Arysta LifeScience Great Britain Limited (formerly Chemtura Europe Limited)

Annual report and financial statements
for the year ended 31 December 2015

Registered number: SC097824

Contents

Strategic Report for the year ended 31 December 2015

The Directors present their Strategic Report, Directors Report and the audited financial statements for the year ended 31 December 2015.

Principal activities

The principal activity of the Company is to provide services to other Platform Speciality Products group companies in marketing, technical support and research and development of agricultural and industrial chemicals.

The Company has branches in Hungary, Slovakia, Poland, Czech Republic and Greece and representative offices in Kazakhstan, Moldova, Slovenia, Ukraine, Romania, Bulgaria and Turkey.

On 7 October 2015 the company changed its name from Chemtura Europe Limited to Arysta LifeScience Great Britain Limited.

Business review

The Company's operation in 2015 continued to be centred around Plant Growth Regulators (PGR's) and to a lesser extent Adjuvants, Herbicides and Seed Treatment products. It continues to compete effectively in the niche markets that it serves (fruits, vegetables, tobacco and cotton among others) through the use of direct distribution and third party channels.

Strategy

The Company is the contract research and development centre for the PSP Ag Vertical. The business strategy is to generate growth in sales and profitability through technology-led innovation, participating in the growth of the faster growing regions of the world, creating a performance driven culture among its employees and actively managing its business portfolio and costs.

Going concern

The company meets its day-to-day working capital requirements through its intercompany financing arrangements. After making enquiries, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and financial statements.

Risk and Uncertainty

The Directors of the Company are responsible for risk management. This is accomplished by regular monthly reporting within the Arysta group.

A risk to the business is additional regulatory requirements in environmental, health and safety and product registration areas. The use of employees and external advisors to monitor compliance with specific laws and regulations will mitigate the risk where possible.

Demand for products is influenced by the agricultural policies of governments and regulatory authorities. Changes in governmental policies or product registration requirements could have an adverse impact on the ability to market and sell products. In all regions of the world there are directives, laws and/or regulations that require the testing and registration of all agrochemical products before they can be sold for application to crops. Under these laws or when such laws and regulations are periodically changed the products that have been previously registered may be required to undergo a process of re-registration, and there is no assurance when an existing product requires re-registration that it will be approved for continuing use or all of its approved uses can be sustained.

Strategic Report for the year ended 31 December 2015 (continued)

Key Performance Indicators

The Directors monitor the business internally with a number of performance indicators. These include, for example, sales output, productivity, on time delivery to customers and profitability. The Ultimate Parent company monitors the business internally with a number of performance indicators. These include for example, an Annual Business Plan and monthly forecasts showing future expenditure and cashflow to help monitor business performance.

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

Guilhem De Gaillard
Director
20 September 2017

Directors' report for the year ended 31 December 2015

The directors present their report and the audited financial statements for the year ended 31 December 2015.

Results

The financial performance for the year is summarised as follows:

	2015	2014
	£000	£000
Turnover	16,513	14,578
Operating profit	1,270	430
Profit for the financial year	606	343

Turnover for the year increased by £1,935k on 2014 levels mainly as a result of orders being received and processed from external customers as well as income being generated internally from recharges to other PSP Group entities. Turnover in 2014 was only generated from internal recharges.

Operating profit increased by £840k on 2014 mainly as a consequence of the additional turnover generated.

Dividends

There was no dividend proposed during the year *(2014: £16,767,000)*.

Research and development

During 2015, Arysta LifeScience proprietary substances were tested and experiments conducted to generate biological and crop safety data essential for achieving registrations of products.

The Company has continued its support of existing active substances under EU Directive 91/414/EEC and 98/8/EEC review and Regulation (EC) No 1107/2009. Following successful inclusion of active substances on Annex I, re-registration at country level is undertaken in the EU and in addition, a number of country (re)registrations and extensions of registrations in Europe, the Middle-East and Africa were achieved during this period for various end-use products based on our own active substances, as well as for end-use products from Strategic Partners.

