

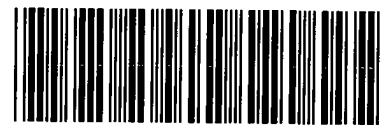
Umeco Limited

**Directors' report and financial
statements**

Registered number 148635

31 December 2013

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Strategic report

Principal activities and business review

Following the acquisition by Cytec on 20 July 2012 and re-registration as a private limited company, the principal activities of the company are that of an intermediate holding company.

Investments

The investment balance as at 31 December 2013 is £49,260,000, (2012: £71,859,000). The investment balance has been considered for impairment by the Directors, with an impairment loss of £12,675,000 recognised in the year (2012: £86,336,000). This impairment relates to the Company's investments in Umeco Composites Limited and Umeco Repair and Overhaul Limited.

The carrying amounts of the investments are reviewed for impairment by the Directors when events or changes in circumstances indicate that the carrying amount of the investment may not be recoverable. If any such indication exists, the asset's recoverable amount is estimated.

The carrying amounts of the investments were reviewed against their recoverable amounts, being the greater of their net realisable value and value in use. In assessing value in use, the expected future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the rate of return expected on an equally risky investment.

The company's 100% investment in Wellmar Limited was disposed of during the year to Cathy Investments Limited. The subsidiary was sold for proceeds of £5,500,000, which generated a loss on disposal of £6,174,000.

By order of the board



DM Drillock
Director

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

Date: 26. August. 2014

Directors' report

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

Results and dividend

Losses for the financial year were £16,166,000 (*9 months ended 31 December 2012: profit of £33,514,000*). During the period dividends of £nil (*9 months ended 31 December 2012: £nil*) were paid.

Directors

The directors who held office during the year are as follows:

W Avrin

DM Drillock

RD Smith

Disclosure of information to auditor

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the company's auditor is unaware; and each director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Auditor

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

By order of the board



DM Drillock

Director

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

Date: 26 August 2014

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

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

Company law requires the directors to prepare financial statements for each financial period. Under that law they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice).

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

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

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.



Independent auditor's report to the members of Umeco Limited

We have audited the financial statements of Umeco Limited for the year ended 31 December 2013 set out on pages 5 to 19. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice).

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

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit, and express an opinion on, the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

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

Opinion on other matter prescribed by the Companies Act 2006

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

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

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

Michael Froom (Senior Statutory Auditor)

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

26 August 2014

Profit and loss account
for the year ended 31 December 2013

	<i>Note</i>	Year to 31 December 2013 £000	Nine months to 31 December 2012 £000
Administrative expenses		(1,885)	(6,662)
Operating loss	4	(1,885)	(6,662)
Interest payable	2	(425)	(654)
Interest receivable	3	3,434	284
Investment income	5	141	125,767
Amounts written off investments	10	(12,675)	(86,336)
Loss on sale of investment	10	(6,174)	-
(Loss)/profit on ordinary activities before taxation		(17,584)	32,399
Tax on (loss)/profit on ordinary activities	8	1,418	1,115
(Loss)/profit for the financial period	16	(16,166)	33,514

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

All of the activities of the company are classed as continuing.

Balance sheet
as at 31 December 2013

	<i>Note</i>	2013	2012
		£000	£000
Fixed assets			
Tangible assets	9	-	986
Investments	10	49,260	71,859
		<hr/>	<hr/>
		49,260	72,845
Current assets			
Debtors (<i>including £33,143,000 (2012: £157,158,000) due after more than one year</i>)	11	142,106	161,485
Cash at bank and in hand		21,122	460
		<hr/>	<hr/>
		163,228	161,945
Creditors: amounts falling due within one year	12	(26,990)	(31,123)
		<hr/>	<hr/>
Net current assets		136,238	130,822
		<hr/>	<hr/>
Total assets less current liabilities		185,498	203,667
		<hr/>	<hr/>
Creditors: amounts falling due after one year	12	(1,551)	(3,370)
Provision for liabilities and charges	13	(670)	(854)
		<hr/>	<hr/>
Net assets		183,277	199,443
		<hr/>	<hr/>
Capital and reserves			
Share capital	14	12,289	12,289
Share premium	15	116,882	116,882
Other reserves	15	111	111
Profit and loss account	15	53,995	70,161
		<hr/>	<hr/>
Shareholders' funds	16	183,277	199,443
		<hr/>	<hr/>

These financial statements were approved by the board of directors on 26 August 2014 and were signed on its behalf by:



DM Drillock
Director

Registered number : 148635

Notes

(forming part of the financial statements)

1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the Company's financial statements.

