

MacDermid Enthone UK Ltd
(formerly OM Group Electronic Chemicals UK Ltd)

Annual Report and Financial Statements

Registered number: 09017432

For the year ended 31 December 2016

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Company Information

Directors	J P Connolly (appointed 7 April 2017) T S Ericson (appointed 1 November 2016) L L Linehan
Company secretary	J E Capps (appointed 7 April 2017)
Registered office	Unit 2 Genesis Business Park Albert Drive, Sheerwater Woking Surrey GU21 5RW United Kingdom
Independent Auditors	PricewaterhouseCoopers LLP Chartered Accountants and Statutory Auditors One Reading Central 23 Forbury Road Reading RG1 3JH United Kingdom

Strategic Report for the year ended 31 December 2016

The directors of MacDermid Enthone UK Ltd (the "Company", formerly OM Group Electronic Chemicals UK Ltd) present their Strategic Report for the year ended 31 December 2016.

Principal activities and review of the business

The principal activity of the Company is the distribution of chemicals and products used in printed circuit board manufacturing.

On 6 April 2016, the Company changed its name from OM Group Electronic Chemicals UK Ltd to MacDermid Enthone UK Ltd, by ordinary resolution.

As shown in the Company's Profit and Loss Account on page 7, the Company's turnover was £2,133,892 (2015: £2,750,230) and the reported loss for the financial year was £16,264 (2015: profit of £42,590).

The Balance Sheet on page 8 shows the Company's financial position, with net assets of £1,736,436 (2015: £1,752,700) for the year ended 31 December 2016.


Principal risks and uncertainties

The management of the business and the execution of the Company's strategy are subject to a number of risks. The key business risks and uncertainties affecting the Company are considered to relate to competitive pricing, commodity, raw material and packaging material pricing, consumption levels, physical risks, legislative, fiscal and regulatory conditions. The directors of the Company manage the risks and uncertainties under their control, by maintaining a diversity in its product segments and its geographic spread of sales, as well as by performing regular vendor performance reviews, which helps maintain competitive material pricing.

Key performance indicators

Key financial performance indicators include the monitoring of the management of profitability and working capital. The performance of the Company in respect of these KPI's can be seen in the Profit and Loss Account on page 7 and the the Balance Sheet on page 8 and related notes.

Approved by the board of directors on 28th September 2017 and signed on its behalf by:


T S Ericson
Director

Directors' Report for the year ended 31 December 2016

The directors present their Directors' Report and the audited financial statements of the Company for the year ended 31 December 2016.

Results and dividends

The loss for the financial year is reported on page 7 and the Company's financial position is shown on page 8. The turnover for year amounted to £2,133,892 (2016: £2,750,230) a reduction of £616,338, which is due to increased competitive pressure.

The directors do not recommend the payment of a dividend (2015: £nil).

Future developments

The need for printed circuit boards is expected to increase as the use of electronics becomes more prevalent in daily life. The directors expect the UK and European markets to steadily grow because of this market potential.

Directors

The directors who held office during the year and subsequently were as follows:

G E Gibbens (resigned 1 November 2016)
L L Linehan
F J Monteiro (resigned 7 April 2017)
T S Ericson (appointed 1 November 2016)
J P Connolly (appointed 7 April 2017)

Financial risk management

The Company's operations expose it to a variety of financial risks that include credit risk. The Company has specific policies for the management of these risks.

The Company manages these risks as follows:

Credit risk

The Company has implemented policies that require appropriate credit checks on potential customers before sales are made. The amount of exposure to any individual counter party is subject to a limit, which are reassessed as necessary. The Company actively manages the collections process.

Market risk

Market risk encompasses three types of risk being currency risk, interest rate risk, liquidity risk and price risk.

Foreign exchange risk

The Company is exposed to translation and transaction foreign exchange risk. Platform Specialty Products Corporation, the ultimate parent company of the Company, manages currency risks on a group wide basis.

The Company's policy is to reduce Euro currency exposure by purchasing as much as practicable of materials and expenses with items denominated in the Euro.

Interest rate risk

The Company has interest-bearing assets and liabilities. These include cash balances and intercompany balances. The Company's direct exposure to movements in short-term interest rates is low. The directors will revisit the appropriateness of this policy should the Company change in size and nature.

Liquidity risk

The Company seeks to manage financial risk by ensuring that sufficient liquidity is available to meet foreseeable needs. The Company's funding need is primarily managed through its inter-company group balances and relationships. Surplus cash is pooled with fellow subsidiary companies of the Platform group.