Future developments

The Company intends to continue operating in the field of research and development within the agro pharmaceuticals sector. The Company mainly operates from a global formulation and seed treatment centre of excellence based in Evesham, Worcestershire, UK.

Financial risk management

The main risks the company is facing are 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 European shared service centre. The European shared service centre has policy and procedures manual that sets out specific guidelines to manage credit risk, foreign currency risk and circumstances where it is appropriate to use financial instruments to manage these.

The board reviews and agrees policies for managing these risks.

Interest rate cash flow risk

The company has interest-bearing assets. Interest-bearing assets include only cash balances. 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 that sufficient liquidity is available to meet foreseeable need 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.

Directors' report for the year ended 31 December 2015 (continued)

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.

Foreign Currency risk

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

Directors

The directors who held office during the year and up to the date of signing of the financial statements were as follows:

Roger E Richards (resigned 25 February 2016)
Frank J Monteiro (resigned 4 November 2015
Sarah J Maude
John T Zagorac (appointed 4 November 2015)
Jose J Nobre (appointed 4 November 2015)
Guilhem Jacques Marie Lafaige De Gaillard (appointed 19 October 2016)

Disabled employees

The Company gives full consideration to applications for employment from disabled persons where the requirements of the job can be adequately fulfilled by a handicapped or disables person.

Where existing employees become disabled, it is the company policy wherever practicable to provide continuing employment under normal terms and conditions and to provide training and career development and promotion to disabled employees wherever appropriate.

Employee involvement

Regular meetings are held between local management and employees to allow a free flow of information and ideas.

Political contributions

The company made no political donations or incurred any political expenditure during the year.

Qualifying third party 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 place as at the date of the approval of the financial statements and throughout the last and current financial year.

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 Accounting Standards (United Kingdom Generally Accepted Accounting Practice), comprising Financial reporting Standard 102 "The Financial Reporting Standard Applicable in the UK and Republic of Ireland" (FRS 102), and applicable law.

Directors' report for the year ended 31 December 2015 (continued)

Statement of directors' responsibilities (continued)

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 consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards, including FRS 102 have been followed, subject to any material departures disclosed and explained in the financial statements;
- notify the shareholders in writing about the use of disclosure exemptions, if any, of FRS 102 used in the preparation of 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 its 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.

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

The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to be auditors of the company and a resolution concerning their appointment will be proposed at the Annual General Meeting.

Guillem Do Gaillard
Director
20 September 2017

Registered office:
3-5 Melville Street
Edinburgh
EH3 7PE

Independent auditors' report to the members of Arysta LifeScience Great Britain Limited (formerly Chemtura Europe Limited)

Report on the financial statements

Our qualified opinion

In our opinion, except for the possible effects of the matter described in the Basis for our qualified opinion paragraph below, Arysta LifeScience Great Britain Limited (formerly Chemtura Europe 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 2015 and of its profit for the 12 month period (the "period") 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.

Basis for our qualified opinion

The company directors have not maintained adequate books and records throughout the period of account, including, but not limited to, records in relation to payroll balances. This is due to a lack of appropriate resource in the finance function. As a consequence we have been unable to obtain sufficient appropriate audit evidence in respect of the following matters:

- Intercompany transactions booked to reflect the transfer of £495,807 stock from Platform Sales Suisse, a fellow subsidiary of MacDermid Agricultural Solutions Holdings BV, following the acquisition of the company by Platform Speciality Products Inc., and the subsequent sale of these inventories to other group entities.
- The valuation of, and ownership rights and obligations to, the crop registrations and patents included within the Balance sheet at £11,763,000, together with uncertainty over whether balances recorded as additions within the 2015 year to crop registrations and patents occurred in 2015, or in other years.
- Whether transactions booked within operating expenses and included within the income statement for the financial periods ended 31 December 2014 and 31 December 2015 were recorded in the correct period.
- The completeness of the transactions recorded in the financial statements.

What we have audited

The financial statements, included within the Annual report (the "Annual Report"), comprise:

- the Balance sheet as at 31 December 2015;
- the Profit and loss account and Statement of comprehensive income for the period then ended;
- the Statement of changes in equity for the period 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 United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law (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 period for which the financial statements are prepared is consistent with the financial statements.

