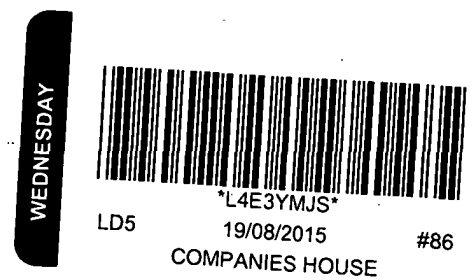


Company Registration No. 02647054

Sun Chemical Limited

Annual Report and Financial Statements

31 December 2014



Sun Chemical Limited

Annual report and financial statements for the year ended 2014

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Sun Chemical Limited

Annual report and financial statements for the year ended 2014

Officers and professional advisers

Directors

C Heynes
J Law
M Schoonenberg
S Foster

Company Secretary

M J Pearce

Registered Office

Sun Chemical Ltd
3 High View Road
South Normanton
Derbyshire, DE55 2DT
England

Bankers

Citibank
Canada Square
Canary Wharf
London
E14 5LB

Solicitors

Clifford Chance LLP
10 Upper Bank Street
Canary Wharf
London
E14 5JJ

Auditor

Deloitte LLP
Chartered Accountants and Statutory Auditor
London

Sun Chemical Limited

Strategic report

The directors, in preparing this strategic report, have complied with s414C of the Companies Act 2006.

Principal activities

The principal activity of the company and of the group during the year was the manufacture and distribution of printing inks and services to the graphic arts industry. The group continued in its reorganisation programme during 2014. The directors are satisfied with the results for the year in the light of current trading conditions and are confident that the restructuring projects carried out in the previous years will lead to improved results in subsequent years.

Business review

The group's profit for the year, after taxation, amounted to £8,479,000 (2013: £5,315,000).

As shown in the group's profit and loss account on page 10, the group's year on year sales have increased by 0.2%. This was due to good performance in the Branding Solutions business partially offset by a reduction in market size in the more traditional publications sector.

The gross profit margin is 26% (2013: 24%), a small improvement on the prior year due to a combination of factors including various cost savings programs performed across the group and also changes to the product mix sold.

The group's balance sheet on page 12 of the financial statements shows a decrease in net liabilities from £8,200,000 in 2013 to £3,252,000 in 2014, mainly due to the net actuarial losses and associated deferred tax arising on the pension scheme liability of £3,531,000 offset with the group profit for the year of £8,479,000.

Principal risks and uncertainties

The directors consider that the financial risks relevant to the group are:

State of economy

The weak growth in the UK economy has led to flat sales volumes. The group's technical resources, market position and the benefits of its cost reduction programmes continues to put the business in a strong position.

Credit risk

The group's credit risk is primarily attributable to its trade debtors. The amounts presented in the balance sheet are net of allowances for doubtful debtors. An allowance for impairment is made when there is a triggering event which, based on previous experience, is evidence of a reduction in the recoverability of the cash flows.

The group has no significant concentration of credit risk or liquidity risk with exposure spread over a large number of counterparties and customers or with other group companies who are able to repay these balances if required.

Foreign exchange Risk

Much of the group's raw materials are sourced in Euro and the US Dollar, and although the group does invoice some sales in Euro and the US Dollar, it is a net buyer of these currencies and is therefore exposed to changes in the Sterling exchange rate into the Euro and the US Dollar.

The group's treasury activities are managed centrally.

Commercial risk

The directors consider that the primary commercial risk relevant to the group is price volatility of commodity-based raw materials. The group expects to cover this risk by entering into trading negotiations with its suppliers as part of its normal trading activities.

Sun Chemical Limited**Strategic report (continued)**

Future developments

The directors will continue to look for opportunities to further improve operations and efficiencies across the group to reduce costs and achieve acceptable levels of profitability.

Subsequent events

Shares held within the Group in SVA Limited were all sold on 1 May 2015 for an initial consideration of £2.1m.

Approved by the Board of Directors
and signed on behalf of the Board

Chubbey -

Director

4 August 2015

Sun Chemical Limited

Directors' report

The directors present their annual report and the financial statements of the group and of the company for the year ended 31 December 2014.

The information that fulfils the Companies Act requirements of the business review is included in the Strategic Report. This included a review of the development of the company during the year, financial risk management policies, principal risks and uncertainties, future developments and subsequent events.

Directors

The directors who served throughout the year and at 31 December 2014 unless otherwise stated were as follows:

G Hayes	(resigned on 3 July 2015)
J Law	
C Heynes	
G Jurgens	(resigned on 19 June 2015)
P Hepworth	(resigned on 31 December 2014)
A Palmer	(resigned on 9 July 2015)
N Smith	(resigned on 31 March 2014)
S Foster	(appointed on 31 March 2014)
M Schoonenberg	(appointed on 19 June 2015)

Dividends

A dividend on the 8.5% cumulative preference shares, amounting to 8.5p (2013: 8.5p) per share, £9,000 (2013: £9,000) was provided for during the year and has been shown within net finance charges

Going concern

The group and company's business activities, together with the factors likely to affect its future development, performance and position are set out within the strategic report.

The group and company meets its day-to-day working capital requirements through financing facilities from a group company.

The group holds a £220 million uncommitted loan facility which was entered into on 30 October 1997 and is due on 30 October 2017 with Sun Chemical B.V. a subsidiary of Sun Chemical Group Coöperatief U.A.. The group and company's projections, taking into account reasonably possible changes in trading performances, as well as the signed letter of deferral of the facility stating that £23,674,000 will not be due within one year from the signing of the financial statements mean that the group and company should be able to operate within the level of its current facility.

After making enquiries, the directors have a reasonable expectation that the group and company have adequate resources to continue to operate for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and financial statements.

