

MacDermid Limited

Annual report and financial statements for the year ended 31 December 2014

Registered number: 1290882

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MacDermid Limited

Annual report and financial statements for the year ended 31 December 2014

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Strategic report for the year ended 31 December 2014

The directors present their Strategic report on the company for the year ended 31 December 2014.

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 the automotive industry.

MacDermid Limited is a wholly owned subsidiary of MacDermid Italiana Srl.

Business review and results

The performance of the company during the year showed a turnover increase of 4.6% above 2013. The sales increase was driven by sales of lubricants into the heat transfer fluids industry, chemicals for the recycling of PET bottles, and specialty chemicals to automotive supply industries.

The results of the company show profit on ordinary activities before taxation of £3.9m (2013: £3.6m) for the year and turnover of £20.8m (2013: £19.9m). The trading results for the year and the company's financial position at the end of the year are set out on pages 8 and 10 of the financial statements.

The company recharges the cost of research and development plus a mark up to MacDermid Acumen Inc, a group undertaking which owns the intellectual property on behalf of the group. During the year, the recharges amounted to £2.8m (2013: £2.9m).

The Trustees of the pension scheme entered into a buy in transaction on 20 October 2014 as the initial stage of a buy out, which resulted in a settlement loss of £5.5m (note 18). As required by paragraph 67 of FRS17, the unrecognised surplus has been applied to extinguish the settlement loss.

The buy out transaction is set to be completed in September 2015, when all liabilities and assets relating to the defined benefit part of the pension scheme will have been transferred to external insurers. The Trustees intend to wind up the defined benefit part of the scheme. The Trustees will then only be responsible for the defined contribution scheme.

Prior year administrative expenses have been restated to reclassify defined benefit pension scheme costs amounting to £371,000 which were previously offset against net finance income and expected return on plan assets.

Key performance indicators

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

Total turnover increased by 4.6% (2013: increased by 0.9%) over the prior year, with sales to UK customers increasing by 6.1% (2013: increased by 0.5%), sales to other EU countries remained in line with 2013 (2013: decreased by 5.0%) whilst sales to the rest of the world increased by 11.0% (2013: increased by 40.0%). Operating profit was £3.3m compared to £3.1m in 2013, an increase of 4.0%. The company's profit for the financial year increased by £277,000.

The future development of the company is discussed in more details in the Directors' report on page 3.

Strategic report (continued)

for the year ended 31 December 2014

Non financial key performance indicators

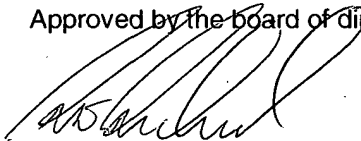
The company believes in safeguarding the health, safety and welfare of its employees. During the year the turnover of employees was low, which continued the trend of recent years. The company continues to invest in its employees, with training and career development.

The company's quality management system has been certified to ISO 9001 since 1986 and its environmental management system to ISO 14001 since 2003. The company's safety management system is based on the requirements of BS OHSAS 18001 – Occupational health and safety management systems. During 2015 the new standard ISO 45001 – Occupational health and safety management systems will be published, the company's safety management system will be modified to comply with this standard and align with new standards for ISO 9001 and ISO 14001.

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 the company's competitors, employee retention and product availability.

Approved by the board of directors and signed on its behalf by



R E Richards

Director

22 May 2015

Directors' report for the year ended 31 December 2014

The directors present their report and the audited financial statements for the year ended 31 December 2014.

Results and dividends

The directors have paid an interim dividend at 33 pence per share amounting to £1,000,000 (note 10) (2013: £Nil). No final dividend is declared (2013: £Nil).

Future developments

The 2015 outlook is for organic growth of sales in the surface preparation and coatings industries. The growth is possible as a result of 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 expected lower cost base during the next financial year will help the company to achieve the targets set for 2015.

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

Financial risk management

The main risks arising from the company's financial instruments are interest rate cash flow risk, credit risk, pricing risk and foreign currency risk.

Given the size of the company, the directors have not delegated the responsibility of monitoring financial risk management to a sub-committee of the board. The policies set by the board of directors are implemented by the company's finance department. The department has a policy and procedures manual that sets out specific guidelines to manage interest rate risk, credit risk and circumstances where it would be appropriate to use financial instruments to manage these.

