approval of this report confirms that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- the director has taken all the steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

The company's auditors, Deloitte LLP, were appointed during the year and have been deemed reappointed in the absence of an annual general meeting.

Approved by the Board of Directors and signed on its behalf by



S Glennon  
Director

Company registered number: 03621275

Composites House  
Sinclair Close  
Heanor  
Derbyshire  
DE75 7SP

Date: 27<sup>th</sup> September 2019

## **Directors' responsibilities statement**

The directors are 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 directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 102, "The Financial Reporting Standard applicable in the UK and Republic of Ireland". Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- 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 are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

## **Report on the audit of the financial statements**

### **Opinion**

In our opinion the financial statements of Advanced Composites Group Holdings Limited (the 'company'):

- give a true and fair view of the state of the company's affairs as at 31 December 2018 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the profit and loss account;
- the balance sheet;
- the statement of changes in equity, and
- the related notes 1 to 8.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs(UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the FRC's) Ethical Standard; and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Emphasis of Matter – Financial Statements prepared on other than a going concern basis**

We draw attention to note 1.2 in the financial statements, which indicates that the financial statements have been prepared on a basis other than that of a going concern. Our opinion is not modified in respect of this matter.

### **Other information**

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

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

We have nothing to report in respect of these matters.

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

### **Responsibilities of directors**

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

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

### **Auditor's responsibilities for the audit of the financial statements**

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

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

### **Report on other legal and regulatory requirements**

#### **Opinions on other matters prescribed by the Companies Act 2006**

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

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

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

#### **Matters on which we are required to report by exception**

Under the Companies Act 2006 we are required to report in respect of the following matters 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.

We have nothing to report in respect of these matters.

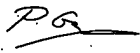
#### **Other matter**

As the company did not have an audit for the year ended 31 December 2017, we have not audited the corresponding amounts for that period.

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

### **Use of our report**

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



**Peter Gallimore FCA** (*Senior Statutory Auditor*)

*for and on behalf of Deloitte LLP*

*Statutory Auditor*

*Birmingham*

*United Kingdom*

*27 September* **2019**



**Profit and loss account**  
*for the year ended 31 December 2018*

	<i>Note</i>	<b>2018</b>	<b>Unaudited</b>
		<b>£</b>	<b>2017</b>
			<b>£</b>
Dividend Income		<b>1,000,000</b>	-
Profit on Sale of Investment	<b>5</b>	<b>42,460,933</b>	-
		<hr/>	<hr/>
<b>Profit/result before taxation</b>		<b>43,460,933</b>	-
Tax on profit/result	<b>4</b>	-	-
		<hr/>	<hr/>
<b>Profit/result for the financial year</b>		<b>43,460,933</b>	-
		<hr/>	<hr/>

There was no comprehensive income other than that disclosed in the profit and loss account, in either the current or preceding year. Accordingly, no statement of other comprehensive income has been presented.

**Balance sheet**  
as at 31 December 2018

	Note	£	2018 £	£	Unaudited 2017 £
<b>Fixed assets</b>					
Investments	5		-		3,594,252
<b>Current assets</b>					
Debtors	6	1		741,214	
<b>Net current assets</b>			1		741,214
<b>Net assets</b>			1		4,335,466
<b>Capital and reserves</b>					
Called up share capital	7		1		1,150,000
Share Premium			-		3,185,466
Profit and loss account			-		-
<b>Shareholders' funds</b>			1		4,335,466

The notes on pages 9 to 15 form an integral part of these financial statements.