Basis of preparation

The financial statements have been prepared in accordance with applicable law UK accounting standards under the historical cost accounting rules, except for derivative financial instruments which are stated at their fair values.

Under FRS1 (revised) the company is exempt from the requirement to prepare a cash flow statement on the grounds that a parent undertaking includes the company in its own consolidated financial statements.

As the company is a wholly owned subsidiary of Cytec Industries Inc., it has taken advantage of the exemption contained in FRS 8 and has therefore not disclosed transactions or balances with entities which form part of the group.

Exemption from consolidation

These financial statements present information about the company as an individual undertaking and not about its group. The company has taken advantage of the exemption from preparing consolidated financial statements afforded by s401 of Companies Act 2006 because it is a wholly owned subsidiary of Cytec Industries Inc. which prepares consolidated financial statements that are publically available, see note 21.

Going concern

The company is expected to continue to generate positive cash flows on its own account for the foreseeable future. The company participates in the group's centralised treasury arrangements and so shares banking arrangements with its parent and fellow subsidiaries. The directors, having assessed the responses of the directors of the company's parent Cytec UK Holdings Limited to their enquiries have no reason to believe that a material uncertainty exists that may cast significant doubt about the ability of the Company to continue as a going concern or its ability to continue with the current banking arrangements.

On the basis of their assessment of the company's financial position and of the enquiries made of the directors of Cytec UK Holdings Limited, the company's directors have a reasonable expectation that the company will be able to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Investments

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

Depreciation

Depreciation is provided so as to write off the cost or valuation of tangible fixed assets over their estimated useful economic lives on a straight line basis as follows:

Freehold buildings	50 years
Fixtures and equipment	3-10 years

No depreciation is provided on freehold land.

Tax

The charge for tax is based on the profit for the year and takes into account tax deferred because of timing differences between the treatment of certain items for tax and accounting purposes except as otherwise required by FRS19 'Deferred Tax'. Liabilities are calculated on a non-discounted full provision basis. Assets are recognised on the same basis, but only to the extent that it is probable they will be recovered.

Notes (continued)

1 Accounting policies (continued)

Foreign currencies

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated using the rate of exchange ruling at the balance sheet date and the gains or losses on translation are included in the profit and loss account.

Financial instruments

The Company has adopted the requirements of FRS29 'Financial Instruments: Disclosures' and has taken the exemption under that standard from disclosure on the grounds that its parent company's financial statements contain disclosures in compliance with IFRS7 'Financial Instruments: Disclosures'. The Company does not hold or issue derivative financial instruments for trading purposes and the principal financial instruments utilised by the Company are interest rate swaps and forward foreign exchange contracts.

(a) bank loans and other borrowings

Interest bearing bank loans and overdrafts are initially recognised at fair value less attributable transaction costs. All borrowings are subsequently stated at amortised cost with the difference between the initial proceeds and the repayment value being recognised in the profit and loss account over the period to repayment.

(b) derivative financial instruments

The Company uses derivative financial instruments to manage financial risks associated with the Company's business activities and the financing of those activities. Derivatives are initially recognised at fair value on the date that the contract is entered into and subsequently re-measured in future periods at their fair value, with any change in value being recognised in the profit and loss account. The Company does not apply hedge accounting in respect of these financial instruments.

The Company enters into forward foreign exchange contracts to provide a hedge against foreign currency exposures. Interest rate swap contracts are used to hedge the Company's exposure to changes in interest rates. These instruments are used to manage exposure in line with the Company's risk management policy.

Fair values are based on quoted market prices at the balance sheet date.