Employees

Applications for employment by disabled persons are always fully considered, bearing in mind the aptitudes of the applicant concerned. In the event of members of staff becoming disabled every effort is made to ensure that their employment with the group continues and that appropriate training is arranged. It is the policy of the group that the training, career developments and promotion of disabled persons should, as far as possible, be identical with that of other employees.

The group places considerable value on the involvement of its employees and has continued to keep them informed on matters affecting them as employees and on the various factors affecting the performance of the group. This is achieved through formal and informal meetings and regular bulletins on the group's performance. Employee representatives are consulted regularly on a wide range of matters affecting their current and future interests.

Sun Chemical Limited

Directors' report (continued)

Research and development

The company continued to pursue a vigorous programme of research and development aimed at the improvement of existing products and the introduction of new ones.

Directors' indemnities

The company has made qualifying third party indemnity provisions for the benefit of its directors which were made during the year and remain in force at the date of this report.

Auditor

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as the director is aware, there is no relevant audit information of which the company's auditor is unaware; and
- the director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Deloitte LLP have indicated their willingness to be reappointed for another term and appropriate arrangements have been put in place for them to be deemed reappointed as auditor in the absence of an Annual General Meeting.

Approved by the Board of Directors
and signed on behalf of the Board



C Heynes
Director

4 August 2015

Sun Chemical Limited

Directors' responsibility statement

The directors are responsible for preparing the Annual 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 elected to prepare 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 judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed; 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 to 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.

Independent auditor's report to the members of Sun Chemical Limited

We have audited the financial statements of Sun Chemical Ltd for the year ended 31 December 2014 which comprise the Group Profit and Loss Account, the Group Statement of Total Recognised Gains and Losses, the Group and Parent Company Balance Sheets and the related notes 1 to 27. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom 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, 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

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 group's and the parent 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. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify and 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.

Opinion on financial statements

In our opinion the financial statements:

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

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.

Independent auditor's report to the members of Sun Chemical 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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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.



Sukhbinder Kooner (Senior statutory auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
London, United Kingdom

4 August 2015

Sun Chemical Limited

Consolidated profit and loss account For the year ended 31 December 2014

	Notes	2014 £'000	2013 £'000
Turnover	1, 3	253,318	252,840
Cost of sales		(186,793)	(191,674)
Gross profit		66,525	61,166
Sales and distribution costs		(13,875)	(14,372)
Administrative expenses	4	(42,467)	(39,913)
Other operating expense		(3,213)	(2,287)
Operating profit		6,970	4,594
Loss on disposal of tangible fixed assets		(31)	(60)
Proceeds from disposal of intangibles		-	505
Profit on ordinary activities before finance charges		6,939	5,039
Finance income (net)	5	1,664	307
Profit on ordinary activities before taxation	6	8,603	5,346
Tax charge on profit on ordinary activities	8	(124)	(31)
Profit for the financial year	21	8,479	5,315

All amounts are derived from continuing operations.

The accompanying notes form an integral part of this profit and loss account.

Comparative amounts have been reclassified, where necessary, on the same basis as those for the current year.

Sun Chemical Limited

Consolidated statement of total recognised gains and losses For the year ended 31 December 2014

	Notes	2014 £'000	2013 £'000
Profit for the financial year:			
Group		8,479	5,315
		<u>8,479</u>	<u>5,315</u>
Actuarial gain relating to pension scheme – excluding the effect from change of indexation assumption	24	47,266	5,695
Actuarial losses from the effect of change of indexation assumption on pension liability	24	(48,274)	(10,698)
Deferred tax attributable to actuarial losses	21, 24	(2,523)	(3,523)
		<u>4,948</u>	<u>(3,211)</u>
Total recognised gains/(losses) relating to the year		<u><u>4,948</u></u>	<u><u>(3,211)</u></u>

Sun Chemical Limited

Consolidated balance sheet As at 31 December 2014

	Notes	2014 £'000	2013 £'000
Fixed assets			
Goodwill	10	6,402	6,946
Intangible assets	11	430	537
Tangible assets	12	44,556	48,142
Investments	13	337	337
		<u>51,725</u>	<u>55,962</u>
Current assets			
Stocks	14	24,927	27,842
Debtors	15	44,460	52,242
Cash at bank and in hand		472	1,252
		<u>69,859</u>	<u>81,336</u>
Creditors: amounts falling due within one year	16	<u>(53,918)</u>	<u>(66,855)</u>
Net current assets		<u>15,941</u>	<u>14,481</u>
Total assets less current liabilities		67,666	70,443
Creditors: amounts falling due after more than one year	17	(23,774)	(21,774)
Provisions for liabilities	18	<u>(933)</u>	<u>(1,163)</u>
Net assets excluding pension liability		42,959	47,506
Pension liability	24	<u>(46,211)</u>	<u>(55,703)</u>
Net liabilities including pension liability		<u>(3,252)</u>	<u>(8,200)</u>
Capital and reserves			
Called up share capital	20, 21	11,500	11,500
Share premium account	21	142,900	142,900
Capital contribution	21	171,250	171,250
Profit and loss account	21	<u>(328,902)</u>	<u>(333,850)</u>
Shareholders' deficit	21	<u>(3,252)</u>	<u>(8,200)</u>

These financial statements of Sun Chemical Limited (registered number 02647054) on pages 9 to 32 were approved and authorised for issue by the Board of Directors on 4 August 2015.