Independent auditors' report to the members of Arysta LifeScience Great Britain Limited (formerly Chemtura Europe Limited) (continued)

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

In respect solely of the limitation on our work relating to the provision of sufficient adequate books and records throughout the period of account, described in the Basis for our qualified opinion paragraph above:

- we have not obtained all the information and explanations we considered necessary for the purpose of our audit; and
- In our opinion the Company has not kept adequate accounting records.

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

- 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.

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 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) ("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 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.

John Maitland (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Uxbridge

20 September 2017

Profit and loss account
for the year ended 31 December 2015

	Note	2015 £000	2014 £000
Turnover	5	16,513	14,578
Cost of sales		(15,243)	(14,148)
Gross profit		1,270	430
Operating profit	6	1,270	430
Interest receivable and similar income	9	-	2
Interest payable and similar charges	10	(596)	(20)
Profit on ordinary activities before taxation		674	412
Tax on profit on ordinary activities	11	(68)	(69)
Profit for the financial year		606	343

All results derive from continuing operations.

The notes on pages 12 to 23 are an integral part of the financial statements.

Statement of comprehensive income
for the year ended 31 December 2015

	2015 £000	2014 £000
Profit for the financial year	606	343
Foreign exchange differences on translation of foreign operations	(85)	(89)
Total comprehensive income for the year	521	254

Balance sheet

at 31 December 2015

	Note	2015 £000	2014 £000
Fixed Assets			
Intangible fixed assets	12	11,763	9,822
Tangible fixed assets	13	451	384
Investments		-	-
		12,214	10,206
Current assets			
Stock	14	-	486
Debtors	15	43,128	5,284
Cash at bank and in hand		497	1,609
		43,625	7,379
Creditors: amounts falling due within one year	16	(28,561)	(6,797)
Net current assets		15,064	582
Total assets less current liabilities		27,278	10,788
Creditors: amounts falling due after more than one year	17	(15,969)	-
Net assets		11,309	10,788
Capital and reserves			
Called up share capital	22	1,697	1,697
Share premium account		400	400
Retained earnings		9,212	8,691
Total equity		11,309	10,788

The notes on pages 12 to 23 are an integral part of the financial statements.

These financial statements on pages 9 to 22 were approved by the board of Directors on the 20th September 2017 and were signed on its behalf by:

Guilhem De Gaillard
Director

Company number SC097824

Statement of changes in equity for the year ended 31 December 2015

	Called up share capital £000	Share Premium account £000	Retained earnings £000	Total Equity £000
Balance as at 1 January 2014	1,697	-	424	2,121
Profit for the financial year	-	-	343	343
Foreign exchange differences on translation of foreign operations	-	-	(89)	(89)
Total comprehensive income for the year	-	-	254	254
Additional capital injection	-	400	-	400
Transfer from capital contribution reserve	-	-	24,780	24,780
Dividends	-	-	(16,767)	(16,767)
Total transactions with owners, recognised directly in equity	-	400	8,267	8,667
Balance as at 31 December 2014	1,697	400	8,691	10,788
Balance as at 1 January 2015	1,697	400	8,691	10,788
Profit for the financial year	-	-	606	606
Foreign exchange differences on translation of foreign operations	-	-	(85)	(85)
Total comprehensive income for the year	-	-	521	521
Total transactions with owners, recognised directly in equity	-	-	521	521
Balance as at 31 December 2015	1,697	400	9,212	11,309

The share premium account represents the premium amount, over and above the nominal value, on any shares issued in the year end and prior periods.

Retained earnings represents accumulated comprehensive income for the year and prior periods.

The notes on pages 12 to 23 are an integral part of the financial statements.

Notes to the financial statements for the year ended 31 December 2015

1 General Information

Arysta LifeScience Great Britain Limited (formerly Chemtura Europe Limited) provides services to other Platform Speciality Products group companies in marketing, technical support and research and development of agricultural and industrial chemicals.