(c) fair value hedge

Foreign currency borrowings (the hedging instrument) are treated as a fair value hedge against foreign currency investments (the hedged item). The hedging instrument is measured at fair value with changes in the fair value recognised in the profit and loss account. The hedged item is also re-measured with any change in the carrying value also being recognised in the profit and loss account.

Provisions

A provision is recognised when the Company has a present legal or constructive obligation as a result of a past event, and where it is probable that an outflow will be required to settle the obligation.

Impairment

The carrying values of investments are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. An impairment loss is recognised whenever the carrying amount of an asset or its cash generating unit exceeds its recoverable amount. The recoverable amount is the higher of fair value less costs to sell and the value in use. In determining the value in use, estimated future cash flows are discounted to their present value using a discount rate that reflects the time value of money and risks specific to the asset being assessed. Impairment losses are recognised immediately in the profit and loss account and are not subsequently reversed.

Notes (continued)

1 Accounting policies (continued)

Retirement benefit obligation

Pension costs are recognised in the financial statements in accordance with the requirements of FRS17 'Retirement Benefits'. The Company is a member of the defined benefit section of the Umeco Pension and Life Assurance Plan. Since the Company is unable to identify its share of the scheme assets and liabilities on a consistent and reasonable basis, the scheme is accounted for by the Company as if it was a defined contribution scheme. Details of the Group's pension schemes are set out in note 19 to the financial statements:

For defined contribution schemes, amounts payable by the Company are charged to the profit and loss account as they fall due.

Share based payments

The fair value of options granted after 7 November 2002 and not yet vested by 31 March 2004 are not recognised as an employee expense. Those granted since 1 April 2004 are expensed with a corresponding increase in equity. The fair value is measured at grant date and spread over the period during which the employees become unconditionally entitled to the options. The fair value of the awards granted is measured using the Black-Scholes model and principles similar to the Monte Carlo approach, taking into account the terms and conditions upon which the awards were granted. The amount recognised as an expense is adjusted to reflect the actual number of share awards that vest except where forfeiture is only due to share prices not achieving the threshold for vesting.

Where the Company grants options over its own shares to the employees of its subsidiaries, it recognises an increase in the cost of investment in its subsidiaries equivalent to the equity settled share based payment charge recognised in its subsidiary's financial statements with the corresponding credit being recognised directly in equity. Amounts recharged to the subsidiaries are recognised as a reduction in the cost of investment in that subsidiary.

2 Interest payable

	Year to 31 December 2013 £000	Nine months to 31 December 2012 £000
Interest payable on bank loans and overdraft	277	113
Interest payable to group undertakings	137	368
Bank facility fees	-	173
Other interest payable	11	-
	<hr/> 425 <hr/>	<hr/> 654 <hr/>

3 Interest receivable

	Year to 31 December 2013 £000	Nine months to 31 December 2012 £000
Interest receivable from group undertakings	3,433	284
Interest receivable on bank deposits	1	-
	<hr/> 3,434 <hr/>	<hr/> 284 <hr/>

Notes (continued)

4 Operating loss

<i>Operating loss is stated after charging/(crediting)</i>	Year to 31 December 2013 £000	Nine months to 31 December 2012 £000
Depreciation - owned assets	26	41
Loss on disposal of tangible fixed assets	8	-
Exchange loss/(gain)	165	(288)
Auditor's remuneration – fee in respect of audit of this entity	22	15
	<hr/>	<hr/>

Details of non-audit fees paid by the Company and its subsidiaries to the company's auditor are disclosed in the consolidated financial statements of Cytec Industries, Inc.

5 Investment income

	Year to 31 December 2013 £000	Nine months to 31 December 2012 £000
Dividends received from group undertakings	141	125,767
	<hr/>	<hr/>

6 Remuneration of directors

	Year to 31 December 2013 £000	Nine months to 31 December 2012 £000
Directors' emoluments	-	1,648
	<hr/>	<hr/>

The emoluments of the highest paid director were £nil (2012: £898,000) and the company made pension contributions of £nil (2012: £nil) to the defined benefit scheme on his behalf.