Signed on behalf of the Board of Directors



C Heynes
Director

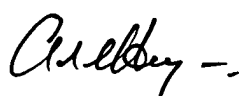
Sun Chemical Limited

Company balance sheet As at 31 December 2014

	Notes	2014 £'000	2013 £'000
Fixed assets			
Goodwill	10	23,515	26,508
Intangible assets	11	430	537
Tangible assets	12	44,137	47,564
Investments	13	14,816	14,816
		<u>82,898</u>	<u>89,425</u>
Current assets			
Stocks	14	23,245	27,157
Debtors	15	40,727	49,303
Cash at bank and in hand		2	883
		<u>63,974</u>	<u>77,343</u>
Creditors: amounts falling due within one year	16	<u>(62,098)</u>	<u>(75,377)</u>
Net current assets		<u>1,876</u>	<u>1,966</u>
Total assets less current liabilities		<u>84,774</u>	<u>91,391</u>
Creditors: amounts falling due after more than one year	17	(23,774)	(21,774)
Provisions for liabilities	18	<u>(933)</u>	<u>(1,163)</u>
Net assets excluding pension liability		60,067	68,454
Pension liability	24	<u>(46,211)</u>	<u>(55,706)</u>
Net assets including pension liability		<u>13,856</u>	<u>12,748</u>
Capital and reserves			
Called up share capital	20, 21	11,500	11,500
Share premium account	21	142,900	142,900
Capital contribution	21	171,250	171,250
Profit and loss account	21	<u>(311,794)</u>	<u>(312,902)</u>
Shareholders' funds	21	<u>13,856</u>	<u>12,748</u>

These financial statements of Sun Chemical Limited (registered number 02647054) on pages 9 to 32 were approved and authorised for issue by the Board of Directors on 4 August 2015.

Signed on behalf of the Board of Directors



C Heynes
Director

Sun Chemical Limited

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

1. Accounting policies

The financial statements have been prepared in accordance with applicable United Kingdom accounting standards. The principal accounting policies adopted are described below. They have all been applied consistently throughout the year and the preceding year.

Going concern

The group and company meet its day-to-day working capital requirements through financing facilities from a group company. The current economic conditions create some uncertainty, particularly over the level of demand for the company's products. The exchange rate fluctuations between Sterling and the Euro and US Dollar can adversely impact the company's cost of raw materials.

The group holds a £220 million uncommitted loan facility which was entered into on 30 October 1997 and is due on 30 October 2017 with Sun Chemical B.V. a subsidiary of Sun Chemical Group Cooperatief U.A.. The group and company's projections, taking into account possible changes in trading performances, as well as the signed letter of deferral of the facility stating that £23,674,000 will not be due within one year from the signing of the financial statements mean that the group and company should be able to operate within the level of its current facility.

After making enquiries the directors have a reasonable expectation that the group and company have adequate resources to continue to operate for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and financial statements.

Basis of consolidation

The group financial statements consolidate the financial statements of Sun Chemical Ltd and its subsidiary undertakings drawn up to 31 December each year. The results of subsidiaries acquired or sold are consolidated for the periods from or to the date on which control passed. Acquisitions are accounted for under the acquisition method.

Goodwill

Goodwill arising on the acquisition of subsidiary undertakings and businesses, representing any excess of the fair value of the consideration given over the fair value of the identifiable assets and liabilities acquired, is capitalised and written off on a straight-line basis over its useful economic life, which is between 10-20 years. Provision is made for any impairment.

Intangible assets

Intangible assets are included at cost and depreciated in equal annual instalments over a period of five years which is their estimated useful economic life. Provision is made for any impairment.

Tangible fixed assets

Tangible fixed assets are stated at cost, net of depreciation and any provision for impairment.

Depreciation is provided on all tangible fixed assets, other than freehold land and assets in course of construction, at rates calculated to write off the cost, less estimated residual value based on prices prevailing at the date of acquisition, of each asset evenly over its expected useful life, as follows:

Freehold buildings	-	30-40 years
Leasehold land and buildings	-	The shorter of lease term or useful economic life
Plant and equipment	-	3-11 years

The carrying values of tangible fixed assets are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

Investments

In the company balance sheet fixed assets investments are shown at cost less provision for impairment.

Sun Chemical Limited

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

1. Accounting policies (continued)

Associates

In the group financial statements, investments in associates are accounted for using the equity method. The consolidated profit and loss account includes the group's share of associates' profits less losses, while the group's share of net assets of the associates is shown in the consolidated balance sheet. Goodwill arising on the acquisition of associates is accounted for in accordance with the policy set out above. Any unamortised balance of goodwill is included in the carrying value of the investment in associates.

Leasing

Rentals under operating leases are charged on a straight line basis over the lease term, even if the payments are not made on such a basis. Benefits received and receivable as an incentive to sign an operating lease are similarly spread on a straight-line basis over the lease term, except where the period to the review date on which the rent is first expected to be adjusted to the prevailing market rate is shorter than the full lease term, in which case the shorter period is used.

Foreign currencies

Transactions in foreign currencies are recorded at the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated at the rates of exchange ruling at that date. All exchange differences are included in the profit and loss account.

Research and development

Research and development expenditure is charged to the profit and loss account in the period in which it is incurred.

Stocks

Stocks are stated at the lower of cost and net realisable value. Costs incurred in bringing each product to its present location and conditions are based on:

- | | | |
|-------------------------------------|---|--|
| Raw materials | - | purchase cost (on a first-in, first-out basis) including transport; and |
| Work in progress and finished goods | - | cost of direct materials and labour plus a proportion of manufacturing overheads based on normal levels of activity. |

Net realisable value is based on estimated selling price, less any further costs expected to be incurred to completion and disposal.

Provision is made for obsolete, slow-moving or defective items where appropriate.

Finance costs

Finance costs of debts are recognised in the profit and loss account over the term of such instrument at a constant rate on the carrying amount. Finance costs which are directly attributable to the construction of tangible fixed assets are capitalised as part of the cost of those assets. The commencement of capitalisation begins when both finance costs and expenditures for the assets are being incurred and activities that are necessary to get the asset ready for use are in progress. Capitalisation ceases when substantially all the activities that are necessary to get the asset ready for use are complete.