Directors' Report for the year ended 31 December 2016 (continued)

Qualifying third party indemnity provisions

Certain directors benefited from the qualifying third party indemnity provisions in place during the financial year and at the date of approval of the financial statements.

Political contributions

The Company made no political donations or incurred any political expenditure during the year (2015: £nil).

Going concern

The directors consider that the Company has adequate resources to continue in business in the foreseeable future and that it is therefore appropriate to adopt the going concern basis in preparing the financial statements.

Statement of Directors' Responsibilities

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

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, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", 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 year. In preparing the financial statements, the directors are 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 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. The directors 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 the auditor

The directors who held office at the date of approval of this Directors' Report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditors are unaware, and each director has taken all steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Independent Auditors

Pursuant to Section 487 of the Companies Act 2006, the auditors will be deemed to be reappointed and PricewaterhouseCoopers LLP will therefore continue in office.

Approved by the board of directors on 28th September 2017 and signed on its behalf by:


T S Ericson
Director

Unit 2 Genesis Business Park
Albert Drive, Sheerwater
GU21 5RW

Independent Auditors' Report to the Members of MacDermid Enthone UK Ltd

Report on the financial statements

Our qualified opinion

In our opinion, except for the possible effects of the matter described in the Basis for our qualified opinion paragraph below, MacDermid Enthone UK Ltd's financial statements (the "financial statements"):

- give a true and fair view of the state of the company's affairs as at 31 December 2016 and of its loss 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.

Basis for our qualified opinion

We were not appointed as auditors of the Company until January 2017 and thus we were not able to observe the counting of the physical inventories at either 31 December 2014 or 31 December 2015 or satisfy ourselves by alternative means concerning those inventory quantities held at 31 December 2014 and 31 December 2015 of £945,947 and £644,463 respectively. In addition, since opening and closing inventories affect the determination of the financial performance for each year, we were unable to determine whether adjustments might have been necessary in respect of the profit for the years ended 31 December 2015 and 31 December 2016, and in respect of opening retained earnings for 2015 or 2016. Our audit opinion on the financial statements for the year ended 31 December 2015 was modified accordingly. Further, our opinion on the current period's financial statements is also modified because of the possible effect of this matter on the comparability of the current period's figures and the corresponding figures.

What we have audited

The financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), comprise:

- the Balance Sheet as at 31 December 2016;
- the Profit and Loss Account for the year then ended 31 December 2016;
- the Statement of Changes in Equity for the year then ended 31 December 2016; 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 the preparation of the financial statements is United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law (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.

Opinion on other matter 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 addition, in light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we are required to report if we have identified any material misstatements in the Strategic Report and the Directors' Report. We have nothing to report in this respect.

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanation received

In respect solely of the limitation on our work relating to not observing the counting of physical inventories as at 31 December 2015, described in the Basis for our qualified opinion paragraph above:

- we have not obtained all the information and explanations that we considered necessary for the purpose of our audit; and
- we were unable to determine whether adequate accounting records have been kept.

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

- 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.

Independent Auditors' Report to the Members of MacDermid Enthone UK Ltd (continued)

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 page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) ("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.

What an Audit of financial statements involves

We conducted our audit in accordance with 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.

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in 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. With respect to the Strategic Report and Directors' Report, we consider whether those reports include the disclosures required by applicable legal requirements.



John Maitland (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Reading

28 September 2017

Profit and Loss Account for the year ended 31 December 2016

	<i>Note</i>	2016 £	2015 £
Turnover	3	2,133,892	2,750,230
Cost of sales		<u>(1,670,254)</u>	<u>(1,817,997)</u>
Gross profit		463,638	932,233
Administrative expenses		<u>(563,997)</u>	<u>(820,318)</u>
Operating (loss)/profit		(100,359)	111,915
Non operating income	7	84,252	-
Non operating expenses	8	<u>(59)</u>	<u>(57,581)</u>
(Loss)/profit before taxation		(16,166)	54,334
Tax on (loss)/profit	9	<u>(98)</u>	<u>(11,744)</u>
(Loss)/profit for the financial year		<u><u>(16,264)</u></u>	<u><u>42,590</u></u>

The results of the Company are generated entirely from continuing operations.

There are no other items of comprehensive income other than those shown in the Profit and Loss Account, and therefore no Statement of Comprehensive Income has been presented.

The notes on pages 10 to 17 form an integral part of these financial statements.