	Year to 31 December 2013 Number	Nine months to 31 December 2012 Number
<i>Retirement benefits are accruing to the following number of directors under:</i>		
Defined benefit schemes	-	1
	<hr/>	<hr/>

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 2013 or period ended 31 December 2012.

Notes (continued)

7 Staff numbers and costs

The average number of persons employed by the company, including directors, during the year was as follows:

	Year to 31 December 2013 Number	Nine months to 31 December 2012 Number
Administration	1	7
	<hr/> £000	<hr/> £000
<i>The aggregate payroll costs of these persons were:</i>		
Wages and salaries	56	1,851
Social security costs	6	182
Other pension costs	318	696
Share based payment costs	-	74
	<hr/> 380 <hr/>	<hr/> 2,803 <hr/>

8 Tax on (loss)/profit on ordinary activities

	Year to 31 December 2013 £000	Nine months to 31 December 2012 £000
UK taxation charge at 23.25% (2012: 24%)		
- current period	161	(1,023)
- prior periods	(1,726)	(183)
	<hr/> (1,565)	<hr/> (1,206)
Deferred tax		
- current year	136	327
- change in rate	15	11
- prior periods	(4)	(247)
	<hr/> (1,418) <hr/>	<hr/> (1,115) <hr/>

Notes (continued)

8 Tax on (loss)/profit on ordinary activities (continued)

Factors affecting the tax credit for the current year

	Year to 31 December 2013 £000	Nine months to 31 December 2012 £000
Current tax reconciliation:		
Loss/(profit) on ordinary activities before tax	(17,584)	32,399
	<hr/>	<hr/>
Current tax at 23.25% (2012: 24%)	(4,088)	7,776
Effects of:		
Expenses not deductible for tax purposes	37	991
Depreciation in excess of capital allowances	3	-
Non-taxable dividend income	(33)	(30,184)
Other timing differences	(140)	(327)
Prior year tax effect	(1,726)	(183)
Impairment in fixed asset investments	2,947	20,721
Non-taxable loss on disposal of investments	1,435	-
	<hr/>	<hr/>
Total current tax credit	(1,565)	(1,206)
	<hr/>	<hr/>

Reductions in the UK corporation tax rate from 23% to 21% (effective from 1 April 2014) and 20% (effective from 1 April 2015) were substantively enacted on 2 July 2013. This will reduce the company's future current tax charge accordingly. The deferred tax liability at 31 December 2013 has been calculated based on the rate of 20% substantively enacted at the balance sheet date.

Notes (continued)

9 Tangible fixed assets

	Freehold land and buildings £000	Fixtures and equipment £000	Total £000
<i>Cost</i>			
At start of year	2,263	473	2,736
Disposals	(2,263)	(473)	(2,736)
	<hr/>	<hr/>	<hr/>
At end of period	-	-	-
	<hr/>	<hr/>	<hr/>
<i>Accumulated depreciation</i>			
At start of year	1,313	437	1,750
Charge for the year	-	26	26
Disposals	(1,313)	(463)	(1,776)
	<hr/>	<hr/>	<hr/>
At end of year	-	-	-
	<hr/>	<hr/>	<hr/>
<i>Net book value</i>			
At 31 December 2013	-	-	-
	<hr/>	<hr/>	<hr/>
At 31 December 2012	950	36	986
	<hr/>	<hr/>	<hr/>

The cost of freehold land and buildings included an amount of £nil (2012: £400,000) which relates to non-depreciable land.