The board reviews and agrees policies for managing these risks as summarised below:

Interest rate cash flow risk

The company has interest-bearing assets. Interest-bearing assets include only cash balances and intercompany loans. The directors will revisit the appropriateness of this policy should the company change in size and nature. 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.

Pricing risk

The company is moderately exposed to commodity price risk as a result of its operations. The company does not actively manage this exposure as the costs of doing so exceed the potential benefits.

Directors' report for the year ended 31 December 2014 (continued)

Financial risk management (continued)

Foreign currency risk

Despite trading with customers in different countries, the foreign currency risk to the company is very low as it invoices its customers in Sterling.

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.

Directors

The directors who served during the year and up to the date of signing the financial statements are given below:

TJ Clarke
J Cordani
LJ Phasey (resigned 18 December 2014)
RE Richards
F Monteiro
P Bray
S Sheffield (appointed 24 December 2014)

Political and charitable contributions

The company made no charitable or political donations during the year (2013: £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. The company gives 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, career development and promotion 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 relevant laws and regulations.

Management believes that employees will work more effectively if 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.

Employee involvement in the group is encouraged, as achieving a common awareness on the part of all employees of the financial and economic factors affecting the company plays a major role in maintaining the company's performance.

Qualifying third part indemnity provisions

As permitted by the Articles of Association, the directors have the benefit of indemnity which is a qualifying third party indemnity provision as defined by section 234 of the Companies Act 2006. The indemnity was in force throughout the last and current financial year.

Directors' report for the year ended 31 December 2014 (continued)

Statement of directors' responsibilities

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 the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards 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 period. In preparing these financial statements, the directors are required to:

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

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement of disclosure of information to auditors

In accordance with Section 418 of the Companies Act 2006, in the case of each director in office at the date the Directors' Report is approved:

- (a) so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- (b) he 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 auditors are aware of that information.

Independent auditors

PricewaterhouseCoopers LLP were appointed as statutory auditors to the company during the year.

Approved by the board of directors and signed on its behalf by



R E Richards

Director

22 May 2015

198 Golden Hillock Road

Birmingham

B11 2NP

Independent auditors' report to the members of MacDermid Limited

Report on the financial statements

Our opinion

In our opinion, MacDermid Limited's financial statements (the "financial statements"):

- give a true and fair view of the state of the company's affairs as at 31 December 2014 and of its profit 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.

What we have audited

MacDermid Limited's financial statements comprise:

- the balance sheet as at 31 December 2014;
- the profit and loss account and statement of total recognised gains and losses for the year then ended; 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 applicable law and United Kingdom Accounting Standards (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, 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.

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

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

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept, 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.

We have no exceptions to report arising from this responsibility.

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.

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

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 5, 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 and financial statements 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.



Jackie Bradshaw (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Birmingham

22 May 2015

MacDermid Limited

Profit and loss account for the year ended 31 December 2014

		2014	Restated 2013
	Notes	£000	£000
Turnover	2	20,835	19,911
Cost of sales		(13,292)	(12,730)
Gross profit		7,543	7,181
Distribution costs	3	(2,326)	(2,120)
Administrative expenses	3	(4,737)	(4,826)
Other operating income	4	2,788	2,908
Operating profit	5	3,268	3,143
Interest receivable and similar income	8	653	500
Interest payable and similar charges	9	(6)	(6)
Profit on ordinary activities before taxation		3,915	3,637
Tax on profit on ordinary activities	11	(821)	(820)
Profit for the financial year	22	3,094	2,817

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

There are no material differences between the profit on ordinary activities before taxation and the profit for the financial year stated above and their historical cost equivalents.

Prior year administrative expenses have been restated to reclassify defined benefit pension scheme costs amounting to £371,000 which were previously offset against net finance income and expected return on plan assets (see note 1 for further details).

The notes on pages 11 to 28 form part of these financial statements.