2 Statement of Compliance

The financial statements of Arysta LifeScience Great Britain Limited (formerly Chemtura Europe Limited) have been prepared in compliance with United Kingdom Accounting Standards, including Financial reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland" ("FRS 102") and the Companies Act 2006.

3 Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. The company has adopted FRS 102 in these financial statements. Details of the transition to FRS 102 are disclosed in note 23.

a) *Basis of preparation*

These financial statements are prepared on a going concern basis, under historical cost convention, and in conformity with FRS 102. The preparation of financial statements in conformity with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise its judgements in the process of applying the company's accounting policies. This is discussed further within note 4 'Critical accounting judgements and estimation uncertainty'.

Going concern

The company meets its day-to-day working capital requirements through its intercompany financing arrangements. After reviewing the forecasts for the next twelve months from the date of signing the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future and meet commitments as they fall due.

The company therefore continues to adopt the going concern basis in preparing its financial statements.

Disclosure exemptions

FRS 102 allows a qualifying entity certain disclosure exemptions. The company has taken advantage of the following available exemptions as a qualifying entity:

i. 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 publicly available (note 24).

ii. disclosing key management personnel compensation in total.

iii. disclosing transactions with other group undertakings with investees of the group qualifying as related parties, as it is wholly owned (note 24).

iv. disclosing rent free periods on existing leases at the transition date. The company continues to recognise these on the same basis as UK GAAP.

v. The financial instrument disclosures required under FRS 102 paragraphs 11.39 to 11.48A and paragraphs 12.26 to 12.29.

b) *Research and development*

Expenditure on research and development is written off in the year in which it is incurred except for expenditure on tangible and intangible fixed assets. Capital expenditure on tangible and intangible fixed assets used for research and development is depreciated in line with the accounting policy for fixed assets and registration rights.

The company recharges the cost of research and development plus a mark up to MacDermid Agricultural Solutions Inc. and Platform Sales Suisse GMBH.

Notes to the financial statements for the year ended 31 December 2015 (continued)

3 Summary of significant accounting policies (continued)

c) ***Tangible assets***

Tangible assets are stated at cost less accumulated depreciation and any provisions 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 not provided on freehold land or assets in the course of construction. Depreciation is provided on other assets to write off cost less the estimated residual value in equal annual instalments over the estimated lives of the assets. The rates of depreciation are as follows:

Freehold land and buildings	- 4% per annum
Machinery, equipment, fixtures and fittings	- 6½% - 30% per annum

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

d) ***Intangible Fixed Assets***

Intangible assets comprise the capitalised costs of crop registrations and re-registrations. These are stated at cost less accumulated amortisation. Amortisation is recorded within cost of sales in the profit and loss account.

Crop registrations are amortised over the estimated useful life of the Active Ingredient or formulation which is generally the effective period of the registration.

e) ***Leases***

Rental costs under operating leases are charged to the profit and loss account on a straight line basis over the life of the lease.

f) ***Pension costs***

The Company operates a defined contribution pension scheme, which is open to all eligible employees. The assets of the scheme are held separately from those of the Company, by Legal & General. As a result, the amount charged to the profit and loss account represents the contributions payable to the scheme in respect of the accounting period.

g) ***Turnover***

Turnover includes a management recharge to other group companies for administration services and research and development work provided, which is recognised net of VAT at the point at which the services have been rendered. Management recharges comprise the company's overheads plus an associated mark up which is recharged to MacDermid Agricultural Solutions Inc. and Platform Sales Suisse GmbH.

Turnover for the year also included sales of agricultural chemical products to external customers.

h) ***Revenue Recognition***

The company recognises revenue, including freight charged to customers, when products, procured from other group companies, are shipped and the customer takes ownership and assumes risk and 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.

i) ***Current and deferred taxation***

The charge for taxation is based on the profit for the year using current taxation rates and legislation enacted or substantially enacted as at the balance sheet date and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes.

Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date.

Deferred tax assets are recognised to the extent that it is more likely than not that they will be recovered.