Notes (continued)

10 Fixed asset investments

	£000
<i>Cost</i>	
At start of year	161,227
Additions	1,750
Disposals	(11,674)
	<hr/>
At 31 December 2013	151,303
	<hr/>
<i>Provisions</i>	
At start of year	89,368
Charge for the year	12,675
	<hr/>
At 31 December 2013	102,043
	<hr/>
<i>Net book value</i>	
At 31 December 2013	49,260
	<hr/>
At 31 December 2012	71,859
	<hr/>

The company directly holds more than 20% of the equity in the following subsidiary undertakings:

Name	Country of incorporation	Class of shares held	Percentage of shares held	Principal activity
Advanced Composites Group Holdings Limited	Great Britain	Ordinary	100	Intermediate holding company
Advanced Composites Limited *	Great Britain	Ordinary	100	Develop, manufacture and supply advanced composite materials
Cytec - Med-Lab Limited * (formerly Med-Lab Limited)	Great Britain	Ordinary	100	Distribute materials used in the overhaul and maintenance of aircraft engines and the testing of aviation fuel
Cytec Industrial Materials (Berlin) GmbH *	Germany	Ordinary	100	Develop, manufacture and supply advanced composite materials
Cytec Industrial Materials (Derby) Limited *	Great Britain	Ordinary and preference	100	Develop, manufacture and supply advanced composite materials
(formerly Umeco Structural Materials (Derby) Limited)				
Cytec Industrial Materials (Manchester) Limited *	Great Britain	Ordinary	100	Develop, manufacture and supply advanced composite materials
(formerly Umeco Structural Materials (Manchester) Limited)				
Cytec Process Materials (Keighley) Limited *	Great Britain	Ordinary	40	Distribute vacuum bagging materials
(formerly Umeco Process Materials Limited)				
Cytec Process Materials (Milan) S.r.l. * (formerly Umeco Composites S.r.l.)	Italy	Ordinary	100	Distribute vacuum bagging materials
Cytec Process Materials (Mondovi) Srl *	Italy	Ordinary	100	Manufacture of vacuum bagging films
(formerly Industria Plastica Monregaese)				
Cytec Process Materials (Toulouse) Sarl *	France	Ordinary	100	Distribute vacuum bagging materials
(formerly Umeco Process Materials Sarl)				
Shanghai Umeco Composites Co., Limited	China	Ordinary	51	Manufacture of vacuum bagging films
Umeco Composites Limited	Great Britain	Ordinary	100	Intermediate holding company
Umeco November Limited	Great Britain	Ordinary	100	Intermediate holding company
University Motors Limited	Great Britain	Ordinary	100	Intermediate holding company

Notes (continued)

10 Fixed asset investments (continued)

In addition to the above, the following dormant subsidiary undertakings are held by the company;

Name	Country of incorporation	Class of shares held	Percentage of shares held
Advanced Composite Components Limited *	Great Britain	Ordinary	100
Advanced Composite Developments Limited *	Great Britain	Ordinary	100
Advanced Composite Engineering Limited *	Great Britain	Ordinary	100
Advanced Composite LTM Limited *	Great Britain	Ordinary	100
Advanced Composite Materials Limited *	Great Britain	Ordinary	100
Advanced Composite Mouldings Limited *	Great Britain	Ordinary	100
Advanced Composite Panels Limited *	Great Britain	Ordinary	100
Advanced Composites Group SA *	South Africa	Ordinary	100
Advanced Composites Group (Primco) Limited *	Great Britain	Ordinary	100
Advanced Composites Master Materials Limited *	Great Britain	Ordinary	100
Advanced Composites Technology Limited *	Great Britain	Ordinary	100
Advanced Composites Technology Transfers Limited *	Great Britain	Ordinary	100
B. & K. Resins Limited	Great Britain	Ordinary	100
Chasers (Self-Drive) Limited *	Great Britain	Ordinary	100
Cliffcrete Limited *	Great Britain	Ordinary	100
Compstock Electronics Limited	Great Britain	Ordinary	100
Crossfield (Bristol) Limited *	Great Britain	Ordinary	100
Fluorovac Limited *	Great Britain	Ordinary	100
G W Stewart Holdings Limited *	Great Britain	Ordinary	100
Hungerford Electrical Limited	Great Britain	Ordinary	100
J & H (Marine) Limited	Great Britain	Ordinary	100
Jostrel Limited	Great Britain	Ordinary	100
Levelgrange Limited	Great Britain	Ordinary	100
Med-Lab International Limited	Great Britain	Ordinary	100
Med-Lab O.M. Limited *	Great Britain	Ordinary	100
Stewart Electronics Limited *	Great Britain	Ordinary	100
U M Sales Limited *	Great Britain	Ordinary	100
Umeco Americas Limited *	Great Britain	Ordinary	100
Umeco Components Limited	Great Britain	Ordinary	100
Umeco Couplings Limited	Great Britain	Ordinary	100
Umeco December Limiter	Great Britain	Ordinary	100
Umeco Developments Limited	Great Britain	Ordinary	100
Umeco International Holdings Limited	Great Britain	Ordinary	100
Umeco International Inc.	USA	Ordinary	100
Umeco Overseas Holdings Limited *	Great Britain	Ordinary	100
Umeco Properties Limited	Great Britain	Ordinary	100
Umeco Repair and Overhaul Limited	Great Britain	Ordinary	100
Umeco Trustees Limited	Great Britain	Ordinary	100
University Coachwork Limited *	Great Britain	Ordinary	100
University Motors (Newbury) Limited	Great Britain	Ordinary	100
University Motors (Woodcote) Limited *	Great Britain	Ordinary	100
Vacform Design Limited *	Great Britain	Ordinary	100
Wesupply Aerospace Limited *	Great Britain	Ordinary	50