MacDermid Limited

Statement of total recognised gains and losses for the year ended 31 December 2014

		2014	2013
	Note	£000	£000
Profit for the financial year		3,094	2,817
Restriction of pension asset due to asset ceiling	18,22	5,008	(6,010)
Deferred tax on asset ceiling restriction	17	(1,002)	1,397
Actuarial (loss) / gain in respect of defined benefit pension scheme	18,22	(4,887)	3,010
Movement in pension scheme deferred tax asset relating to actuarial loss / (gain)	17	977	(699)
Total recognised gains and losses recognised since the last financial statements		3,190	515

The notes on pages 11 to 28 form part of these financial statements.

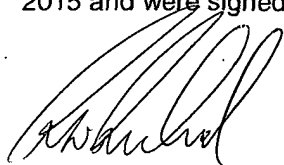
MacDermid Limited

Balance sheet as at 31 December 2014

	Note	2014 £000	2013 £000
Fixed assets			
Tangible assets	12	4,421	4,905
		4,421	4,905
Current assets			
Stocks	13	2,103	2,288
Debtors	14	21,631	13,185
Cash at bank and in hand		4,662	2,125
		28,396	17,598
Creditors: amounts falling due within one year	15	(19,377)	(11,267)
Net current assets		9,019	6,331
Total assets less current liabilities		13,440	11,236
Creditors: amounts falling due after more than one year	16	(687)	(661)
Provisions for liabilities	17	(225)	(237)
Net assets before pension asset		12,528	10,338
Net pension asset	18	-	-
Net assets after pension asset		12,528	10,338
Capital and reserves			
Called up share capital	21	3,000	3,000
Share premium account	22	1,135	1,135
Profit and loss account	22	8,393	6,203
Total shareholders' funds	22	12,528	10,338

The notes on pages 11 to 28 form part of these financial statements.

These financial statements on pages 8 to 28 were approved by the board of directors on 22 May 2015 and were signed on its behalf by:



RE Richards

Director

Company number: 1290882

MacDermid Limited

Notes to the financial statements for the year ended 31 December 2014

1 Accounting policies

Basis of accounting

These financial statements are prepared on a going concern basis, under the historical cost convention, and in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom.

The principal accounting policies are set out below and have been applied consistently throughout the year.

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. The consolidated group cash flow statement is presented in the financial statements of Platform Specialty Products Corporation, which are publically available (note 25).

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 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.

Prior year restatement

Prior year administrative expenses have been restated to reclassify defined benefit pension scheme costs amounting to £371,000 which were previously offset against net finance income and expected return on plan assets (note 18). There is no impact on the reported result for the year.

Turnover

The company recognises revenue, including freight charged to customers, when products are shipped and the customer takes ownership and assumes risk of loss, collection of the relevant receivable is probable, persuasive evidence that an arrangement exists and the sales price is fixed or determinable. The company's shipping terms are customarily "FOB shipping point" and do not include the right of inspection or acceptance provision.

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. Capital expenditure on tangible fixed assets used for research and development is depreciated in line with the tangible fixed assets accounting policy.

The company recharges the cost of research and development plus a mark up to MacDermid Acumen Inc, a group undertaking which owns the intellectual property on behalf of the group.

MacDermid Limited

Notes to the financial statements for the year ended 31 December 2014 (continued)

1 Accounting policies (continued)

Tangible fixed assets

Tangible fixed assets are stated at cost, net of depreciation and any provision for impairment. Cost includes the original purchase price of the asset and the cost attributed to bringing the asset to its working condition for its intended use. Depreciation is provided on cost in equal annual instalments over the estimated useful lives of the assets. The rates of depreciation are as follows:

Plant and equipment	5 to 14 years
Leasehold improvements	Straight line over 15 years

Assets in the course of construction are stated at cost and are not depreciated until they are ready for use.

Leases

The rental costs of properties and other assets acquired under operating leases are charged to the profit and loss account on a straight line basis over the life of the lease.

Benefits received as an incentive to sign a lease, whatever form they take, are credited to the profit and loss account on a straight line basis over the life of the lease or, if shorter than the full lease term, over the period to the review date on which the rent is first expected to be adjusted to the prevailing market rate. The corresponding liability is held within deferred income on the balance sheet.

Stocks

Stocks are stated at the lower of cost and net realisable value. Cost comprises materials at average cost, labour and appropriate overhead expenses. In determining the cost, a weighted average cost basis is used. 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 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 value of the buy-in policy is set equal to the liabilities which it covers, and other pension scheme assets are measured at market values.

