

Cytec Process Materials (Keighley) Limited
(formerly Umeco Process Materials Limited)

**Strategic report, Directors' report and
financial statements**

Registered number 1472714

31 December 2013



Contents

<i>Contents</i>	<i>Page</i>
Strategic report	1
Directors' report	4
Statement of directors' responsibilities in respect of the Strategic report, Directors' report and the financial statements	5
Independent auditor's report to the members of Cytec Process Materials (Keighley) Limited	6
Profit and loss account	8
Balance sheet	9
Notes	10

Strategic report

Business Review

The results for the year are shown in the profit and loss account on page 8.

Objectives

The company's long term objective is to increase profitability and meet our corporate objectives. In pursuing this objective the company intends to maintain sound financial management and avoid excessive risks.

Key business strategies

In pursuit of its objectives the company has a number of key business strategies which have been successfully implemented over recent years.

We aim to increase sales by expanding product ranges with existing customers, increasing market share within our key markets and by delivering technology and products beyond our customers' imagination. We plan to improve our gross margin by fully leveraging the benefits of cross-business collaboration within Cytec Industries.

Risks and uncertainties

The key risk areas for the company are:

- Customer pricing affecting sales and gross margin
- Loss of key customer accounts
- Volatility in commodity prices
- Foreign exchange risk

The company seeks to manage as far as possible the key risks that it faces.

Customer pricing is under constant review and is managed by our sales team. Excellent customer service and product quality as well as strong customer relations will continue to mitigate pricing pressures.

The customer base has expanded in recent years, reducing the financial risks faced by the loss of a customer account.

The buying power of Cytec Industries will reduce the adverse impact of movements in commodity prices.

Foreign exchange risk is managed on a group basis by the group treasury function.

Having considered the above risks and uncertainties, the directors have a reasonable expectation that the company has adequate resources to continue operating for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Strategic report (continued)

Key performance indicators

The company uses a number of financial measures to monitor progress against strategies and corporate objectives. These are summarised below:

	Year to 31 December 2013	9 months to 31 December 2012
	£	£
Turnover	17,200,236	12,080,215
Gross profit	5,101,105	3,237,212
Gross profit %	29.7%	26.8%
Operating profit / (loss)	2,400,505	(75,460)
Working capital	2,906,038	2,673,212

Turnover, on an annualised basis, increased by 6.8%. This was due to a strong performance in our wind energy and aerospace markets together with price increases to our non-contracted customers.

The improvement in gross profit percentage was partly due to reductions in raw material costs together with the sales price increases referred to above. Lower production related expenses accompanied by operating efficiencies also contributed to the improvement in margin.

Operating profits in 2013 were significantly higher than in 2012. The results for 2012 were adversely impacted by two exceptional costs relating to a bad debt provision, of £565,000, and redundancy and restructuring costs, of £218,132. The restructuring of the business in 2012 also reduced the cost base of the business for 2013, with headcount falling by 8, which also contributed to the improvement in operating profit.

Working capital levels are monitored regularly. Year on year working capital has increased by 8.7% at the end of 2013 which is broadly in line with the higher level of trading.

In addition to financial measures, the board also monitors the company's operations with the objective of ensuring that safety, health and environmental considerations are at the core of all working practices. In measuring the success of this, the board reviews the level of reported incidents and monitors the training being undertaken by all relevant employees.

During the year, performance was good and as far as the board is aware, this is likely to be the case in the forthcoming year.

Future prospects

Trading levels have remained strong for the first quarter of 2014 with sales up on the corresponding quarter in 2013. Despite the continuing difficult economic conditions prospects for the remainder of 2014 and beyond are positive as the company continues to follow its strategy of growth in the aerospace sector and to consolidate its strong position in the wind market. Potential new business opportunities have also been identified and these will continue to be evaluated and pursued. In addition further benefits are anticipated due to synergies that can be achieved as a member of the Cytec group of companies.

Employees

The company seeks to ensure that all employees, job applicants and prospective job applicants, are afforded equality of job opportunity in all areas of employment.

The Health & Safety Policy fully recognises the company's responsibility for the health and safety of employees and members of the community in which they work.

The company places considerable value on the involvement of its employees and has continued its practice of keeping them informed of matters affecting them as employees, and on various matters affecting the performance of the company and Cytec group of companies.