Notes to the financial statements for the year ended 31 December 2015 (continued)

3 Summary of significant accounting policies (continued)

j) *Foreign currencies*

Transactions denominated in foreign currencies are translated into sterling at the rate ruling at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated at the rates ruling at that date. These translation differences are dealt with in the profit and loss account.

k) *Distributions to equity holders*

Dividends and other distributions to company stakeholders are recognised as a liability in the financial statements in the period in which the dividends and other distributions are approved by the company's stakeholders. The amounts are recognised in the Statement of changes in equity.

l) *Financial instruments*

The company has chosen to adopt Sections 11 and 12 of FRS 102 in respect of financial instruments.

i) Financial assets

Basic financial assets, including trade and other receivables and cash and bank balances, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of future receipts discounted at a market rate of interest.

Such assets are subsequently carried at amortised cost, using the effective interest rate method.

At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying value and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in the statement of comprehensive income.

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or (c) control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

ii) Financial liabilities

Basic financial liabilities, including trade and other payables and loans from fellow group companies, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present values of the future receipts discounted at a market rate of interest.

Such liabilities are subsequently carried at amortised cost, using the effective interest rate method.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities as payments are due within one year or less.

4 Critical accounting judgements and estimation uncertainty

Critical accounting estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Notes to the financial statements for the year ended 31 December 2015 (continued)

4 Critical accounting judgements and estimation uncertainty (continued)

i. Critical judgements in applying the entity's accounting policies

- **Exemptions on transition to FRS 102**

The company has elected to use the previous UK GAAP valuation of certain items of land and buildings as the deemed cost on transition to FRS 102. The items are being depreciated from the date of transition (1 January 2014) in accordance with the company's accounting policies.

ii. Critical accounting estimates and assumptions

The company makes estimates and assumptions concerning the future. The resulting accounting and estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below:

- **Useful economic lives of tangible assets**

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets. See note 13 for the carrying amount of the property, plant and equipment, and note 3 for the useful economic lives for each class of assets.

- **Useful economic lives of intangible assets**

The annual amortisation charge for intangible assets is sensitive to changes in the estimated useful economic lives of the assets. The useful economic lives are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments and economic utilisation of the assets. See note 12 for the carrying amount of intangible assets which are in this instance related to the registration of Active Ingredients and formulations, and note 3(e) for details on the useful economic lives for such assets. The average life of intangible assets held within the balance sheet is 10 years.

- **Impairment of debtors**

The company makes an estimate of the recoverable value of trade and other debtors. When assessing impairment of trade and other debtors, management considers factors including the ageing profile of debtors and historical experience. See note 15 for the net carrying amount of the debtors and associated impairment provision.

Notes to the financial statements for the year ended 31 December 2015 (continued)

5 Turnover

The turnover and profit/(loss) on ordinary activities before taxation are attributable to the principal activities of the company. An analysis of turnover by geographical destination and revenue type is provided below:

	2015 £000	2014 £000
By geographical area:		
United Kingdom	-	-
Other EU countries	12,913	10,043
Rest of the world	3,600	4,535
	16,513	14,578
By revenue type:		
Sale of agricultural chemicals	2,726	-
Management recharges to other Platform companies	13,787	14,578
	16,513	14,578

6 Operating profit

	2015 £000	2014 £000
Operating profit is stated after charging:		
Depreciation and other amounts written off tangible fixed assets - owned	52	142
Amortisation of intangible assets	1,300	1,169
Operating lease costs	540	427
Research and development expenditure	2,900	4,564
Exchange loss	189	59
Services provided by the company's auditors		
Fees payable for the audit of the company	30	30

The non–audit services supplied to the Company by the external auditors during the year amount to £nil *(2014: £nil)*.

7 Directors' emoluments

	2015 £000	2014 £000
Emoluments receivable	110	92
Company contributions to money purchase pension scheme	6	6
	116	98

Highest paid director

	2015 £000	2014 £000
Emoluments receivable	110	92
Company contributions to money purchase pension scheme	6	6
	116	98

The other Directors are employees of connected Platform group companies and do not receive specific compensation for being directors of the Company.