Financial liabilities and equity

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 Group after deducting all of its liabilities.

Sun Chemical Limited

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

1. Accounting policies (continued)

Pension costs

For defined benefit schemes the amounts charged to operating profit are the current service costs and gains and losses on settlements and curtailments. They are included as part of staff costs. Past service costs are recognised immediately in the profit and loss account if the benefits have vested. If the benefits have not vested immediately, the costs are recognised over the period until vesting occurs. The interest cost and the expected return on assets are shown as a net amount of other finance costs or credits adjacent to interest. Actuarial gains and losses are recognised immediately in the statement of total recognised gains and losses.

Defined benefit schemes are funded, with the assets of the scheme held separately from those of the group, in separate trustee-administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent currency and term to the scheme liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The resulting defined benefit asset or liability, net of the related deferred tax, is presented separately after other net (liabilities)/assets on the face of the balance sheet.

Regular valuations are prepared by an independent professionally qualified actuary. These determine the level of contributions required to fund the benefits set out in the rules of the plans and allow for the periodic increase of pensions in payment. The regular service cost of providing retirement benefits to employees during the year, together with the cost of any benefits relating to past service, is charged to operating profit in the year.

For defined contribution schemes the amount charged to the profit and loss account in respect of pension costs and other post-retirement benefits is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

Taxation

Current tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is provided in full on all 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 tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods 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.

Turnover

Turnover represents amounts receivable for goods and services provided in the normal course of business, net of trade discounts, VAT and other sales-related taxes. Turnover is normally recognised upon delivering the products or provision of services. However, some customers are traded with on a consignment stock arrangement and invoices are raised on the basis of monthly product usage.

Cash flow statement

The group has taken advantage of the exemption granted under Financial Reporting Standards (FRS) 1 (Revised 1996) 'Cash Flow Statements' not to publish a cash flow statement on the grounds that it is a wholly-owned subsidiary of DIC Corporation (DIC), its ultimate parent company. DIC produces consolidated financial statements, which contain a cash flow statement and are publicly available.

Sun Chemical Limited

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

2. Parent company profit and loss account

The company has taken advantage of the exemption in Section 408 of the Companies Act 2006 not to present its own profit and loss account. The company's profit for the financial year, after taxation, was £4,639,000 (2013: £2,169,000).

3. Analysis of turnover and profits between activities and markets

All turnover and profits are derived from printing ink and services to art graphic industry and are originated from the UK. An analysis of turnover and profits between markets has not been given because, in the opinion of the directors, this disclosure would be seriously prejudicial to the group.

4. Administrative expenses

Within administrative expenses there are other costs which predominately relate to redundancy costs totalling £2,666,000 (2013: £2,250,000).

5. Finance income (net)

	2014 £'000	2013 £'000
Interest payable to other group undertakings	(789)	(1,053)
Interest payable from third parties	(83)	-
Interest cost – pension scheme (note 24)	(17,858)	(17,218)
Dividend payable to group undertakings	-	(48)
Dividend payable on 8.5% cumulative redeemable preference shares	(9)	(9)
	<hr/>	<hr/>
	(18,739)	(18,328)
Interest receivable and similar income:		
Interest receivable from other group undertakings	88	108
Interest receivable from third parties	37	2
Expected return on pension plan assets (note 24)	20,278	18,525
	<hr/>	<hr/>
	1,664	307
	<hr/>	<hr/>

Sun Chemical Limited

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

6. Profit on ordinary activities before taxation

This is stated after charging/(crediting):

	2014 £'000	2013 £'000
Depreciation		
- owned assets	6,737	5,500
Amortisation of goodwill	544	544
Operating lease rentals		
- plant and equipment	1,889	1,983
- land and buildings	1,692	1,761
Research and development expenditure	7,481	7,196
Recharge of European management costs	(4,055)	(4,471)
Foreign exchange – net	127	57
	<u>127</u>	<u>57</u>

The analysis of the auditor's remuneration is as follows:

	2014 £'000	2013 £'000
Fee payable to the group's auditor for the audit of the group's annual financial statements	169	175
Fee payable to the group's auditor for other services to the group		
- The audit of the company's subsidiaries pursuant to legislation	30	28
- Quarterly reviews and J-Sox pursuant to DIC Group audit	42	42
	<u>241</u>	<u>245</u>
Total audit fees	<u>241</u>	<u>245</u>

Sun Chemical Limited

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

7. Directors and employees

The monthly average number of employees (including executive directors and employees in subsidiary undertakings) during the year was:

	2014 No.	2013 No.
Production	800	804
Sales and distribution	115	120
Administration	104	106
Technical service	70	73
	<u>1,089</u>	<u>1,103</u>

The aggregated remuneration comprised:

	2014 £'000	2013 £'000
Wages and salaries	40,129	40,188
Social security costs	4,465	4,623
Pension costs – defined benefit (note 24)	930	921
Pension costs – non defined benefit	3,217	3,913
	<u>48,741</u>	<u>49,645</u>

The staff costs include remuneration in respect of directors of the company (number of directors in 2014: 6 (2013: 6), as follows:

	2014 £'000	2013 £'000
Emoluments	<u>1,371</u>	<u>1,275</u>

Remuneration in respect of the highest paid director is as follows:

	2014 £'000	2013 £'000
Emoluments	<u>599</u>	<u>341</u>

Total pension costs paid for directors of the company at year end was £48,000 (2013: £51,000). The highest paid director is a member of the defined contribution pension scheme and there is no accrued entitlement for the director under that scheme.

During the year five directors (2013: five) participated in the defined benefit pension scheme. The scheme was closed to all future accrual effectively from 5 April 2009.