Strategic report *(continued)*

Environmental policy

The company is committed to adopting a responsible approach to environmental matters.

The management of the company seeks to minimise any adverse impact on the environment from all aspects of the company's operations by means of environmentally sound disciplines, which take practical steps to control effectively or eliminate any known pollution risks, without entailing excessive cost. Specifically, methods of minimising the environmental costs include the disposal of waste, the recycling of wood, the re-use of cardboard and paper products, and the reduction of energy consumption.

By order of the board



LC Edenbrow
Director

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

18 July 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 are the manufacture of vacuum tools and distribution of a range of consumable products used within the composite materials industry.

On 2 January 2013 the company changed its name from "Umeco Process Materials Limited" to "Cytec Process Materials (Keighley) Limited".

The ultimate holding company of Cytec Process Materials (Keighley) Limited is Cytec Industries Inc. (see note 20).

Results

The results of the company are set out in summary as follows:

	Year to 31 December 2013	9 months to 31 December 2012
	£	£
Turnover	17,200,236	12,080,215
Operating profit / (loss)	2,400,505	(75,460)
Profit / (loss) on ordinary activities after taxation	1,930,545	(68,634)

Dividend

The directors do not recommend the payment of a dividend (2012: *£nil*).

Directors

The directors who held office during the period and up to the date of this report as recorded in the register of directors' interests, were as follows:

A Steels
P McEwen (Resigned 8th February 2013)
JM Jaggar
LC Edenbrow
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


LC Edenbrow
Director

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

18 July 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 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.



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

Independent auditor's report to the members of Cytec Process Materials (Keighley) Limited

We have audited the financial statements of Cytec Process Materials (Keighley) Limited for the year ended 31 December 2013 set out on pages 8 to 21. 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 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). 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/auditscopeprivate.

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 period for which the financial statements are prepared is consistent with the financial statements.

Independent auditor's report to the members of Cytex Process Materials (Keighley) 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.



Michael Froom (*Senior Statutory Auditor*)

for and on behalf of KPMG LLP, Statutory Auditor

Chartered Accountants

One Snowhill

Snowhill Queensway

Birmingham

B4 6GH

18 July 2014

Profit and loss account
for the year ended 31 December 2013

	Note	Year to 31 December 2013	Before exceptional operating items £	9 months to 31 December 2012 Exceptional operating items (see note 3) £	Total £
Turnover	2	17,200,236	12,080,215	-	12,080,215
Cost of sales		(12,099,131)	(8,843,003)	-	(8,843,003)
Gross profit		5,101,105	3,237,212	-	3,237,212
Administrative expenses		(2,700,600)	(2,529,540)	(783,132)	(3,312,672)
Operating profit / (loss)	3	2,400,505	707,672	(783,132)	(75,460)
Investment income	5	84,873	-	-	-
Profit / (loss) on ordinary activities before taxation		2,485,378	707,672	(783,132)	(75,460)
Tax on profit / (loss) on ordinary activities	6	(554,833)	(175,476)	182,302	6,826
Profit / (loss) for the financial year	15	1,930,545	532,196	(600,830)	(68,634)


The results shown in the profit and loss account derive wholly from continuing operations.

The company had no recognised gains and losses other than the profit / (loss) for the year in either the current year or preceding period.

Balance sheet
at 31 December 2013

	<i>Note</i>	31 December 2013	31 December 2012
		£	£
Fixed assets			
Tangible assets	8	1,155,023	1,270,614
Investments	9	812,368	812,368
		<hr/>	<hr/>
		1,967,391	2,082,982
Current assets			
Stocks	10	1,858,804	1,633,969
Debtors	11	3,562,762	3,646,110
Cash at bank and in hand		12,069,800	9,979,025
		<hr/>	<hr/>
Creditors: amounts falling due within one year	12	17,491,366 (2,714,689)	15,259,104 (2,528,563)
		<hr/>	<hr/>
Net current assets		14,776,677	12,730,541
		<hr/>	<hr/>
Net assets		16,744,068	14,813,523
		<hr/>	<hr/>
Capital and reserves			
Called up share capital	14	1,000	1,000
Profit and loss account	15	16,743,068	14,812,523
		<hr/>	<hr/>
Shareholders' funds	16	16,744,068	14,813,523
		<hr/>	<hr/>

These financial statements were approved by the board of directors on 18 July 2014 and were signed on its behalf by:


LC Edembrow
Director

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 under the historical cost convention and in accordance with applicable accounting standards. As permitted under s400 of the Companies Act 2006 the company has not prepared group accounts. Accordingly, these accounts present information for the company only.