These financial statements were approved by the board of directors on 27<sup>th</sup> September 2019 and were signed on its behalf by:



**S Glennon**  
Director

Company registered number: 03621275

## Statement of changes in equity

	<b>Called up share capital £</b>	<b>Share premium account £</b>	<b>Profit and loss account £</b>	<b>Total equity £</b>
<b>Balance at 1 January 2017 (unaudited)</b>	1,150,000	3,185,466	-	4,335,466
Profit for the year	-	-	-	-
<b>Balance at 31 December 2017 (unaudited)</b>	1,150,000	3,185,466	-	4,355,466
<b>Balance at 1 January 2018 (unaudited)</b>	1,150,000	3,185,466	-	4,335,466
Share Capital Reduction	(1,149,999)	(3,185,466)	4,335,465	-
Profit for the year	-	-	43,460,933	43,460,933
Dividends paid	-	-	(47,796,398)	(47,796,398)
<b>Balance at 31 December 2018</b>	<b>1</b>	<b>-</b>	<b>-</b>	<b>1</b>

## Notes

(forming part of the financial statements)

### 1 Accounting policies

Med-Lab International Limited (the "Company") is a private company limited by shares, incorporated and in the UK and registered in England and Wales under the Companies Act 2006. Its registered address is Composites House, Sinclair Close, Heanor, Derbyshire, DE75 7SP.

The principal activities of the company were that of an intermediate holding company.

The financial statements are presented in pounds sterling because that is the functional currency of the primary economic environment, in which the Company operates.

The Company is exempt by virtue of s401 of the Companies Act 2006 from the requirement to prepare group financial statements. These financial statements present information about the Company as an individual undertaking and not about its group.

The Company's ultimate parent undertaking, Solvay S.A. includes the Company in its consolidated financial statements. The consolidated financial statements of Solvay S.A. are prepared in accordance with International Financial Reporting Standards and are available to the public and may be obtained from Rue De Ransbeek 310, 1120 Brussels, Belgium.

These financial statements were prepared in accordance with Financial Reporting Standard 102 *The Financial Reporting Standard* applicable in the UK and Republic of Ireland ("FRS 102") as issued in August 2014. The company meets the definition of a qualifying entity under FRS102 and has taken the exemptions from preparing a cashflow statement and disclosing transactions with wholly owned subsidiaries included in the Solvay S.A. consolidation. The presentation currency of these financial statements is sterling, because that is the currency of the primary economic environment in which the company operates.

#### 1.1. Measurement convention

The financial statements are prepared on the historical cost basis.

#### 1.2. Going concern

As explained in the Director's Report, the Company sold its investment to its parent 2018 at which point the company ceased to trade as an intermediate holding company. The directors intend to take steps to liquidate the Company in 2019. Management has prepared the financial statements on the basis that the entity is no longer a going concern which includes, where appropriate, writing down the entity's assets to net realisable value. The financial statements do not include any provision for the future costs of terminating the business of the entity except to the extent, that such costs were committed at the end of the reporting period. No material adjustments arose as a result of ceasing to apply the going concern basis.

## Notes (continued)

### 1 Accounting policies (continued)

#### 1.3. Non-derivative financial instruments

Non-derivative financial instruments comprise investments in equity, trade and other debtors, and trade and other creditors.

##### *Trade and other debtors*

Trade and other debtors are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses.

##### *Investments in subsidiaries*

Investments in subsidiaries are carried at cost less impairment.

#### 1.4. Impairment

##### *Financial assets (including trade and other debtors)*

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Interest on the impaired asset continues to be recognised through the unwinding of the discount. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

##### *Non-financial assets*

The carrying amounts of the Company's non-financial assets, other than deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit" or "CGU").

An impairment loss is recognised if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognised in profit or loss.

In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

## Notes (continued)

### 1 Accounting policies (continued)

#### 1.5. Taxation

Tax on the profit or loss for the year comprises current tax. Tax is recognised in the income statement except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

#### 1.8. Critical accounting judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies, which are described in note 1, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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

#### Critical judgements in applying the Company's accounting policies

Management do not consider to have any critical judgements, apart from those involving estimations (which are dealt with separately below), that the directors have made in the process of applying the Company's accounting policies.

#### Key source of estimation uncertainty

Management do not consider to have any key sources of estimation uncertainty which the directors have made in the process of applying the Company's accounting policies.

### 2 Auditor's remuneration

Auditor's remuneration payable to the company's auditors for the audit of the financial statements was £3,000 (2017: £nil). This remuneration is borne by Umeco Limited.