Sun Chemical Limited

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

8. Tax charge on profit on ordinary activities

(i) Analysis of tax charge on ordinary activities

	2014 £'000	2013 £'000
Current tax:		
United Kingdom corporation tax at 21.50% (2013: 23.25%)	103	-
Adjustment in respect of prior years	-	-
Total current tax	103	-
Deferred tax:		
Accelerated capital allowances	21	34
Other timing differences	-	(3)
Total deferred tax	21	31
Tax on profit on ordinary activities	124	31

(ii) Factors affecting tax charge for the current year

The tax assessed for the year is lower than that resulting from applying the standard rate of corporation tax in the United Kingdom of 21.50% (2013: 23.25%). The differences are reconciled below:

	2014 £'000	2013 £'000
Profit on ordinary activities before tax	8,603	5,315
Profit on ordinary activities multiplied by standard rate of corporation tax of 21.50% (2013: 23.25%)	1,850	1,236
Expenses not deductible for tax purposes	225	293
Accelerated capital allowances	(693)	(1,024)
Losses carried forward	-	192
Other short term timing differences	(1,425)	(824)
Goodwill on consolidation	146	126
Current tax for the year	103	-

9. Dividends accrued on preference shares

	2014 £'000	2013 £'000
Non-equity shares:		
Appropriations of profit in respect of 8.5% cumulative redeemable preference shares (2013: 8.5%)	9	9

Dividends on the company's cumulative redeemable preference shares were £135,000 in arrears at 31 December 2014 (2013: £126,000). This has been recorded within creditors falling due after more than one year.

Sun Chemical Limited

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

10. Goodwill

	Group £'000	Company £'000
Cost		
At 1 January and 31 December 2014	10,936	65,594
Amortisation		
At 1 January 2014	3,990	39,086
Charge in the year	544	2,993
At 31 December 2014	4,534	42,079
Net book value		
At 31 December 2014	6,402	23,515
At 31 December 2013	6,946	26,508

11. Intangible assets

	Group and Company £'000
Cost	
At 1 January 2014	537
Additions	-
At 31 December 2014	537
Amortisation	
At 1 January 2014	-
Charge in the year	107
At 31 December 2014	107
Net book value	
At 31 December 2014	430
At 31 December 2013	537

The intangible assets amount of £537,000 relates to the acquisition cost of a customer list from a related entity within the ultimate parent company's group. The cost will be written off over the period of 5 years from December 2013.

Sun Chemical Limited

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

12. Tangible fixed assets

Group	Freehold property £'000	Short leasehold property £'000	Plant and equipment £'000	Assets in course of construction £'000	Total £'000
Cost					
At 1 January 2014	45,940	1,187	95,594	1,393	144,114
Additions	-	3	147	3,085	3,235
Disposals	(161)	-	(2,968)	-	(3,129)
Transfers	244	-	2,200	(2,444)	-
At 31 December 2014	46,023	1,190	94,973	2,034	144,220
Depreciation					
At 1 January 2014	18,636	935	76,401	-	95,972
Charge for the year	1,239	126	5,372	-	6,737
Disposals	(141)	-	(2,904)	-	(3,045)
At 31 December 2014	19,734	1,061	78,869	-	99,664
Net book value					
At 31 December 2014	26,289	129	16,104	2,034	44,556
At 31 December 2013	27,304	252	19,193	1,393	48,142

Included within the freehold property is land of £9,749,000 (2013: £9,749,000) which is not depreciated.

Included within the depreciation charge for the year for plant and equipment is £1,526,000 in relation to the impairment of the Rochdale Plant, following the decommissioning of part of the plant during 2014.

Sun Chemical Limited

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

12. Tangible fixed assets (continued)

Company	Freehold property £'000	Plant and equipment £'000	Assets in course of construction £'000	Total £'000
Cost				
At 1 January 2014	39,568	46,480	1,393	87,441
Additions	-	-	3,085	3,085
Disposals	(161)	(2,813)	-	(2,974)
Transfers	244	2,200	(2,444)	-
At 31 December 2014	39,651	45,867	2,034	87,552
Depreciation				
At 1 January 2014	12,265	27,612	-	39,877
Charge for the year	1,239	5,188	-	6,427
Disposals	(141)	(2,748)	-	(2,889)
At 31 December 2014	13,363	30,052	-	43,415
Net book value				
At 31 December 2014	26,288	15,815	2,034	44,137
At 31 December 2013	27,303	18,868	1,393	47,564

Included within the freehold property is land of £9,749,000 (2013: £9,749,000) which is not depreciated.

Included within the depreciation charge for the year for plant and equipment is £1,526,000 in relation to the impairment of the Rochdale Plant, following the decommissioning of part of the plant during 2014.

13. Fixed asset investments

	Group		Company	
	2014 £'000	2013 £'000	2014 £'000	2013 £'000
Subsidiary undertakings	-	-	14,816	14,816
Associated undertakings	137	137	-	-
Other investments	200	200	-	-
	337	337	14,816	14,816

Sun Chemical Limited

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

13. Fixed asset investments (continued)

Investments in subsidiary undertakings:

Company	Shares in subsidiary undertakings £'000
Cost	
At 1 January	14,816
At 31 December 2014	14,816
Net book value	
At 31 December 2014	14,816
At 31 December 2013	14,816

At 31 December 2014, the group and company have investments in the following material subsidiary undertakings, which principally affected the results or net assets of the group. The financial positions and results of these material subsidiary undertaking have been consolidated in the group financial statements.