In accordance with FRS1, a cash flow statement has not been prepared on the grounds that the company is a wholly owned subsidiary of a company which presents a consolidated cash flow statement in its accounts. As the company is a wholly owned subsidiary of Cytec Industries Inc., the company has taken advantage of the exemption contained in FRS8 and has therefore not disclosed transactions or balances with 100% owned entities which form part of the group (or investees of the group qualifying as related parties).

Going concern

The company's business activities, together with the factors likely to affect its future development and position, are set out in the Business Review section of the Strategic Report on pages 1 to 3.

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 Industries Inc. to their enquiries have no reason to believe that a material uncertainty exists that may cast significant doubt about the ability of the Cytec group of companies 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 Industries Inc., 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.

Turnover

Turnover is recognised in the profit and loss account when goods or services are supplied or made available to customers against orders received and the significant risks and rewards of ownership have been transferred to the customer and the amount of turnover can be measured reliably. Turnover excludes value added tax and other similar sales taxes. No turnover is recognised where the recovery of the consideration is not probable. Turnover is stated after the deduction of discounts and allowances for estimated future rebates and returns. The methodology and assumptions used to estimate rebates and returns are monitored and adjusted in the light of contractual and legal obligations, historical trends, past experience and projected market conditions.

Tangible fixed assets and depreciation

Depreciation of fixed assets is calculated to write off their cost or valuation less any residual value on a straight line basis over their estimated useful lives as follows:

Freehold buildings	-	2%
Motor vehicles	-	25%
Plant and machinery	-	15% to 25%

No depreciation is provided on freehold land.

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. Exchange differences arising in the ordinary course of business are included in trading profit. 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.

Leases

All leases are operating leases and the rental charges are taken to the profit and loss account on a straight line basis over the life of the lease.

Investments

Investments are included at cost less any amounts provided against their carrying value for impairment.

Stocks

Stocks are valued at the lower of cost and net realisable value. Net realisable value is based on estimated selling price less the estimated cost of disposal.

Pensions

Pension costs are recognised in the financial statements in accordance with the requirement of FRS17. The company operates a defined contribution scheme and participates in the Umeco plc Pension and Life Assurance Plan defined contribution section. The assets of these schemes are held separately from those of the company in independently administered funds. Contributions are charged to the profit and loss account as they become payable in accordance with the rules of the schemes.

Taxation

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. 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)

2 Turnover

Turnover represents the amounts (excluding value added tax) derived from the provision of goods and services to customers during the period. The turnover is attributable to the company's principal activity.

Analysis of turnover by geographical market

	Year to 31 December 2013 £	9 months to 31 December 2012 £
United Kingdom	5,959,195	4,388,279
Rest of Europe	8,932,182	6,186,874
Rest of World	2,308,859	1,505,062
	<u>17,200,236</u>	<u>12,080,215</u>

3 Operating profit / (loss)

	Year to 31 December 2013 £	9 months to 31 December 2012 £
<i>Operating profit / (loss) is stated after charging / (crediting):</i>		
Auditor's remuneration		
- Audit of these financial statements	15,169	11,000
Depreciation of tangible fixed assets:		
- owned assets	114,220	93,515
Profit on sale of tangible fixed assets	(493)	(6,237)
Exchange (gain) / loss	(75,332)	26,913
Rentals payable under operating leases		
- other assets	65,000	48,750
Exceptional bad debt provision	-	565,000
Exceptional redundancy and restructuring costs	-	218,132
	<u></u>	<u></u>

Details of non-audit fees paid by the Cytec Group of companies to the company's auditor are disclosed in the accounts of Cytec Industries Inc.

The exceptional bad debt provision relates to amounts owed by one former customer. Winding up notices have been issued in an attempt to recover the debt, which is ongoing.

Exceptional redundancy and restructuring costs were incurred following the acquisition of the company in July 2012, see note 20.