MacDermid Enthone UK Ltd
(formerly OM Group Electronic Chemicals UK Ltd)
Annual Report and Financial Statements
Year ended 31 December 2016

Balance Sheet
As at 31 December 2016

	Note	2016 £	2015 £
Current assets			
Stocks	10	398,472	644,463
Debtors	11	373,531	642,951
Cash at bank and in hand		1,269,400	1,010,473
		<u>2,041,403</u>	<u>2,297,887</u>
Creditors: amounts falling due within one year	12	(304,967)	(545,187)
Net current assets		<u>1,736,436</u>	<u>1,752,700</u>
Total assets less current liabilities		<u>1,736,436</u>	<u>1,752,700</u>
Net assets		<u>1,736,436</u>	<u>1,752,700</u>
Capital and reserves			
Called up share capital	13	1	1
Share premium		1,719,007	1,719,007
Profit and loss account		17,428	33,692
Total equity		<u>1,736,436</u>	<u>1,752,700</u>

The notes on pages 10 to 17 form an integral part of these financial statements.

The financial statements on pages 7 to 17 were approved by the board of directors on 28 September 2017 and were signed on its behalf by:



T S Ericson
Director

Company registered number: 09017432

**Statement of Changes in Equity
For the year ended 31 December 2016**

	Called up share capital	Share premium account	Profit and loss account	Total equity
	£	£	£	£
Balance at 1 January 2015	1	1,719,007	(8,898)	1,710,110
Total comprehensive income for the year				
Profit for the financial year	-	-	42,590	42,590
Total comprehensive income for the year	-	-	42,590	42,590
Balance at 31 December 2015	1	1,719,007	33,692	1,752,700
Total comprehensive expense for the year				
Loss for the financial year	-	-	(16,264)	(16,264)
Total comprehensive expense for the year	-	-	(16,264)	(16,264)
Balance at 31 December 2016	1	1,719,007	17,428	1,736,436

The notes on page 10 to 17 form an integral part of these financial statements.

Notes to the Financial Statements

1. Accounting policies

General information

MacDermid Enthone UK Ltd ("the Company") is a private company incorporated, domiciled and registered in England in the UK. The registered number is 09017432 and the registered address is Unit 2 Genesis Business Park, Albert Drive, Sheerwater, Woking, Surrey, GU21 5RW, United Kingdom.

Statement of compliance

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 amendments to FRS 102 issued in July 2015 and effective immediately have been applied. The presentation currency of these financial statements is sterling. All amounts in the financial statements have been rounded to the nearest £1, unless stated otherwise.

The Company's ultimate parent undertaking, Platform Specialty Products Corporation includes the Company in its consolidated financial statements. The consolidated financial statements of Platform Specialty Products Corporation are available to the public and may be obtained from the Investor Relations department at 1450 Centrepark Boulevard, Suite 210, West palm Beach, Florida 33401, USA, and are available at www.platformspecialtyproducts.com. In these financial statements, the company is considered to be a qualifying entity (for the purposes of this FRS) and has applied the exemptions available under FRS 102 in respect of the following disclosures:

- Reconciliation of the number of shares outstanding from the beginning to end of the period;
- Cash Flow Statement and related notes;
- Key Management Personnel compensation;

As the consolidated financial statements of Platform Specialty Products Corporation include the disclosures equivalent to those required by FRS 102 Section 1A, the Company has also taken the exemptions available in respect of the following disclosures;

- Certain disclosures required by FRS 102.11 *Basic Financial Instruments* and FRS 102.12 *Other Financial Instrument Issues*.

Basis of preparation

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

Judgements made by the directors, in the application of these accounting policies that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in note 2.

Measurement convention

These financial statements are prepared under the historical cost convention, and in accordance with the Companies Act 2006 and applicable standards in the United Kingdom

Going concern

The Company has made a loss for the financial year of £16,264, and has net assets of £1,736,436 at the reporting date.

The directors consider that the Company has adequate resources to continue in business in the foreseeable future and that it is therefore appropriate to adopt the going concern basis in preparing the financial statements.

Notes to the Financial Statements (continued)

1 Accounting policies (continued)

Turnover

Turnover is measured at the fair value of the consideration received or receivable and represents the amount receivable for goods, net of returns, discounts and rebates allowed by the Company and value added taxes.

Foreign currency

Transactions in foreign currencies are translated to the Company's functional currency at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated to the functional currency at the foreign exchange rate ruling at that date.

Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Foreign exchange differences arising on translation are recognised in the Profit and Loss Account.