Shares held by the company	Country of registration	Proportion of ordinary share held	Nature of business	
ECG Holdings (UK) Limited	England and Wales	100%	Holding company	
Gibbon Finecal Limited	England and Wales	49.9%	Printing ink distributor	
Shares held within the Group				
Sun Branding Solutions Limited	England and Wales	100%	Graphic reproduction and design	
Parker Williams Design Limited	England and Wales	100%	Graphic reproduction and design	
SVA Limited	England and Wales	12.0%	Regulatory advice and laboratory testing services	
Group – Gibbon Finecal Limited				Share of net assets £'000
At 1 January 2014				137
Share of result for the financial year				-
At 31 December 2014				137
Group – SVA Limited				Share of net assets £'000
At 1 January 2014				200
Share of result for the financial year				-
At 31 December 2014				200

Sun Chemical Limited

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

14. Stocks

	Group		Company	
	2014	2013	2014	2013
	£'000	£'000	£'000	£'000
Raw materials	6,250	8,185	6,239	8,165
Work in progress	591	826	226	476
Finished goods and goods for resale	18,086	18,831	16,780	18,516
	<u>24,927</u>	<u>27,842</u>	<u>23,245</u>	<u>27,157</u>

There are no material differences between the balance sheet value of stocks and their replacement cost.

15. Debtors

	Group		Company	
	2014	2013	2014	2013
	£'000	£'000	£'000	£'000
Amounts falling due within one year:				
Trade debtors	32,395	36,859	28,459	33,382
Amounts owed by group undertakings	5,732	8,858	6,595	10,091
Other debtors	4,799	4,946	4,554	4,559
Prepayments and accrued income	1,431	1,455	1,119	1,271
	<u>44,357</u>	<u>52,118</u>	<u>40,727</u>	<u>49,303</u>
Amounts falling due after more than one year:				
Deferred tax asset	103	124	-	-
	<u>44,460</u>	<u>52,242</u>	<u>40,727</u>	<u>49,303</u>

16. Creditors: amounts falling due within one year

	Group		Company	
	2014	2013	2014	2013
	£'000	£'000	£'000	£'000
Trade creditors	10,936	12,688	9,754	12,021
Amounts owed to group undertakings				
- Trade related	23,528	28,772	34,983	30,585
- Current accounts	7,013	14,982	7,013	24,610
- Accrued interest on interest bearing loans	41	59	41	59
Social security costs and other taxes	1,675	1,415	968	590
Corporation Tax	103	-	-	-
Other creditors	636	780	636	780
Accruals and deferred income	9,986	8,159	8,703	6,732
	<u>53,918</u>	<u>66,855</u>	<u>62,098</u>	<u>75,377</u>

Sun Chemical Limited

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

17. Creditors: amounts falling due after more than one year

	Group		Company	
	2014	2013	2014	2013
	£'000	£'000	£'000	£'000
Amounts owed to group undertakings:				
- Interest-bearing loans*	13,674	13,674	13,674	13,674
- Deferred current accounts	10,000	8,000	10,000	8,000
8.5% cumulative preference shares**	100	100	100	100
	<u>23,774</u>	<u>21,774</u>	<u>23,774</u>	<u>21,774</u>

* The amounts owed to group undertakings are interest-bearing loans to Sun Chemical B.V. at a rate of 6.5% (2013: 6.5%). The loan is due for repayment in October 2017.

** The entitlement and rights attached to 8.5% cumulative redeemable preference shares are stated in note 20.

18. Provision for liabilities

Group and Company	Onerous lease provision £'000
At 1 January 2014	1,163
Provided for	528
Utilised in the year	(758)
At 31 December 2014	<u>933</u>

The provision for onerous lease costs consists mostly of provisions for vacant leased properties which were vacated following reorganisation of the group's operations. The provisions for vacant leased properties contracts are until 2021.

19. Deferred taxation

Deferred taxation provided and not provided in the financial statements is set out below. The amounts unprovided represent amounts that are not able to be recognised due to uncertainty of sufficient future taxable profits and are calculated using a tax rate of 20% (2013: 20%) for both the group and the company.

	Amount provided		Amount unprovided	
	2014	2013	2014	2013
	£'000	£'000	£'000	£'000
Group				
Accelerated capital allowance	95	116	5,387	6,128
Other timing differences	8	8	6,001	4,722
Corporation tax losses	-	-	11,743	11,854
At 31 December	<u>103</u>	<u>124</u>	<u>23,131</u>	<u>22,704</u>
Company				
Accelerated capital allowance	-	-	5,387	6,128
Other timing differences	-	-	6,001	4,722
Corporation tax losses	-	-	11,743	11,854
At 31 December	<u>-</u>	<u>-</u>	<u>23,131</u>	<u>22,704</u>

Sun Chemical Limited

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

19. Deferred taxation (continued)

The Finance Act 2013, which was substantively enacted in July 2013, included provisions to reduce the main rate of UK corporation tax to 21% effective from 1 April 2014 and 20% with effect from 1 April 2015. Accordingly 20% has been applied when calculating deferred tax assets and liabilities as at 31 December 2014.

The Government has subsequently announced in the Summer Budget, on 8 June 2015, that the rates of corporation tax will be further reduced to 19% with effect from 1 April 2017 and 18% with effect from 1 April 2020. As the enabling legislation has not been substantively enacted these rates do not apply to the deferred tax position at 31 December 2014.

20. Called up share capital

	2014 £'000	2013 £'000
Equity share capital:		
Authorised		
19,900,000 ordinary shares of £1 each	19,900	19,900
	<u>19,900</u>	<u>19,900</u>
Allotted, called up and fully paid		
11,500,005 ordinary shares of £1 each	11,500	11,500
	<u>11,500</u>	<u>11,500</u>
Preference shares:		
Authorised		
100,000 8.5% cumulative redeemable preference shares of £1 each	100	100
	<u>100</u>	<u>100</u>
Allotted, called up and fully paid		
100,000 8.5% cumulative redeemable preference shares of £1 each	100	100
	<u>100</u>	<u>100</u>

The redeemable preference shares are presented as a liability (see note 17) and accordingly are excluded from called-up share capital in the balance sheet.