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 contributions. 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.

The Company's policy for accounting for a pension scheme buy-in is to recognise the impact in line with the Company's interpretation of the accounting standard in force at the time.

MacDermid Limited

Notes to the financial statements for the year ended 31 December 2014 (continued)

1 Accounting policies (continued)

Pension costs (continued)

The buy-in is the initial stage of a buy-out to be completed in 2015 and has therefore been treated as a settlement. Under FRS 17, the Company's policy is to recognise the settlement impact when the Company is demonstrably committed to the transaction – in 2014, this was deemed to be when the Trustee of the Scheme signed an agreement with the insurer to secure benefits. In line with the Company's interpretation of FRS 17 (after obtaining advice from its corporate pension advisors), the liabilities at the 2014 year end were assessed using a corporate bond-based discount rate and other assumptions derived consistently with those adopted in previous years. Due to the matching nature of the buy-in policy, the value of this policy was set to match the assessed liabilities, and the amount which was paid to secure the policy in excess of this is taken as a settlement loss. MacDermid aims for consistency in its treatment of events as part of its accounting disclosures, though for a transaction of this size the appropriate accounting treatment will always be considered on an individual basis and in conjunction with the relevant accounting rules in force at the time.

Taxation

The tax charge is based on taxable profit for the year. Taxable profit differs from accounting profit as reported in the profit and loss account because it excludes items of income and expense that are taxable or deductible in other years and it further excludes items which are never taxable or deductible. The company's liability for current tax is calculated using average tax rates that have been enacted or substantively enacted at the balance sheet date.

Deferred tax is provided, using the liability method, in full on timing differences that result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date at rates expected to apply when they crystallise based on current taxes and law. Timing differences arise from the inclusion of items of income and expenditure in tax computations different from those in which they are included in the financial statements. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

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.

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:

	2014	2013
	£000	£000
United Kingdom	13,891	13,093
Other EU countries	5,708	5,704
Rest of the world	1,236	1,114
	20,835	19,911

MacDermid Limited

Notes to the financial statements for the year ended 31 December 2014 (continued)

3 Other operating charges

	2014	Restated 2013
	£000	£000
Distribution costs	2,326	2,120
Administrative expenses	4,737	4,826
	7,063	6,946

Prior year administrative expenses have been restated to reclassify defined benefit pension scheme costs amounting to £371,000 which were previously offset against net finance income and expected return on plan assets (see note 1).

4 Other operating income

	2014	2013
	£000	£000
Research and development cost recharge to other group undertakings	2,788	2,908

5 Operating profit

	2014	2013
	£000	£000
Operating profit is stated after charging:		
Research and development expenditure	2,655	2,821
Depreciation of owned fixed assets	640	622
Operating lease costs:		
Plant and machinery	71	74
Other	285	285
Services provided by the company's auditors		
Fees payable for the audit of the Company	33	34
Fees payable for other services – taxation	-	18

MacDermid Limited

Notes to the financial statements for the year ended 31 December 2014 (continued)

6 Directors' emoluments

	2014 £000	2013 £000
Emoluments receivable	484	426
Company pension contributions to money purchase schemes	36	34
	520	460

Highest paid director

	2014 £000	2013 £000
Emoluments receivable	167	140
Company pension contributions to money purchase schemes	13	12
	180	152

Retirement benefits are accruing to 2 (2013: 3) directors under the defined benefit scheme. No contributions were made to the scheme on behalf of the directors (2013: £nil). Retirement benefits are accruing to 4 directors (2013: 4) under the money purchase scheme.

3 directors received no remuneration in respect of their services to the company (2013: 2). The emoluments for 2 of these directors (2013: 2) are paid by the ultimate parent company. The directors' services to this company are of a non-executive nature and their emoluments are deemed to be wholly attributable to their services to the ultimate parent company. The remaining director who did not receive emoluments during the year was appointed on 18 December 2014.

