MacDermid Limited

Annual report and financial statements

Registered number 1290882

For the year ended 31 December 2013

Contents

Strategic report

Business review

There was a profit for the year after taxation amounting to £2.8 million *(2012: £38.1 million).*

Key performance indicators

The key performance indicators monitored by management are growth in turnover, gross profit margin and profit after tax.

Financial overview

Total turnover increased by 0.9% *(2012: decreased by 0.4%)* over the prior year, with sales to UK customers increasing by 0.5% *(2012: decreased by 2%)*, sales to other EC countries decreasing by 5% *(2012: increased by 15%)* whilst sales to the rest of the world have increased by 40% *(2012: decreased by 40%).* Operating profit of £3,514,000 compared to £3,639,000 in 2012. The company's profit after tax decreased by £35,331,000 due primarily to there being no profit on sale of subsidiary undertaking in 2013.

Future developments

The 2014 outlook is for organic growth of sales to the surface preparation and coatings industries. The growth is possible as a result of the new and improved products which have been developed by the Research and Development group. The company will continue to benefit from inroads into the metallurgy and metal working industries.

The continued growth of turnover and lower cost base will help the company to achieve the targets set for 2014.

The company will continue to invest in people and the development of new products to meet the demands of our customers.

Financial risk management objectives and policies

The main risks arising from the company's financial instruments are liquidity risk and credit risk. The board reviews and agrees policies for managing these risks as summarised below:

Liquidity risk

The company seeks to manage financial risk by ensuring sufficient liquidity is available to meet foreseeable needs and to invest cash assets safely and profitably.

Credit risk

The company trades with only recognised, creditworthy third parties. In addition, receivable balances are monitored on an ongoing basis with the result that the company's exposure to bad debts is not significant.

Research and development

The company carries out research and development of products used primarily for the surface preparation, surface modification and post-treatment of metals and plastics. The products have a wide variety of uses in manufacturing sectors for the automotive and aircraft industries, domestic appliances, shop fittings, fasteners, jewellery and mobile phones.

On behalf of the board

RE Richards
Director

12 June 2014

Directors' report

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

Principal activities

The principal activities of the company continue to be the manufacture and supply of speciality chemicals and materials for use in surface coating and printed circuit board industries and the manufacture and supply of industrial lubricants.

The company provides technology-based solutions to the surface coating industry. Our customers are mainly involved in coating applications, found in all industrial manufacturing sectors. The company also supplies innovative, environmentally-sound products to printed circuit board manufacturers involved in industries from mobile phones to automotive.

MacDermid Limited is a wholly owned subsidiary of MacDermid Italiana srl. The company's ownership has been changed during the year and MacDermid Inc and its subsidiary entities including this company were acquired by Platform Speciality Products Corporation as at 31 October 2013. Platform Specialty Products Corporation, a company incorporated in the United States of America is now the ultimate parent company.

Results and dividends

The trading results for the year and the company's financial position at the end of the year are shown in the attached financial statements.

The directors have paid an interim dividend of £Nil *(2012: £35,284,000).* No final dividend is declared *(2012: £Nil).*

Directors

The directors who served during the year were as follows:

TJ Clarke
J Cordani
LJ Phasey
RE Richards
F Monteiro
P Bray

Donations

The company made no charitable or political donations during the year *(2012: £Nil).*

Employees

It is the policy of the company that no job application or employee, full time or part time, will receive less favourable treatment because of a disability unless objectively justifiable. The company give full and fair consideration to people with disabilities during recruitment, who are judged on whether or not they have the skills or experience to do the job in question. Particular consideration is given to the training and other needs of employees with disabilities (and especially of those individuals who become disabled during employment). It is the aim of the company to comply at all times with the obligations imposed on it by the Disability Discrimination Act 1996.

Management believes that employees will work more effectively if, subject to obvious legal and business constraints, they are kept informed of the progress of their own company and of the group as a whole. For this reason, the executive directors of Platform Specialty Products Corporation regularly brief the managing directors of the various operating companies who, in turn, are responsible for communicating relevant information to their employees on a regular and systematic basis and consult them where appropriate.

Directors' report *(continued)*

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 they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

On behalf of the board

RE Richards
Director

198 Golden Hillock Road
Birmingham
B11 2PN

12 June 2014

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

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

Company law requires the directors to prepare financial statements for each financial year. Under that law 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 judgments 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.