Amounts receivable by the Company's auditor and its associates in respect of services to the Company and its associates, other than the audit of the Company's financial statements, have not been disclosed as the information is required instead to be disclosed on a consolidated basis in the consolidated financial statements of the Company's parent, Solvay S.A.

### 3 Directors' remuneration

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 years ended 31 December 2018 or 31 December 2017.

## Notes (continued)

### 4 Taxation

#### Recognised in the income statement

	2018		Unaudited 2017	
	£	£	£	£
<i>UK corporation tax</i>				
Current tax on profit or loss for the year	-		-	
Adjustments in respect of prior years	-		-	
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Tax on profit/result		<u>          </u>		<u>          </u>

Corporation tax is calculated at 19% (2017: 19.25%) of the estimated taxable profit or loss for the year.

The nil tax charge for the year can be reconciled to the profit and loss account as follows;

	2018 £	Unaudited 2017 £
Profit before taxation	43,460,933	-
	<u>          </u>	<u>          </u>
Profit before taxation multiplied by standard rate of corporation tax 19% (2017: 19.25%)	8,257,577	-
Effects of		
Non-taxable dividend income	(190,000)	-
Non-taxable income (profit on sale of investment)	(8,067,577)	-
Underprovided in previous years	-	-
	<u>          </u>	<u>          </u>
Total tax on profit for the year	<u>          </u>	<u>          </u>

Finance (No.2) Act 2015 included provisions to reduce the rate of corporation tax from 20% to 19% with effect from 1 April 2017 and 18% from 1 April 2020. Finance Act 2016 included a further reduction to the corporation tax rate to 17% from 1 April 2020.

## Notes (continued)

### 5 Fixed asset investments

#### Shares in Group Undertakings

	2018 £	Unaudited 2017 £
<i>Cost</i>		
At January 1	3,594,252	3,594,252
Disposal	(3,594,252)	-
At December 31	-	3,594,252

#### Profit on Disposal of Investments

During the year the investment was disposed of as follows:

	Cost £	Sale Proceeds £	Profit on Sale £
Cytec Industrial Materials (Derby) Ltd	(3,594,252)	46,055,185	42,460,933
	(3,594,252)	46,055,185	42,460,933

The Company had the following investment in subsidiaries:

	Class of shares held	Ownership 2018	2017
Cytec Industrial Materials (Derby) Ltd	Ordinary	0%	100%

Cytec Industrial Materials (Derby) Ltd's registered address is Composites House, Sinclair Close, Heanor, Derbyshire DE75 7SP.

### 6 Debtors

	2018 £	Unaudited 2017 £
Amounts owed by subsidiary undertaking	-	741,243
Amounts owed by parent undertaking	1	-
Due within one year	1	741,243

The amounts owed by both parent and subsidiary undertakings are interest free, unsecured and repayable on demand.



## Notes (continued)

### 7 Capital and reserves

#### Share capital

	2018 £	Unaudited 2017 £
<i>Authorised Allotted, called up and fully paid</i>		
10 Ordinary shares at 10p each (2017 see below)	1	1,150,000

	31 December 2017 £	Conversion £	Share Capital Reduction £	31 December 2018 £
2,471,875 'A' ordinary shares of 10p each	247,187	(247,187)	-	-
1,893,660 'B' ordinary shares of 10p each	189,366	(189,366)	-	-
3,756,336 deferred shares of 10p each	375,634	(375,634)	-	-
3,378,125 ordinary shares of 10p each	337,813	(337,813)	-	-
11,499,996 ordinary shares of 10p each		1,150,000	(1,149,999)	1
	1,150,000	-	(1,149,999)	1

### 8 Ultimate parent company and parent company of larger group

The Company is a subsidiary undertaking of Umeco Limited. The ultimate controlling party is Solvay S.A. Belgium.

The largest group in which the results of the Company are consolidated is that headed by Solvay S.A., incorporated in Belgium. No other group financial statements include the results of the Company. The consolidated financial statements of the group are available to the public and may be obtained from its registered address Rue De Ransbeek 310, 1120 Brussels, Belgium.