Expenses

Operating lease

Payments made under operating leases are recognised in the Profit and Loss Account on a straight-line basis over the term of the lease unless the payments to the lessor are structured to increase in line with expected general inflation; in which case the payments related to the structured increases are recognised as incurred. Lease incentives received are recognised in profit and loss over the term of the lease as an integral part of the total lease expense.

Interest receivable and Interest payable

Interest payable and similar expenses include interest payable and net foreign exchange losses that are recognised in the Profit and Loss Account (see foreign currency accounting policy).

Other interest receivable and similar income include and net foreign exchange gains.

Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost is based on the weighted average principle and includes expenditure incurred in acquiring the stocks, production or conversion costs and other costs in bringing them to their existing location and condition. In the case of manufactured stocks and work in progress, cost includes an appropriate share of overheads based on normal operating capacity.

Notes to the Financial Statements (continued)

1. Accounting policies (continued)

Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the Profit and Loss Account 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.

Deferred tax is provided on timing differences which arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements. The following timing differences are not provided for: differences between accumulated depreciation and tax allowances for the cost of a fixed asset if and when all conditions for retaining the tax allowances have been met; and differences relating to investments in subsidiaries, to the extent that it is not probable that they will reverse in the foreseeable future and the reporting entity is able to control the reversal of the timing difference. Deferred tax is not recognised on permanent differences arising because certain types of income or expense are non-taxable or are disallowable for tax or because certain tax charges or allowances are greater or smaller than the corresponding income or expense.

Deferred tax is measured at the tax rate that is expected to apply to the reversal of the related difference, using tax rates enacted or substantively enacted at the Balance Sheet date. Deferred tax balances are not discounted. Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Basic financial instruments

Trade and other debtors/creditors

Trade and other debtors are recognised initially at transaction price less attributable transaction costs. Trade and other creditors are recognised initially at transaction price plus attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses in the case of trade debtors. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate of instrument for a similar debt instrument.

Employee benefit

Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which the Company pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an expense in the Profit and Loss Account in the periods during which services are rendered by employees.

2 Significant accounting estimates and judgements

The financial statements of the Company do not include any significant accounting estimates of judgements. Management makes best estimates and judgements in accordance with group company policy and takes into account the relevant provisions and rules set in statute and the newly adopted accounting policy of FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland.

Debtors

The Company makes an estimate of the recoverable value of its debtors. When assessing impairment of its debtors, the directors considers factors including the current credit rating of the debtor, the ageing profile of debtors and historical experience.

Notes to the Financial Statements (continued)

3. Turnover

The turnover is attributable to the one principal activity of the Company.

An analysis of turnover by geographical market is given below:

	2016 £	2015 £
United Kingdom	1,076,399	1,218,184
Rest of Europe	1,021,829	1,494,351
Rest of the world	35,664	37,695
	<u>2,133,892</u>	<u>2,750,230</u>

4. Expenses and auditors' remuneration

	2016 £	2015 £
<i>Included in (loss)/profit are the following:</i>		
Hire of other assets - operating leases	<u>37,179</u>	<u>48,453</u>
<i>Auditors' remuneration:</i>		
Audit of these financial statements	<u>26,400</u>	<u>18,000</u>

No non-audit fees were paid to the Company's auditors during the year.

5. Directors' remuneration

	2016 £	2015 £
Directors' remuneration	55,227	109,759
Company contributions to money purchase pension schemes	3,387	21,684
Compensation for loss of office	65,292	-
	<u>123,906</u>	<u>131,443</u>

Retirement benefits are accruing to 1 (2015: 1) director under a defined contribution pension scheme.

Notes to the Financial Statements *(continued)*

6. Staff numbers and costs

The monthly average number of persons employed by the Company (including directors) during the year, analysed by category, was as follows:

	2016 Number of employees	Restated 2015 Number of employees
Sales	3	6
	<u>3</u>	<u>6</u>

The period ended 31 December 2015 comparative figures shown above, have been restated to allow for the identification of an analysis error in the above reporting. The total of 6 persons shown for the previous year was previously analysed as 2 persons in sales and 4 persons in Operations, when in fact all of the people should have been shown as Sales.