Notes (continued)

4 Directors and employees

	Year to 31 December 2013 £	9 months to 31 December 2012 £
Staff costs including directors' emoluments:		
Wages and salaries	1,292,228	1,185,890
Social security costs	175,491	162,253
Pension costs	43,389	59,954
	<u>1,511,108</u>	<u>1,408,097</u>
Average monthly number employed including executive directors:		
	Number	Number
Production staff	16	14
Administration staff	22	32
	<u>38</u>	<u>46</u>
Remuneration of directors		
	£	£
Salary, bonus, benefits in kind and pension contributions	<u>527,673</u>	<u>617,809</u>
The company made contributions to defined contribution pension schemes on behalf of the directors totalling £23,700 (2012: £43,803). Retirement benefits accrued to three (2012: four) directors under defined contribution pension schemes.		
Highest paid director		
	£	£
Salary, bonus and benefits in kind	294,501	205,110
Pension contributions	13,752	17,242
	<u>308,253</u>	<u>222,352</u>

Notes (continued)

5 Investment income

	Year to 31 December 2013 £	9 months to 31 December 2012 £
Dividend received from group undertaking	84,873	-

6 Taxation

	Year to 31 December 2013 £	9 months to 31 December 2012 £
UK taxation charge / (credit) at 23.25% (2012: 24%)		
- current period	564,189	127,237
- prior periods	(16,677)	(4,614)
	<hr/>	<hr/>
Current taxation	547,512	122,623
Deferred taxation charge / (credit)		
- current period	995	(139,388)
- prior periods	(12,639)	4,121
- change in rate	18,965	5,818
	<hr/>	<hr/>
	554,833	(6,826)
	<hr/>	<hr/>

Notes (continued)

6 Taxation (continued)

The current tax charge for the year is less than (9 months to 31 December 2012: more than) the standard rate of UK corporation tax. The reasons for this are as follows:

	Year to 31 December 2013 £	9 months to 31 December 2012 £
Profit / (loss) on ordinary activities before taxation	2,485,378	(75,460)
Profit / (loss) on ordinary activities before taxation multiplied by the standard rate of UK corporation tax of 23.25% (2012: 24%)	577,850	(18,110)
Effects of		
- expenses not deductible for tax purposes	7,067	5,960
- non taxable UK dividend received	(19,733)	-
- depreciation in excess of capital allowances	3,035	3,787
- other timing differences	(4,030)	135,600
- prior year tax	(16,677)	(4,614)
	547,512	122,623

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 asset at 31 December 2013 has been calculated based on the rate of 20% substantively enacted at the balance sheet date.

7 Dividends

	Year to 31 December 2013 £	9 months to 31 December 2012 £
Dividends paid during the year	-	-

The dividend paid per ordinary share was £nil (2012: £nil).

Notes (continued)

8 Tangible fixed assets

	Freehold land and buildings £	Motor vehicles £	Plant and machinery £	Total £
Cost				
At 1 January 2013	1,171,324	42,630	1,801,097	3,015,051
Additions	-	-	2,281	2,281
Disposals	-	(28,138)	-	(28,138)
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2013	1,171,324	14,492	1,803,378	2,989,194
	<hr/>	<hr/>	<hr/>	<hr/>
Depreciation				
At 1 January 2013	250,415	36,890	1,457,132	1,744,437
Charge for year	19,782	2,087	92,351	114,220
Disposals	-	(24,486)	-	(24,486)
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2013	270,197	14,491	1,549,483	1,834,171
	<hr/>	<hr/>	<hr/>	<hr/>
Net book value				
At 31 December 2013	901,127	1	253,895	1,155,023
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2012	920,909	5,740	343,965	1,270,614
	<hr/>	<hr/>	<hr/>	<hr/>

The net book value of freehold land and buildings includes £178,394 (2012: £178,394) in respect of land which is not depreciated.

Notes (continued)

9 Fixed asset investments

	Investments other than loans £
<i>Cost and net book value</i>	
At start and end of year	812,368

The companies in which the company's interest at the year end is more than 20% are as follows:

	Shareholding of ordinary share capital	Country of Incorporation and registration
<i>Subsidiary undertakings</i>		
Cytec Process Materials Toulouse Sarl	100%	France
Fluorovac Limited	100%	England and Wales
Cytec Process Materials Milan Srl	90%	Italy

The principal activities of Cytec Process Materials Toulouse Sarl and Cytec Process Materials Milan Srl are the manufacture of vacuum tools and distribution of a range of consumable materials used within the composite bonding industry. Fluorovac Limited is a non-trading dormant company.