All of the subsidiary companies have financial years which are coterminous with that of the Company.

During 2013 the company subscribed for a further 1,750,000 £1 shares in Wellmar Limited at par value. Subsequent to this, on 12 July 2013 the company disposed of 100% of its investment in Wellmar Limited to Cathy Investments Limited for £5,500,000, generating a loss of £6,174,000.

Wellmar Limited is incorporated in Great Britain and registered in England and Wales and its principal activity is that of an intermediate holding company for subsidiaries involved in the wholesale distribution of polyester resins, glass fibre and complementary items to manufacturers of glass reinforced plastic products.

* - indirect subsidiary

Notes (continued)

11 Debtors

	2013 £000	2012 £000
<i>Amounts falling due within one year</i>		
Amounts owed by group undertakings	108,716	2,220
Other debtors	55	2,043
Prepayments	192	64
	<hr/> 108,963	<hr/> 4,327
<i>Amounts falling due after one year</i>		
Amounts owed by group undertakings	33,040	156,908
Deferred tax	103	250
	<hr/> 33,143	<hr/> 157,158
	<hr/> <hr/> 142,106	<hr/> <hr/> 161,485

The elements of deferred taxation are as follows:

	2013 £000	2012 £000
Opening net deferred tax asset	250	341
Charge for the year	(147)	(91)
	<hr/> 103	<hr/> 250

12 Creditors

	2013 £000	2012 £000
<i>Amounts falling due within one year</i>		
Bank overdraft	25,054	1,180
Trade creditors	8	49
Amounts owed to group undertakings	2	12,436
Amounts owed to ultimate parent undertaking	-	10,664
Corporation tax	1,780	5,549
Other tax and social security	-	564
Accruals and deferred income	146	681
	<hr/> 26,990	<hr/> 31,123
<i>Amounts falling due after one year</i>		
Amounts due to group undertakings	<hr/> <hr/> 1,551	<hr/> <hr/> 3,370

Notes (continued)

13 Provision for liabilities and charges

	Other provisions £000
Opening asset/(liability) at 1 January 2013	(854)
Charge in the year	(119)
Utilised in the year	303
	<hr/>
Closing liability at 31 December 2013	(670)
	<hr/> <hr/>

The other provisions relate to costs of potential environmental work at a site in Toulouse, France, formerly operated by Umeco Repair & Overhaul and costs relating to a guarantee on a building lease. Due to the nature of the costs, the period over which the provision is expected to be utilised is difficult to determine but is currently expected to be between two and ten years. The provision also includes an onerous contract entered into by the company which is expected to end in May 2015.