7 Staff numbers and costs

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

	Number of employees	
	2014	2013
Production	19	18
Administration	40	43
Sales and marketing	34	34
Warehousing	6	6
	99	101

MacDermid Limited

Notes to the financial statements for the year ended 31 December 2014 (continued)

7 Staff numbers and costs (continued)

The aggregate payroll costs of these persons were as follows:

	2014	2013
	£000	£000
Wages and salaries	3,526	3,499
Social security costs	370	410
Other pension costs	248	235
	4,144	4,144

8 Interest receivable and similar income

	2014	Restated 2013
	£000	£000
Bank interest receivable	14	-
Interest from group undertakings	243	129
Net finance income in respect of defined benefit pension schemes (note 18)	396	371
	653	500

Prior year administrative expenses have been restated to reclassify defined benefit pension scheme costs amounting to £371,000 which were previously offset against net finance income and expected return on plan assets (see note 1).

9 Interest payable and similar charges

	2014	2013
	£000	£000
Other interest payable	6	6

MacDermid Limited

Notes to the financial statements for the year ended 31 December 2014 (continued)

10 Dividends

	2014	2013
	£000	£000
Equity shares		
Interim dividends paid – 33 pence per share (2013: £nil)	1,000	-

11 Tax on profit on ordinary activities

Analysis of charge in year	2014	2013
	£000	£000
UK corporation tax		
Current tax on income for the year	863	152
Adjustments in respect of prior years	(5)	(31)
Total current tax	858	121
Deferred tax:		
Origination and reversal of timing differences	(12)	35
Movement in pension scheme deferred tax asset (note 17)	(25)	699
Rate change	-	(35)
Total deferred tax	(37)	699
Tax on profit on ordinary activities	821	820

MacDermid Limited

Notes to the financial statements for the year ended 31 December 2014 (continued)

11 Tax on profit on ordinary activities (continued)

Factors affecting the tax charge for the current year

The current tax charge for the year is higher (2013: lower) than the standard rate of corporation tax in the UK of 21.50% (2013: 23.25%). The differences are explained below:

	2014	2013
	£000	£000
Current tax reconciliation		
Profit on ordinary activities before tax	3,915	3,637
Profit on ordinary activities at the standard effective rate of corporation tax of 21.5% (2013: 23.25%)	842	846
Effects of:		
Expenses not deductible for tax purposes	5	85
Movement relating to pension asset	25	(699)
Capital allowances in excess of depreciation	54	-
Other timing differences	-	(12)
Additional tax credit for research and development	(63)	(68)
Adjustments in respect of prior years	(5)	(31)
Total current tax charge (see above)	858	121

Factors that may affect future current and total tax charges

Changes in the UK corporation tax rate to 21% from 1 April 2014 and to 20% from 1 April 2015 were substantially enacted on 2 July 2013, and the relevant deferred tax balances have been re-measured accordingly.

MacDermid Limited

Notes to the financial statements for the year ended 31 December 2014 (continued)

12 Tangible fixed assets

	Leasehold improvements £000	Plant and equipment £000	Assets under construction £000	Total £000
Cost				
At 1 January 2014	3,775	3,925	85	7,785
Additions	-	159	-	159
Disposals	-	(188)	-	(188)
Transfer	-	85	(85)	-
At 31 December 2014	3,775	3,981	-	7,756
Accumulated Depreciation				
At 1 January 2014	1,175	1,705	-	2,880
Charge during the year	251	389	-	640
Disposals	-	(185)	-	(185)
At 31 December 2014	1,426	1,909	-	3,335
Net Book Value				
At 31 December 2014	2,349	2,072	-	4,421
At 31 December 2013	2,600	2,220	85	4,905

MacDermid Limited

Notes to the financial statements for the year ended 31 December 2014 (continued)

13 Stocks

	2014	2013
	£000	£000
Raw materials and consumables	1,162	1,162
Finished goods and goods for resale	941	1,126
	2,103	2,288

There are no material differences between the values of stocks and their replacement costs.

14 Debtors

	2014	2013
	£000	£000
Trade debtors	2,733	3,093
Amounts owed by group undertakings	18,577	9,835
Prepayments and accrued income	321	257
	21,631	13,185

The intercompany loan due from MacDermid Europe Limited of £4,165,000 at an interest rate of LIBOR plus 3.125% is repayable at times and in amounts demanded by the lender. The intercompany loan due from MacDermid Canning Limited of £10,978,000 at an interest rate of LIBOR plus 3.25% is repayable at times and in amounts demanded by the lender. There is no security held for these loans.