KPMG LLP
One Snowhill
Snow Hill Queensway
Birmingham
B4 6GH
United Kingdom

Independent auditor's report to the members of MacDermid Limited

We have audited the financial statements of MacDermid Limited for the year ended 31 December 2013 set out on pages 7 to 22. 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 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). 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's web-site 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 profit 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.

Independent auditor's report to the members of MacDermid Limited
(continued)

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.

SJ Purkess

Simon Purkess (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants

12 June 2014

Profit and loss account
for the year ended 31 December 2013

	Note	**2013**	2012
		£000	£000
Turnover	2	**19,911**	19,810
Cost of sales		**(12,730)**	(13,004)
Gross profit		**7,181**	6,806
Other operating charges	3	**(6,575)**	(5,860)
Other operating income	4	**2,908**	2,693
Operating profit	5	**3,514**	3,639
Profit on sale of subsidiary undertaking	13	**-**	32,474
Dividend receivable from subsidiary undertaking		**-**	2,600
Interest receivable and similar income	8	**129**	275
Interest payable	9	**(6)**	-
Profit on ordinary activities before taxation		**3,637**	38,988
Tax on profit on ordinary activities	11	**(820)**	(840)
Profit for the financial year		**2,817**	38,148

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

There is no difference between the result as disclosed in the profit and loss account and the result on a historical cost basis.

The notes on pages 10 to 22 form part of these financial statements.

Balance sheet
at 31 December 2013

	Note	2013 £000	£000	2012 £000	£000
Fixed assets					
Tangible assets	*12*		**4,905**		5,401
Investments	*13*		**-**		-
			4,905		5,401
Current assets					
Stocks	*14*	**2,288**		2,659	
Debtors	*15*	**13,185**		10,657	
Cash at bank		**2,125**		1,853	
		17,598		15,169	
Creditors: Amounts falling due within one year	*16*	**(11,267)**		(9,797)	
Net current assets			**6,331**		5,372
Total assets less current liabilities			**11,236**		10,773
Creditors: Amounts falling due after more than one year	*17*		***(661)***		(713)
Provision for liabilities	*18*		**(237)**		(237)
Net assets before pension asset			**10,338**		9,823
Net pension asset	*19*		**-**		-
Net assets after pension asset			**10,338**		9,823
Capital and reserves					
Called up equity share capital	22		**3,000**		3,000
Share premium account	23		**1,135**		1,135
Profit and loss account	23		**6,203**		5,688
Shareholders' funds	23		**10,338**		9,823

The notes on pages 10 to 22 form part of these financial statements.

These financial statements were approved by the board of directors on 12 June 2014 and were signed on its behalf by:

RE Richards
Director

Company number: 1290882

Statement of total recognised gains and losses
for the year ended 31 December 2013

	2013	2012
	£000	£000
Profit for the financial year	**2,817**	38,148
Restriction of pension asset due to asset ceiling	**(6,010)**	(5,530)
Deferred tax on asset ceiling restriction	**1,397**	1,272
Actuarial gain/(loss) in respect of defined benefit pension scheme	**3,010**	(599)
Movement in pension scheme deferred tax asset relating to actuarial gain/(loss)	**(699)**	147
Total recognised gains and losses recognised since the last financial statements	**515**	33,438

The notes on pages 10 to 22 form part of these financial statements.

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:

Going concern

Despite the economic conditions, the company has remained profitable and retains significant cash reserves as well as having reduced its pension deficit by means of a special contribution.

The directors have a reasonable expectation that the company has adequate resources 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.

Basis of accounting

The financial statements have been prepared under the historical cost convention and in accordance with UK Generally Accepted Accounting Practice.

Consolidation

The company has taken the exemption provided by UITF Abstract 43: "The interpretation of equivalence for the purposes of Section 401(2) of the Companies Act 2006" and has not prepared consolidated financial statements on the basis that the company is included in the consolidated financial statements of a larger group which are drawn up on an equivalent basis to the Seventh Directive (83/349/EEC). See note 26 for further details of the financial statements and the address from which they may be obtained. These financial statements therefore present information about the company as an individual undertaking and not about its group.