The 8.5% redeemable preference shares carry a cumulative entitlement to dividend at a rate of 8.5p per shares per annum payable in priority to dividends on any other class of share.

Holders of the preference shares have the right to vote on resolutions for the winding-up of the company or on a resolution affecting the rights attached to the shares. Holders of the preference shares have the right on a winding-up to receive, in priority to any other classes of shares, the sum of £1,000 per share together with any arrears of dividend.

Sun Chemical Limited

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

21. Reconciliation of movement in shareholders' (deficit)/funds and movement on reserves

Group	Called up share capital £'000	Share premium account £'000	Capital contribution £'000	Profit and loss account £'000	Total £'000
At 1 January 2014	11,500	142,900	171,250	(333,850)	(8,200)
Profit for the financial year	-	-	-	8,479	8,479
Actuarial loss on pensions liability	-	-	-	(1,008)	(1,008)
Deferred tax on actuarial losses	-	-	-	(2,523)	(2,523)
At 31 December 2014	<u>11,500</u>	<u>142,900</u>	<u>171,250</u>	<u>(328,902)</u>	<u>(3,252)</u>
Company					
At 1 January 2014	11,500	142,900	171,250	(312,902)	12,748
Profit for the financial year	-	-	-	4,639	4,639
Actuarial loss on pensions liability	-	-	-	(1,008)	(1,008)
Deferred tax on actuarial losses	-	-	-	(2,523)	(2,523)
At 31 December 2014	<u>11,500</u>	<u>142,900</u>	<u>171,250</u>	<u>(311,794)</u>	<u>13,856</u>

22. Leasing commitments

Annual commitments under non-cancellable operating leases are as follows:

Group	Land and buildings 2014 £'000	Other 2014 £'000	Land and buildings 2013 £'000	Other 2013 £'000
Expiry date				
- within one year	55	65	17	163
- in two to five years	1,047	859	1,137	768
- after five years	1,375	-	1,375	-
	<u>2,477</u>	<u>924</u>	<u>2,529</u>	<u>931</u>
Company				
Expiry date				
- within one year	55	45	17	143
- in two to five years	764	766	846	675
- after five years	1,375	-	1,375	-
	<u>2,194</u>	<u>811</u>	<u>2,238</u>	<u>818</u>

Sun Chemical Limited

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

23. Capital commitments

At the year end, capital commitments were as follows:

	Group		Company	
	2014	2013	2014	2013
	£'000	£'000	£'000	£'000
Capital expenditure contracted but not provided for	134	40	134	40

24. Pension commitments

Defined contribution schemes

The group operates three defined contribution pension schemes. The assets of the schemes are held separately from those of the group in independently administered funds. The pension charge represents contributions payable by the group to the funds and amounted to £4,067,000 (2013: £3,913,000). Contributions payable to the fund at the year-end included in creditors were £nil (2013: £nil).

Defined benefit scheme

The company operates a defined benefit scheme (Sun Chemical Limited Pension Scheme) which has been closed to new members and all future accrual with effect from 5 April 2009.

A full actuarial valuation was carried out at 5 April 2014. The valuation was updated to 31 December 2013 for the scheme by a qualified independent actuary. The major assumptions used by the actuary were:

	2014	2013	2012
	%	%	%
Discount rate	3.60	4.50	4.50
RPI Inflation	2.90	3.20	2.70
CPI Inflation	1.90	2.20	1.70
Deferred revaluations	1.90	2.20	1.70
Pension increases			
- RPI to a maximum of 5%	2.80	3.10	2.65
- RPI to a maximum of 2.5%	2.00	2.10	1.90
- RPI to a minimum of 3% and maximum of 5%	3.50	3.70	3.50
	2.0% for the first 2 years then 2.0% pa thereafter	2.5% for the first 2 years then 2.4% pa thereafter	2.5% for the first 2 years then 2.8% pa thereafter
Rate of increase in salaries			
Expected return on Scheme assets	N/A	6.10%	5.95%

Post retirement mortality

The post retirement mortality assumption is based on the SAPS S2 All Lives tables with an allowance for future mortality improvements in line with CMI 2013 projection factors and allowing for a long-term rate of future improvements of 1.25% per annum.

During the year ended 31 December 2014, the company paid contributions of £11,536,000 (2013: 11,358,000). The Company has closed the scheme to all future accrual with effect from 5 April 2009. The contribution rates for the following years will be based on the agreed rates with the Pension Trustees.

The inflation index to be used to derive statutory pension increases has been changed from the Retail Prices Index (RPI) to the Consumer Prices Index (CPI) in 2010.

The FRS 17 information below is based upon the market value of assets as at 31 December 2014 and accurate membership data as at the most recent valuation.

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

24. Pension commitments (continued)

The fair value of the assets in the scheme, the present value of the liabilities in the scheme and the expected rate of return at the balance sheet date were:

	2014 %	2014 £'000	2013 %	2013 £'000	2012 %	2012 £'000	2011 %	2011 £'000	2010 %	2010 £'000
Equities	7.7	174,627	7.7	150,346	8.0	145,143	8.0	144,522	8.2	127,368
Bonds	4.0	145,976	4.0	117,772	3.58	113,344	3.2	95,712	4.4	79,525
Property	7.7	23,533	7.7	21,431	6.0	19,382	6.0	18,177	6.2	16,801
Other	5.7	22,627	5.7	24,788	6.0	15,862	6.0	15,596	5.6	40,782
Secured pensions in payment	4.5	23,757	4.5	18,989	4.7	20,011	4.9	20,442	5.4	24,318
Total fair value of assets		390,520		333,326		313,742		294,449		288,794
Present value of scheme liabilities		(448,284)		(403,108)		(390,265)		(358,057)		(345,501)
Deficit in the scheme		(57,764)		(69,782)		(76,523)		(63,608)		(56,707)
Deferred tax assets		11,553		14,076		17,600		15,902		-
Net pension liability		(46,211)		(55,706)		(58,923)		(47,706)		(56,707)

Deferred tax asset relating to pension deficits have been recognised at the future tax rate of 20%.