All other amounts owed by group undertakings are not interest bearing, are repayable on demand, and are unsecured.

15 Creditors: amounts falling due within one year

	2014	2013
	£000	£000
Trade creditors	1,940	2,330
Amounts owed to group undertakings	16,223	8,164
Other taxation and social security	91	46
Corporation tax	493	45
Accruals and deferred income	630	682
	19,377	11,267

All amounts owed to group undertakings are interest free, are repayable on demand, and are unsecured.

MacDermid Limited

Notes to the financial statements for the year ended 31 December 2014 (continued)

16 Creditors: amounts falling due after more than one year

	2014	2013
	£000	£000
Accruals and deferred income	687	661

Creditors falling due after more than one year relate to lease incentives.

Included within creditors falling due after more than one year is £687,000 due for payment more than five years from the year ended 31 December 2014.

17 Provisions for liabilities

Deferred taxation

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

	2014	2013
	£000	£000
Excess of taxation allowances over depreciation on fixed assets	225	228
Other timing differences	-	9
Deferred tax provision	225	237

The movement in the deferred taxation account during the year was:

	£000
At beginning of year	237
Credited to profit and loss account for the year (note 11)	(37)
Movement in pension scheme deferred asset relating to actuarial loss	(977)
Deferred tax on asset ceiling restriction	1,002
At end of year	225

MacDermid Limited

Notes to the financial statements for the year ended 31 December 2014 (continued)

18 Pensions 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 Trustees of the pension scheme entered into a buy in transaction on 20 October 2014 which resulted in a settlement loss of £5,473,000. As required by paragraph 67 of FRS17, the unrecognised surplus has been applied to extinguish the settlement loss.

The latest full actuarial valuation was carried out at 6 April 2013 and was updated for FRS 17 purposes to 31 December 2014.

The amounts recognised in the balance sheet at 31 December were:

	2014 £000	2013 £000	2012 £000
Equities	-	6,596	25,995
Bonds	1,000	42,979	3,274
Property	-	-	14,891
Buy-in policy	46,550	-	-
Others	5,532	2,774	3,571
Total market value of assets	53,082	52,349	47,731
Present value of scheme liabilities	(46,550)	(40,809)	(42,201)
Surplus in the scheme	6,532	11,540	5,530
Unrecognised asset due to asset ceiling restriction	(6,532)	(11,540)	(5,530)
Related deferred tax liability	-	-	-
Net pension asset	-	-	-

MacDermid Limited

Notes to the financial statements for the year ended 31 December 2014 (continued)

18 Pensions commitments (continued)

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

	2014 £000	2013 £000
Opening defined benefit obligation	40,809	42,201
Current service cost	517	371
Interest cost	1,757	1,818
Actuarial losses/(gains)	6,074	(1,448)
Benefits paid	(2,090)	(1,762)
Administrative expenses paid	(517)	(371)
Closing defined benefit obligation	46,550	40,809

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

	2014 £000	2013 £000
Opening fair value of scheme assets	52,349	47,731
Expected return on plan assets	2,153	2,189
Actuarial gains	1,187	1,562
Contributions by employer	-	3,000
Benefits paid	(2,090)	(1,762)
Administrative expenses paid	(517)	(371)
Settlements*	-	-
Closing fair value of scheme assets	53,082	52,349

*The calculated settlement amount associated with the Trustees entering into a buy in transaction was calculated to be £5,473,000. As required by paragraph 67 of FRS17, the unrecognised surplus has been applied to extinguish the settlement loss. No settlement item is shown in the above reconciliation. If the settlement amount was included, the actuarial gain on assets items would be increased by an equal amount.

MacDermid Limited

Notes to the financial statements for the year ended 31 December 2014 (continued)

18 Pensions commitments (continued)

The company expects to contribute £252,000 to the Scheme in the next accounting year.