Cash flow statement

The directors have taken advantage of the exemption in Financial Reporting Standard No 1 (Revised 1996) from including a cash flow statement in the financial statements on the grounds that the company is wholly owned and its ultimate parent company publishes a consolidated cash flow statement.

Related party transactions

The company is exempt from the requirements of Financial Reporting Standard No 1 (Related party disclosures) to disclose transactions with other group undertakings or transactions with investees of the group qualifying as related parties, as it is a wholly owned subsidiary and its financial statements are included in the consolidated financial statements of the ultimate parent company and those financial statements are publicly available.

Turnover

Turnover represents the amounts (excluding value added tax) derived from the provision of goods to customers. Turnover is recognised on the date of delivery of goods to customers.

Research and development

Expenditure on research and development is written off against profits in the year in which it is incurred except for expenditure on tangible fixed assets.

Notes *(continued)*

1 Accounting policies *(continued)*

Fixed assets

All fixed assets are recorded at cost with an allowance for depreciation.

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Plant and equipment	5 to 14 years
Motor vehicles	4 to 5 years

Leases

Operating lease rentals are charged to the profit and loss account on a straight line basis over the period of the lease.

Stocks

Stocks are stated at the lower of cost and net realisable value. Cost comprises materials, labour and appropriate overhead expenses. Specific provisions are made as necessary for slow moving and obsolete stock.

Pension costs

The company operates a pension scheme with one section based on final pensionable pay and one section based on contributions. The assets of the scheme are held separately from those of the company. Contributions to the scheme are paid in accordance with the recommendations of an independent actuary.

Defined benefit scheme

Pension scheme assets are measured at market values. Pension scheme liabilities are measured using a projected unit method and discounted at the current rate of return on a high quality corporate bond of equivalent term and currency to the liability.

The pension scheme surplus (to the extent it is recoverable) or deficit is recognised in full. Assets recognised are restricted to the extent that the company is able to recover the surplus through reduced copntributions. The movement in the scheme is split between operating charges, finance items and in the statement of total recognised gains and losses, actuarial gains and losses.

Defined contribution scheme

The amounts charged to the profit and loss account represent the contributions payable to the scheme in respect of the period.

Deferred taxation

The charge for taxation is based on the result for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes. Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes, which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS 19.

Government grants

Capital based government grants are included within accruals and deferred income in the balance sheet and credited to operating profit over the estimated useful economic lives of the assets to which they relate.

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, or if hedged forward, at the rate of exchange under the related forward currency contract. 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

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the entity after deducting all of its financial liabilities.

Where the contractual obligations of financial instruments (including share capital) are equivalent to a similar debt instrument, those financial instruments are classed as financial liabilities. Financial liabilities are presented as such in the balance sheet. Finance costs and gains or losses relating to financial liabilities are included in the profit and loss account. Finance costs are calculated so as they represent a constant proportion of the capital outstanding.

Where the contractual terms of share capital do not have any terms meeting the definition of a financial liability then this is classed as an equity instrument. Dividends and distributions relating to equity instruments are debited direct to equity.

2 Turnover

The turnover and profit before tax are attributable to the principal activities of the company. An analysis of turnover by geographical destination is given below:

	2013 **£000**	2012 £000
United Kingdom	**13,093**	13,023
Other EC countries	**5,704**	5,991
Rest of the world	**1,114**	796
	19,911	19,810

3 Other operating charges

	2013 **£000**	2012 £000
Distribution costs	**2,120**	2,242
Administrative expenses	**4,455**	3,618
	6,575	5,860

4 Other operating income

	2013 **£000**	2012 £000
Research and development cost recharge to other group companies	**2,908**	2,693

Notes *(continued)*

5 Operating profit

	2013 £000	2012 £000
Operating profit is stated after charging		
Research and development expenditure written off	**2,821**	2,592
Depreciation of owned fixed assets	**622**	574
Operating lease costs:		
Plant and equipment	**74**	68
Other	**285**	285
Auditor's remuneration:		
Audit fees	**34**	33
Taxation services	**18**	18

6 Remuneration of directors

	2013 £000	2012 £000
Emoluments receivable	**426**	367
Company pension contributions to money purchase schemes	**34**	30
	460	397

The number of directors who accrued benefits under company pension schemes was as follows:

	Number of directors 2013	2012
Money purchase schemes	**4**	4

7 Staff numbers and costs

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

	Number of employees 2013	2012
Production	**18**	18
Administrative	**43**	37
Sales and marketing	**34**	41
Warehousing	**6**	6
	101	102

Notes *(continued)*

7 Staff numbers and costs *(continued)*

The aggregate payroll costs of these persons were as follows:

	2013 £000	2012 £000
Wages and salaries	**3,499**	3,555
Social security costs	**410**	411
Other pension costs	**695**	617
	4,604	4,583

8 Interest receivable and similar income

	2013 £000	2012 £000
Bank interest receivable	**-**	7
Interest from group undertakings	**129**	130
Net finance income in respect of defined benefit pension schemes	**-**	138
	129	275

Interest from group undertakings is related to an intercompany loan due from MacDermid European Holdings BV of £5 million, payable on demand, at an interest rate of LIBOR + 2.05%.

9 Interest payable and similar charges

	2013 £000	2012 £000
Other interest payable	**6**	-

10 Dividends

	2013 £000	2012 £000
Equity shares:		
Interim dividends paid	**-**	35,284

Notes *(continued)*

11 Taxation

Analysis of charge in year

	2013		2012	
	£000	**£000**	£000	£000
UK corporation tax				
Current tax on income for the year	**152**		111	
Adjustments in respect of prior years	**(31)**		(63)	
Total current tax		**121**		48
Deferred tax				
Origination and reversal of timing differences	**35**		69	
Movement in pension scheme deferred tax asset	**699**		792	
Rate change	**(35)**		(69)	
		699		792
Tax on profit on ordinary activities		**820**		840

Factors affecting the tax charge for the current year

The current tax charge for the year is lower *(2012: lower)* than the standard rate of corporation tax in the UK 23.25% *(2012: 24.5%)*. The differences are explained below:

	2013	2012
	£000	£000
Current tax reconciliation		
Profit on ordinary activities before tax	**3,637**	38,988
Current tax at 23.25% *(2012: 24.5%)*	**846**	9,552
Effects of:		
Expenses not recognised for tax purposes	**2**	2
Income not taxable	**-**	(7,955)
Amount charged directly to statement of recognised gains and losses	**(699)**	-
Capital allowances for period in excess of depreciation	**-**	(7)
Other timing differences	**(12)**	(2)
Pension timing difference	**-**	(833)
UK dividends received – non-taxable	**-**	(637)
Additional tax credit for research and development	**(68)**	(69)
Depreciation on ineligible assets	**83**	60
Adjustments to tax charge in respect of previous periods	**(31)**	(63)
Total current tax charge (see above)	**121**	48

Factors that may affect future current and total tax charges

Reductions in the UK corporation tax rate from 26% to 24% (effective from 1 April 2012) and to 23% (effective 1 April 2013) were substantively enacted on 26 March 2012 and 3 July 2012 respectively. Further reductions 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.

Notes *(continued)*

12 Tangible fixed assets

	Leasehold improvements £000	Plant and equipment £000	Assets under construction £000	Total £000
Cost or valuation				
At beginning of year	3,775	3,803	81	7,659
Additions	-	33	93	126
Reallocation	-	89	(89)	-
At end of year	3,775	3,925	85	7,785
Depreciation				
At beginning of year	923	1,335	-	2,258
Charge for the year	252	370	-	622
At end of year	1,175	1,705	-	2,880
Net book value				
At 31 December 2013	**2,600**	**2,220**	**85**	**4,905**
At 31 December 2012	2,852	2,468	81	5,401

13 Investments

	Shares in Subsidiary undertakings £000
Cost	
At beginning and end of year	-
Net book value	
At 31 December 2013 and 31 December 2012	**-**

On 28 July 2012, the company sold all the issued share capital of MacDermid Canning Limited which is incorporated in England for consideration of £32,534,000, resulting in a profit of £32,474,000.