Notes to the financial statements for the year ended 31 December 2015 (continued)

8 Staff numbers and costs

The average number of persons employed (including Directors) during the year, analysed by category, was as follows:

	2015	2014
Selling and administration	58	55
Administration	10	11
Research, development and technical advice	38	46
	106	112

The aggregate payroll costs of these persons were as follows:

	2015 £000	2014 £000
Wages and salaries	3,906	4,258
Social security costs	487	816
Other pension costs (note 19)	336	368
	4,729	5,442

9 Interest receivable and similar income

	2015 £000	2014 £000
Amounts receivable from group undertakings	-	2

10 Interest payable and similar charges

	2015 £000	2014 £000
Amounts payable to group undertakings	555	20
Amounts payable to third parties	41	-
	596	20

Notes to the financial statements for the year ended 31 December 2015 (continued)

11 Tax on profit on ordinary activities

(a) Analysis of the tax (credit)/charge for the year

	2015 £000	2014 £000
Current tax		
UK Corporation Tax at 20.25%	54	16
Adjustments in respect of prior periods	(12)	-
	42	16
Double taxation relief	(54)	-
After double taxation relief	(12)	16
Foreign taxation	54	28
Total current tax charge	42	44
Deferred tax		
Origination/reversal of timing differences (see note 18)	15	12
Adjustments in respect of prior periods	-	14
Effect of tax rate changes on opening balance	11	(1)
Total deferred tax (credit)/charge	26	25
Total tax on profit	68	69

(a) Reconciliation of tax (credit)/charge

The tax assessed for the year is higher (2014: higher) than the standard rate of corporation tax in the UK of 20.25%. (2014: 21.50%).

	2015 £000	2014 £000
Profit before taxation	674	323
Profit before taxation multiplied by the standard rate of corporation tax in the UK of 20.25% (2014: 21.50%)	137	69
Fixed asset differences	(14)	16
Expenses not deductible for tax purposes	45	47
Chargeable gains/(losses)	17	-
Group relief surrendered	(109)	(83)
Foreign tax credits	-	28
Adjustment to tax charge in respect of previous periods	(12)	-
Deferred tax not recognised	(5)	
Income not subject to tax	-	(5)
Effect of rate differences on deferred tax	9	(3)
	68	69

Factors affecting the tax (credit)/charge for the current year

Changes to the UK corporation tax rates were substantively enacted as part of Finance Bill 2015 (on 26 October 2015) and Finance Bill 2016 (on 7 September 2016). These include reductions to the main rate to reduce the rate to 19% from 1April 2017 and to 17% from 1 April 2020. Deferred taxes at the balance sheet date have been measured using these enacted tax rates and reflected in these financial statements. The overall effects of that change, if it has applied to the deferred tax balance at the balance sheet date is immaterial.

Notes to the financial statements for the year ended 31 December 2015 (continued)

12 Intangible fixed assets

	Licences
	£000
Cost	
At beginning of year	13,542
Additions	3,241
Disposal	-
At end of year	16,783
Accumulate amortisation	
At beginning of the year	3,720
Charged in year	1,300
At end of year	5,020
Net book value	
At 31 December 2015	11,763
At 31 December 2014	9,822

13 Tangible fixed assets

	Freehold land and buildings	Machinery, equipment, fixtures and fittings	Total
	£000	£000	£000
Cost			
At beginning of year	1,049	3,851	4,900
Additions	60	59	119
Disposal	-	(19)	(19)
At end of year	1,109	3,891	5,000
Accumulated depreciation			
At beginning of the year	834	3,682	4,516
Charged in year	16	36	52
Disposals	-	(19)	(19)
At end of year	850	3,699	4,549
Net book value			
At 31 December 2015	259	192	451
At 31 December 2014	215	169	384

Notes to the financial statements for the year ended 31 December 2015 (continued)

14 Stocks

	2015 £000	2014 £000
Finished goods for resale	-	486

15 Debtors

	2015 £000	2014 £000
Trade debtors	919	-
Amounts owed by group undertakings	41,141	4,489
Other debtors	863	345
Prepayments and accrued income	87	104
VAT	33	236
Deferred tax (see note 18)	85	110
	43,128	5,284

Trade debtors are stated after provisions for impairment of £Nil *(2014: £Nil)*.