The aggregate payroll costs of these persons were as follows:

	2016 £	2015 £
Wages and salaries	274,574	391,099
Social security costs	25,809	53,950
Other pension costs	12,824	21,684
	<u>313,207</u>	<u>466,733</u>

7. Other operating income

	2016 £	2015 £
Bank interest	161	-
Exchange gain	84,091	-
	<u>84,252</u>	<u>-</u>

8. Other operating expenses

	2016 £	2015 £
Bank charges	59	-
Net exchange loss	-	57,581
	<u>59</u>	<u>57,581</u>

Notes to the Financial Statements (continued)

9. Tax on (loss)/profit

Total tax expense recognised in the Profit and Loss Account

	2016 £	2015 £
<i>Current tax</i>		
Current tax on (expense)/income for the year	-	11,744
Adjustments in respect of prior periods	98	-
Total current tax	98	11,744
<i>Deferred tax</i>		
Origination and reversal of timing differences	-	-
Total deferred tax	-	-
Total tax	98	11,744

Reconciliation of effective tax rate

Tax charge for the year is higher (2015: higher) than the standard rate of corporation tax in the UK for the year ended 31 December 2016 of 20% (2015: 20.25%). The differences are explained below:

	2016 £	2015 £
(Loss)/profit for the financial year	(16,264)	42,590
Tax on loss	(98)	(11,744)
(Loss)/profit excluding tax	(16,166)	54,334
Tax using the UK corporation tax rate of 20% (2015 : 20.25%)	(3,233)	11,003
<i>Effects of:</i>		
Expenses not deductible for tax purposes	285	408
Group relief surrendered for nil consideration	4,335	(1,068)
Unrecognised deferred tax	(1,387)	1,401
Adjustments in respect of prior periods	98	-
Total tax charge for the year	98	11,744

Factors that may affect future tax charges

During the year, the UK corporation tax rate was 20%. Further reductions to 19% from 1 April 2017, and to 17% from 1 April 2020 were substantively enacted in October 2015 and September 2016 respectively.

Deferred tax

A deferred tax asset of £3,881 (2015 : £5,060) was not recognised during the year.

Notes to the Financial Statements (continued)

10. Stocks

	2016 £	2015 £
Raw materials and consumable	18,657	19,579
Finished goods and goods for resale	379,815	624,884
	<u>398,472</u>	<u>644,463</u>

The amount of inventories recognised as an expense, during the year and any impairment losses recognised or reversed in profit or loss, amounted to £1,670,254 (2015: £1,817,998).

11. Debtors

	2016 £	2015 £
Trade debtors	303,455	589,312
Other debtors	70,076	53,639
	<u>373,531</u>	<u>642,951</u>

12. Creditors: amounts falling due within one year

	2016 £	2015 £
Trade creditors	26,141	149,738
Amounts owed to group undertakings	212,924	330,088
Taxation	11,744	15,241
Accruals and deferred income	54,158	50,120
	<u>304,967</u>	<u>545,187</u>

13. Called up share capital

Allotted, called up and fully paid:

	2016 £	2015 £
100 (2015 : 100) ordinary shares of £0.01 each	<u>1</u>	<u>1</u>

There is a single class of ordinary shares. There are no restrictions on the distribution of dividends and the repayment of capital.

The rights in respect of the holders of ordinary shares include the rights to attend general meetings and vote; receive a share of the Company's profits; receive certain documents from the Company; inspect statutory books and constitutional documents and to receive any final distribution on the winding up of the Company.

Notes to the Financial Statements (continued)

14. Operating leases

The Company had the following future minimum lease payments under non-cancellable operating leases, which are payable as follows:

	2016 Motor vehicles £	2015 Motor vehicles £
Operating leases which expire:		
Within one year	2,066	10,066
	<u>2,066</u>	<u>10,066</u>

15. Employee benefit

Defined contribution plans

The Company operates a defined contribution pension plan. The total expense relates to this plan in the current year was £12,824 (2015: £21,684).

There were no outstanding or prepaid contributions at either the beginning or end of the financial year.

16. Related party transactions

The Company is exempt from disclosing other related party transactions as they are with other companies that are wholly owned within the Group.

17. Ultimate parent company and parent company of larger group

The Company's immediate parent undertaking is MacDermid Performance Solutions UK Limited, a company incorporated in the United Kingdom. The ultimate parent and controlling party is Platform Specialty Products Corporation.

The ultimate parent undertaking and the smallest and largest group to consolidate these financial statements is Platform Specialty Products Corporation. Copies of the Platform Specialty Products Corporation consolidated financial statements can be obtained from the Investor Relations department at 1450 Centrepark Boulevard, Suite 210, West palm Beach, Florida 33401, USA, and are available at www.platformspecialtyproducts.com.

18. Contingent liability

On 13 April 2016 the Company entered into a guarantee in respect of the bank borrowings of fellow subsidiary undertakings of the Platform Specialty Products Corporation group. The guarantee is secured by a charge on the Company's tangible and intangible assets.