The company considered the current level of expected returns on risk free investments, the historical level of the risk premium associated with the other asset classes in which the portfolio is invested and the expectations for future returns of each asset class. The expected return for each asset class was then weighted based on the target asset allocation to develop the expected long-term rate of return on assets assumption for the portfolio.

History of experience gains and losses:

	2014	2013	2012	2011	2010
Difference between the expected and actual return on scheme assets (£'000)	38,844	5,855	6,180	(6,873)	11,887
Percentage of scheme assets	10%	2%	2%	(2%)	4%
Experience gains and losses on scheme liabilities (£'000)	8,422	(160)	(12,873)	18,921	1,280
Percentage of scheme liabilities	(2%)	(0%)	(3%)	5%	0%
Total amount recognised in Statement of Total Recognised Gains and Losses (£'000)	(1,008)	(5,003)	(22,961)	(13,832)	6,387
Percentage of scheme liabilities	0%	1%	6%	4%	2%

Sun Chemical Limited

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

24. Pension commitments (continued)

Analysis of the defined benefit cost for the year ended 31 December 2014 and 31 December 2013 were as follows:

	2014 £'000	2013 £'000
Current service cost	930	921

Analysis of amounts included as other finance charges (net):

	2014 £'000	2013 £'000
Expected return on pension scheme assets	17,858	17,218
Interest on pension scheme liabilities	(20,278)	(18,525)
Net other finance cost	(2,420)	(1,307)

Analysis of amounts recognised in the statement of total recognised gains and losses (STRGL):

	2014 £'000	2013 £'000
Actual return less expected return on pension scheme assets	38,844	5,855
Actuarial gains and losses arising on the scheme liabilities	8,422	(160)
Actuarial losses from changes in assumptions	(48,274)	(10,698)
Actuarial loss recognised in STRGL	(1,008)	(5,003)

Movements in deficit during the year:

	2014 £'000	2013 £'000
Deficit in scheme at beginning of year	(69,782)	(76,523)
Movement in year:		
Current service cost	(930)	(921)
Contributions	11,536	11,358
Other finance income	2,420	1,307
Actuarial loss	(1,008)	(5,003)
	(57,764)	(69,782)

The cumulative amount of actuarial gains and losses recognised in the statement of total recognised gains and losses since the adoption of FRS 17 is £103,372,000 (2013: £102,364,000).

The actual return on scheme assets was £59,122,000 (2013: £24,380,000).

The estimated amounts of contributions expected to be paid to the scheme during the 2015 financial year is £12,000,000.

Sun Chemical Limited

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

24. Pension commitments (continued)

	2014 £'000	2013 £'000
Change in benefit obligation		
Benefit obligation at beginning of year	403,108	390,265
Service cost	930	921
Interest cost	17,858	17,218
Experience actuarial (gain)/loss	(8,422)	160
Actuarial losses from changes in assumptions	48,274	10,698
Benefits paid	(13,464)	(16,154)
Benefit obligation at end of year	<u>448,284</u>	<u>403,108</u>
Change in plan assets		
Fair value of plan assets at beginning of year	333,326	313,742
Expected return on plan assets	20,278	18,525
Difference between actual return and expected return on Scheme assets	38,844	5,855
Employer contribution	11,536	11,358
Benefits paid from plan	(13,464)	(16,154)
Fair value of plan assets at end of year	<u>390,520</u>	<u>333,326</u>

The balance sheet, profit and loss account and statement of realised gains and losses figures are likely to be volatile from year to year. This is because the FRS 17 liabilities are linked to bond prices whereas the Scheme investments include equities. The relative prices of these two investment categories may vary significantly. The table below illustrates the sensitivity of the liability at 31 December 2014 to a change of 0.25% p.a. in each of the discount rate and inflation assumptions:

Assumptions	Main assumptions	Discount rate sensitivity -0.25% pa	Inflation sensitivity +0.25% pa
Discount rate	3.60%	3.35%	3.60%
Inflation (RPI)	2.90%	2.90%	3.15%
Funded status	£000s	£000s	£000s
Present value of scheme assets	390,520	391,031	390,805
Projected benefit obligation	448,284	467,901	458,357
Deficit	57,764	76,870	67,552

Sun Chemical Limited

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

25. Related party transactions

In accordance with the provisions of Financial Reporting Standards 8 'Related Party Disclosures', the Group has not disclosed details of transactions with wholly owned group undertakings since the consolidated financial statements of DIC Corporation in which the company is included are publicly available at the address given in note 26.

26. Ultimate parent company and controlling party

The ultimate parent undertaking and the controlling undertaking of the largest group for which group financial statements are drawn up is DIC Corporation, a company incorporated in Japan.

Sun Chemical Ltd is a wholly owned subsidiary of Sun Chemical N.V./S.A, a company incorporated in Belgium, which in turn is a subsidiary of Sun Chemical Group Coöperatief U.A. (formerly, Sun Chemical Group B.V.), a company incorporated in the Netherlands. Dainippon Ink and Chemicals Inc. heads the largest and the smallest group in which Sun Chemical Ltd is a member for which group financial statements are prepared.

The consolidated financial statements of Dainippon Ink and Chemicals Inc. are available to the public and may be obtained from DIC (Japan) Inc., DIC Building, 7-20 Nihonbashi, 3-Chome, Chuo-Ku, Tokyo 103, Japan.

27. Post balance sheet event

Shares held within the Group, in SVA Limited, were all sold on 1 May 2015 for an initial consideration of £2.1m.