14 Stocks

	2013 £000	2012 £000
Raw materials and consumables	**1,162**	1,398
Finished goods and goods for resale	**1,126**	1,261
	2,288	2,659

Notes *(continued)*

15 Debtors

	2013	2012
	£000	£000
Trade debtors	**3,093**	3,014
Amounts owed by group undertakings	**9,835**	7,091
Corporation tax	**-**	69
Prepayments and accrued income	**257**	483
	13,185	10,657

16 Creditors: Amounts falling due within one year

	2013	2012
	£000	£000
Trade creditors	**2,330**	2,237
Amounts owed to group undertakings	**8,164**	6,790
Other taxation	**46**	110
Corporation tax	**45**	-
Accruals and deferred income	**682**	660
	11,267	9,797

17 Creditors: Amounts falling due after more than one year

	2013	2012
	£000	£000
Accruals and deferred income	**661**	713

Creditors falling due after more than one year relate to rental costs.

Included within creditors falling due after more than one year is £661,000 due for payment more than five years from the Balance Sheet date.

Notes *(continued)*

18 Provision for liabilities

The deferred tax included in the balance sheet is as follows:

	2013	2012
	£000	£000
Deferred tax	**(237)**	(237)

The movement in the non-pension related deferred taxation account during the year was:

	£000
At beginning of year	(237)
Profit and loss account movement arising during the year	(5)
Impact of change in tax rate	35
Adjustments in respect of prior years	(30)
At end of year	**(237)**

The balance of the non-pension related deferred taxation account consists of the tax effect of timing differences in respect of:

	2013	2012
	£000	£000
Excess of taxation allowances over depreciation on fixed assets	**(228)**	(239)
Other timing differences	**(9)**	2
Non pension related deferred tax liability	**(237)**	(237)

19 Pension commitments

Defined benefit scheme

The principal scheme operated in the UK is the MacDermid Canning Pension Scheme. It is a defined benefit scheme for service prior to 6 April 1997 and defined contribution for service on or after that date. The scheme is established as a separate fund and administered by a corporate trustee. The scheme's assets are invested independently of the company with no element of self-investment.

The latest full actuarial valuation was carried out at 6 April 2010 and was updated for FRS 17 purposes to 31 December 2013.

Notes *(continued)*

19 Pension commitments *(continued)*

The amounts recognised in the balance sheet at 31 December 2013 for the defined benefit section only were:

	2013	2012	2011
	£000	£000	£000
Equities	**6,596**	25,995	20,822
Bonds	**42,979**	3,274	16,572
Property	**-**	14,891	3,399
Others	**2,774**	3,571	1,700
Total market value of assets	**52,349**	47,731	42,493
Present value of scheme liabilities	**40,809**	(42,201)	(39,766)
Surplus in the scheme	**11,540**	5,530	2,727
Unrecognised asset due to asset ceiling restriction	**(11,540)**	(5,530)	-
Related deferred tax liability	**-**	-	(682)
Net pension asset	**-**	-	2,045

Changes in the present value of the defined benefit obligation are as follows:

	2013	2012
	£000	£000
Opening defined benefit obligation	**42,201**	39,766
Current service cost	**371**	264
Interest cost	**1,818**	1,862
Actuarial losses	**(1,448)**	2,533
Benefits paid	**(1,762)**	(1,960)
Administrative expenses paid	**(371)**	(264)
Closing defined benefit obligation	**40,809**	42,201

Changes in the fair value of plan assets are as follows:

	2013	2012
	£000	£000
Opening fair value of scheme assets	**47,731**	42,493
Expected return on plan assets	**2,189**	2,126
Actuarial gains	**1,562**	2,336
Contributions by employer	**3,000**	3,000
Benefits paid	**(1,762)**	(2,233)
Administrative expenses paid	**(371)**	(264)
Closing fair value of scheme assets	**52,349**	47,731

The company expects to contribute £336,000 to the Scheme in the next accounting year.

Notes *(continued)*

19 Pension commitments *(continued)*

Analysis of the amount (excluding asset restriction) is recognised in statement of total recognised gains and losses:

	2013 £000	2012 £000
Actual return more than expected return on scheme assets	**1,562**	1,934
Liability gain/(loss) during year	**1,463**	(297)
Loss on changes in assumptions underlying the present value of scheme liabilities	**(15)**	(2,236)
Actuarial gain / (loss)	**3,010**	(599)

Analysis of the amount recognised in the profit and loss account:

	2013 £000	2012 £000
Current service cost	**-**	264
Interest on defined benefit pension plan obligation	**1,818**	1,862
Expected return on assets (net of expenses and asset restriction)	**(1,818)**	(2,264)
	-	(138)

Scheme expenses *(2013: £371,000; 2012: £264,000)* have been netted off the expected return on assets and 2012 results have been restated on this basis. Previously, scheme expenses were shown as a separate interest payable.