16 Creditors: amounts falling due within one year

	2015 £000	2014 £000
Trade creditors	2,891	1,358
Amounts owed to group undertakings	24,095	4,467
Corporation tax	68	105
Other creditors including taxation and social security	802	372
Accruals and deferred income	705	495
	28,561	6,797

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

Notes to the financial statements for the year ended 31 December 2015 (continued)

17 Creditors: amounts falling due after more than one year

	2015 £000	2014 £000
Amounts owed to group undertakings	15,969	-
	15,969	-

Intercompany loans are repayable according to individual intercompany loan agreements with other group companies. The loans attract rates of interest of Libor (with a floor of 1%) + 312.5 basis points. All amounts are due for repayment between 2019 and 2020. There is no security held on any of these loans.

The company is party to an unlimited intercompany composite guarantee in favour of its bankers, Royal Bank of Scotland Plc. The other participants in the guarantee are all fellow UK subsidiaries of the Platform Specialty Products Corporation group. The company is also party to a debenture agreement in favour of Barclays Bank Plc. Under the agreement, there are fixed and floating charges in favour of Barclays Bank Plc over the assets of the company. The other participants in the agreement are fellow subsidiaries of the Platform Specialty Products Corporation group.

18 Deferred Taxation

	£000
At beginning of the year	110
Credited during the year	(25)
At end of year	85

The elements of deferred taxation are set out below:

	2015 £000	2014 £000
Differences between accumulated depreciation/amortisation and capital allowances	85	110
Deferred tax asset	85	110

Notes to the financial statements for the year ended 31 December 2015 (continued)

19 Pension commitments

The Company operates a defined contribution pension scheme. The assets are held separately in an independently administered funds. The pension charge for the year represents contributions paid by the Company to the scheme and amounted to £459,530 *(2014: £368,099)*.

20 Capital and other commitments

At 31 December 2015, there were capital commitments amounting to £Nil which were contracted for and not paid *(2014: £Nil)*.

At 31 December 2015, the company had the following future minimum lease payments under non-cancellable operating leases for each of the following periods:

	2015 £000	2014 £000
Operating leases which expire:		
Within one year	132	96
Within two to five years	36	39
After five years	-	-
	168	135

The company had no other off balance sheet arrangements.

21 Related parties

The company is exempt under FRS 102 para 1.12 from disclosing transactions with other group undertakings or transactions with investees of the group qualifying as related parties, as it is wholly owned and its ultimate parent company, publishes equivalent information on the consolidated financial statements of Platform Specialty Products Corporation, which are publically available (note 24).

22 Called up share capital

	2015 £000	2014 £000
Allotted, called up and fully paid		
1,697,473 *(2014: 1,697,473)* ordinary shares of £1 each	1,697	1,697
	1,697	1,697

Notes to the financial statements for the year ended 31 December 2015 (continued)

23 Transition to FRS 102

This is the first year that the company has presented its results under FRS 102. The last financial statements prepared under the previous UK GAAP were for the year ended 31 December 2014 The date of transition to FRS 102 was 1 January 2014.

There were no changes to the profit for the financial year or to the balance sheet following the change to FRS 102.

24 Immediate and ultimate parent undertakings and controlling party

The company's immediate parent company is MacDermid Agricultural Solutions BV, a company incorporated in the Netherlands. MacDermid Agricultural Solutions BV does not prepare consolidated financial statements.

Platform Speciality Products Corporation , a company incorporated in the United States of America, is the ultimate parent undertaking of Arysta LifeScience Great Britain Limited and prepares consolidated financial statements.

The largest group in which the results of the Company are consolidated is that headed by Platform Speciality Products Corporation. Copies of the group financial statements are available to the public from the following address: Platform Specialty Products Corporation, 245 Freight Street, Waterbury, Connecticut 06702 USA.