10 Stocks

	31 December 2013 £	31 December 2012 £
Finished goods and goods for resale	1,858,804	1,633,969

Notes (continued)

11 Debtors

	31 December 2013 £	31 December 2012 £
Amounts falling due within one year		
Trade debtors	2,571,978	2,639,440
Amounts owed by group undertakings	704,931	708,718
Other debtors	50,642	70,616
Prepayments and accrued income	108,709	93,513
	<hr/>	<hr/>
	3,436,260	3,512,287
Amounts falling due after more than one year		
Deferred tax (note 13)	126,502	133,823
	<hr/>	<hr/>
	3,562,762	3,646,110
	<hr/> <hr/>	<hr/> <hr/>

12 Creditors: amounts falling due within one year

	31 December 2013 £	31 December 2012 £
Trade creditors	1,544,633	1,406,038
Amounts owed to group undertakings	551,770	626,300
Corporation tax	325,663	55,519
Other taxation and social security	21,533	41,615
Other creditors	-	7,485
Accruals and deferred income	271,090	391,606
	<hr/>	<hr/>
	2,714,689	2,528,563
	<hr/> <hr/>	<hr/> <hr/>

Notes (continued)

13 Deferred tax

	31 December 2013 £	31 December 2012 £
Opening deferred tax asset	133,823	4,374
Profit and loss account (charge) / credit	(7,321)	129,449
	<hr/>	<hr/>
Closing deferred tax asset	126,502	133,823
	<hr/>	<hr/>

The closing balance is analysed as follows:

	31 December 2013 £	31 December 2012 £
Capital allowances in excess of depreciation	16,969	3,873
Short term timing differences	109,533	129,950
	<hr/>	<hr/>
	126,502	133,823
	<hr/>	<hr/>

The asset is based upon a rate of 20% (31 December 2012: 23%).

14 Called up share capital

	Number of shares	31 December 2013 £	Number of shares	31 December 2012 £
<i>Called up and fully paid</i>				
Ordinary shares of £1 each	1,000	1,000	1,000	1,000
	<hr/>	<hr/>	<hr/>	<hr/>

Notes (continued)

15 Reserves

	31 December 2013 £	31 December 2012 £
At the beginning of the period	14,812,523	14,881,157
Profit / (loss) for the financial period	1,930,545	(68,634)
	<hr/>	<hr/>
At the end of the period	16,743,068	14,812,523
	<hr/>	<hr/>

16 Reconciliation of movement in shareholders' funds

	31 December 2013 £	31 December 2012 £
Profit / (loss) for the financial period	1,930,545	(68,634)
	<hr/>	<hr/>
Net change to shareholders' funds	1,930,545	(68,634)
Opening shareholders' funds	14,813,523	14,882,157
	<hr/>	<hr/>
Closing shareholders' funds	16,744,068	14,813,523
	<hr/>	<hr/>

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 £13,185,122 (31 December 2012: £4,281,033).

Notes (continued)

18 Commitments

The minimum annual lease payments to which the company was committed, all of which are non-cancellable operating leases in respect of land & buildings, are analysed to expire as follows:

	31 December 2013 £	31 December 2012 £
Between two and five years	65,000	65,000
	<u>65,000</u>	<u>65,000</u>

Contracted capital commitments at the end of the financial year for which no provision has been made were nil (31 December 2012: £nil).

19 Pension schemes

The company operates a defined contribution pension scheme, and participates in the Umeco plc Pension and Life Assurance Plan defined contribution section.

The pension cost charge for the year represents contributions payable by the company to the schemes and amounted to £43,389 (31 December 2012: £59,954). There were no outstanding contributions to the scheme at 31 December 2013 (31 December 2012: £nil).

20 Ultimate holding company and ultimate controlling party

On 20 July 2012 the whole of the issued share capital of the company's ultimate parent company Umeco Limited (formerly Umeco plc), was purchased by Cytec UK Holdings Limited a wholly owned subsidiary of Cytec Industries Inc. 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, West Paterson, NJ 07424, USA.