Principal actuarial assumptions (expressed as weighted averages) at the year end were as follows:

	2013 %	2012 %
Discount rate	**4.40**	4.40
Pension increase (fixed)	**1.5 or 3**	1.5 or 3
Expected return on assets	**4.20**	6.60
RPI inflation assumption	**3.60**	3.10
CPI inflation assumption	**2.60**	2.60

The assumptions relating to longevity underlying the pension liabilities at the balance sheet date are based on standard actuarial mortality tables and include an allowance for future improvements in longevity. The assumptions are equivalent to expecting a 65 year old to live for a number of years as follows:

- Current pensioner aged 65: 23 years (male); 25 years (female)
- Future retiree upon reaching 65: 24 years (male); 27 years (female) (currently aged 50)

Notes *(continued)*

19 Pension commitments *(continued)*

A history of experience gains and losses is shown below:

	2013	2012	2011	2010	2009
	£000	£000	£000	£000	£000
Experience gains/(losses) on scheme assets					
Amount	**1,562**	1,934	(1,969)	1,900	2,481
% of scheme assets	**2.44%**	3.34%	(3.86%)	3.88%	5.88%
Experience adjustment on scheme liabilities					
Amount	**1,463**	(297)	-	1,545	-
% of scheme assets	**2.78%**	(0.6%)	-	3.4%	-

Defined contribution scheme

The contributions paid to the scheme during the year were £324,000 *(2012: £353,000).*

The contributions outstanding at the year were £Nil *(2012: £Nil).*

20 Commitments under operating leases

At 31 December 2013 the company had annual commitments under non-cancellable operating leases as set out below:

	Land and buildings		**Assets other than land and buildings**	
	2013	2012	**2013**	2012
	£000	£000	**£000**	£000
Operating leases which expire:				
Within one year	**-**	-	**1**	-
Within two to five years	**-**	-	**72**	77
After five years	**342**	288	**-**	-
	342	288	**73**	77

21 Related party transactions

The company is exempt from the requirements of Financial Reporting Standard 8 (Related party disclosures) to disclose transactions with other group undertakings or transactions with investees of the group qualifying as related parties, as it is wholly owned subsidiary and its financial statements are included in the consolidated financial statements of the ultimate parent company and those financial statements are publicly available from the address in note 26.

22 Share capital

	2013	2012
	£000	£000
Allotted, called up and fully paid:		
3,000,000 ordinary shares of £1 each	**3,000**	3,000

Notes *(continued)*

23 Reconciliation of movements in shareholders' funds

	Share capital £000	Share premium accounts £000	Profit and loss account £000	Total shareholders' funds £000
At beginning of year	3,000	1,135	5,688	9,823
Profit for the year	-	-	2,817	2,817
Restriction of pension asset due to asset ceiling	-	-	(6,010)	(6,010)
Deferred tax on asset ceiling restriction	-	-	1,397	1,397
Pension scheme actuarial gain for the year	-	-	3,010	3,010
Deferred tax in respect of defined benefit pension Scheme	-	-	(699)	(699)
At end of year	**3,000**	**1,135**	**6,203**	**10,338**

24 Capital commitments

At 31 December 2013 there were capital commitments amounting to £Nil *(2012: £20,000)* which were contracted for and not paid.

25 Contingent liabilities

The company is party to an unlimited intercompany composite guarantee in favour of its bankers, Royal Bank of Scotland. The other participants in the guarantee are all fellow UK subsidiaries of the MacDermid group.

26 Ultimate parent company

The company's ownership has changed during the year and MacDermid Inc was acquired by Platform Specialty Products Corporation as at 31 October 2013.

The ultimate parent company and controlling party is Platform Specialty Products Corporation, which is incorporated in the United States of America.

The largest and smallest group in which the results of this company are consolidated is that headed by Platform Specialty Products Corporation. Copies of the group financial statements are available to the public from the following address:

Platform Specialty Products Corporation
245 Freight Street
Waterbury
Connecticut 06702
USA