14 Share capital

	2013 Number	2013 £000	2012 Number	2012 £000
<i>Ordinary shares of 25 pence each</i>				
Allotted, called up and fully paid				
At start of year	49,154,884	12,289	48,489,133	12,122
Issued pursuant to the SAYE Share Option Scheme	-	-	665,751	167
	<hr/>	<hr/>	<hr/>	<hr/>
At end of year	49,154,884	12,289	49,154,884	12,289
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

15 Reserves

	Other reserves £000	Share premium account £000	Profit and loss account £000
At start of year	111	116,882	70,161
Retained loss for the financial year	-	-	(16,166)
	<hr/>	<hr/>	<hr/>
At end of year	111	116,882	53,995
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

Notes (continued)

16 Reconciliation of movements in shareholders' funds

	2013 £000	2012 £000
Shareholders' funds at start of year	199,443	165,172
Retained (loss)/profit for the financial year	(16,166)	33,514
Share capital issued	-	1,059
Share option costs	-	(302)
Shareholders' funds at end of year	183,277	199,443

17 Contingent liabilities

Under group banking facilities, the Company is jointly and severally liable for bank borrowings due by other group companies. At 31 December 2013 this contingent liability amounted to £4,153,022 (2012: £3,101,319).

Under a Group registration, the Company was jointly and severally liable for value added tax due by certain other Group companies. Due to the sale of Wellmar Limited during the year this contingent liability as at 31 December 2013 was £nil (2012: £180,000).

18 Financial instruments

The movement in the fair value of the below financial instrument has been recognised in the profit and loss account. The related liabilities are as follows:

	2013 £000	2012 £000
Foreign exchange forward contracts	-	(18)

19 Pension schemes

Umeco Limited, along with other group companies, participates in the Umeco Pension and Life Assurance Plan which has two schemes, a defined benefit scheme (which was closed to new entrants in 2000 and future accruals in 2011) ("the scheme") and a defined contribution scheme.

The assets of the defined benefit scheme are held separately from those of the company, being invested by independent fund managers. Contributions to the scheme are charged to the profit and loss account so as to spread the costs of pensions over employees' working lives with the company. The contributions are determined by a qualified actuary on the basis of triennial valuations using the projected unit method. As the scheme is run for a group of Umeco companies as a whole, the company is unable to identify its share of the scheme assets and liabilities on a consistent and reasonable basis. Hence, as permitted by FRS17: Retirement Benefits, the scheme is accounted for by the company as if the scheme was a defined contribution scheme.

An actuarial valuation was undertaken as at 1 April 2010 and was updated for FRS 17 purposes to 31 December 2013 by a qualified independent actuary. Subsequent to the year end the 1 April 2013 actuarial valuation was finalised, the market value of the scheme's assets at 1 April 2013 were £17.2 million the value of which represented approximately 101% of the benefits that had accrued to members at that date on an ongoing basis, after allowing for assumed future increases in salaries. At this date the scheme had a surplus of assets over liabilities of £194,000.

Notes (continued)

19 Pension schemes (continued)

At 31 December 2013, the scheme had a surplus on an FRS 17 basis of £nil (2012: £nil) following adjustment of £4,296,000 (2012: £2,023,000) resulting from the limit on the amount that can be recognised as an asset in the balance sheet.

The company's contributions to the scheme in the year were £314,000 (2012: £651,000).

The group operates a defined contribution pension scheme. The pension cost charge for the period represents contributions payable by the company to the scheme and amounted to £4,000 (2012: £43,000). Contributions amounting to £nil (2012: £nil) were payable to the scheme and are included in creditors.

20 Share based payments

Before the company was acquired by Cytec Industries Inc, on 20 July 2012 there were a number of share options schemes open. As part of the acquisition, all share options in the company were settled and therefore as at 31 December 2013 and 31 December 2012 there were no open share options.

The amount expensed in the year for share based payments was:

	2013	2012
	£000	£000
Umeco Bonus Plan	-	167
Performance Share Plan	-	(148)
Chairman's 2010 Share Award Plan	-	(321)
	<hr/>	<hr/>
	-	(302)
	<hr/>	<hr/>

21 Ultimate holding company and ultimate controlling party

The company's ultimate holding company and ultimate controlling company is Cytec Industries Inc, incorporated in the United States of America. The consolidated accounts of this group are available to the public and may be obtained from Five Garret Mountain Plaza, Woodland Park, NJ 07424, USA.