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

	2014	2013
	£000	£000
Actual return more than expected return on scheme assets	1,187	1,562
Experience in liability (loss)/gain during year	(125)	1,463
Loss on changes in assumptions underlying the present value of scheme liabilities	(5,949)	(15)
Actuarial (loss)/gain	(4,887)	3,010
Change in recoverable surplus and impact of the limit on recognisable asset	5,008	(6,010)
Total amount recognised in statement of recognised gains and losses	121	(3,000)

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

	2014	Restated 2013
	£000	£000
Current service costs	517	371
Interest on defined benefit pension plan obligation	1,757	1,818
Expected return on assets (net of asset restriction)	(2,153)	(3,133)
Impact of asset restriction on expected return on assets	-	944
Total charge to profit and loss account	121	-

Prior year service costs have been restated to reclassify defined benefit pension scheme costs amounting to £371,000 which were previously offset against net finance income and expected return on plan assets (see note 1 and 3).

MacDermid Limited

Notes to the financial statements for the year ended 31 December 2014 (continued)

18 Pensions commitments (continued)

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

	2014	2013
	%	%
Discount rate	3.30	4.40
Pension increase (fixed)	1.50 or 3.00	1.50 or 3.00
Expected return on assets	3.30	4.20
RPI inflation assumption	3.25	3.60
CPI inflation assumption	2.15	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 45)

A history of experience gains and losses is shown below:

	2014	2013	2012	2011	2010
	£000	£000	£000	£000	£000
Experience gains/(losses) on					
scheme assets amount	1,187	1,562	1,934	(1,969)	1,900
% of scheme assets	2.24%	2.98%	4.05%	(3.98%)	3.88%
Experience adjustment on scheme					
liabilities amount	(125)	1,463	(297)	-	1,545
% of scheme assets	(0.27%)	3.58%	(0.7%)	-	3.4%

Following the buy-in of all Scheme liabilities, the assessed value of the Scheme's assets for accounting purposes would change by the same amount as the Scheme's liabilities to changes in assumptions. Therefore, there is no impact on the surplus/(deficit) to changes in key assumptions.

MacDermid Limited

Notes to the financial statements for the year ended 31 December 2014 (continued)

18 Pensions commitments (continued)

Defined contribution scheme

A defined contribution scheme is operated on behalf of the employees. The assets are held separately in an independently administered fund. The pension charge represents contributions payable to the fund and amounted to £248,000 during 2014 (2013: £235,000). There were no outstanding or prepaid contributions at either the beginning or the end of the financial year.

19 Lease commitments

At 31 December 2014, the company had annual commitments under non-cancellable operating leases as set out below:

	Land and buildings		Assets other than land and buildings	
	2014	2013	2014	2013
	£000	£000	£000	£000
Operating leases which expire:				
Within one year	-	-	4	1
Within two to five years	-	-	54	72
After five years	342	342	-	-
	342	342	58	73

20 Related parties

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 25.

MacDermid Limited

Notes to the financial statements for the year ended 31 December 2014 (continued)

21 Called up share capital

		Allotted and fully paid		
	2014	2014	2013	2013
	Number	£000	Number	£000
Ordinary shares of £1 each	3,000,000	3,000	3,000,000	3,000

22 Reserves and reconciliation of movements in shareholders' funds

	Called up share capital	Share premium account	Profit and loss account	Total shareholders' funds
	£000	£000	£000	£000
At beginning of year	3,000	1,135	6,203	10,338
Profit for the financial year	-	-	3,094	3,094
Dividends	-	-	(1,000)	(1,000)
Restriction of pension asset due to asset ceiling	-	-	5,008	5,008
Deferred tax on asset ceiling restriction	-	-	(1,002)	(1,002)
Pension scheme actuarial loss for the year	-	-	(4,887)	(4,887)
Deferred tax in respect of defined benefit pension scheme	-	-	977	977
At end of year	3,000	1,135	8,393	12,528

23 Capital commitments

At 31 December 2014, there were capital commitments amounting to £Nil (2013: £Nil) which were contracted for and not paid.

24 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 Platform Specialty Products group.

MacDermid Limited

Notes to the financial statements for the year ended 31 December 2014 (continued)

25 Immediate and ultimate parent undertakings and controlling party

The company's immediate parent undertaking is MacDermid Italiana Srl, a company incorporated in Italy.

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

The smallest group in which the results of this company are consolidated is that headed by MacDermid Italian Holdings Srl. Copies of the consolidated financial statements of the smallest group are not publicly available.

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

Platform Specialty Products Corporation
245 Freight Street
Waterbury
Connecticut 06702
USA