

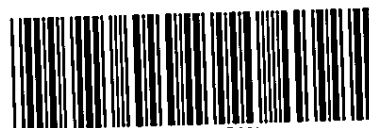
Intex Yarns (Manufacturing) Limited

Directors' Report and Financial Statements

31 December 2008

Registered Number 137784

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Directors

P A Cheatle
E A Horlock (resigned 12.6.2008)
O.H. Director Limited (appointed 12.6.2008)

Secretary

E A Horlock (resigned 12.6.2008)
O.H. Secretariat Limited (appointed 12.6.2008)

Directors' Report

The directors of Intex Yarns (Manufacturing) Limited submit their annual report together with the audited financial statements of the Company for the year ended 31 December 2008.

The movement on reserves is set out in note 5 to the financial statements.

Activities of the Company

The Company did not trade during 2008. No change in circumstance is expected during 2009. The Company continues to hold investments in shares which are held on the balance sheet at a nil value.

Change of Registered Office

On 30th June 2009, the Company changed its registered office address to 26th Floor, Portland House, Bressenden Place, London SW1E 5BG.

Dividend

The directors do not recommend the payment of a dividend. (2007: £nil).


Disclosure of information to auditors

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditors are unaware; and each director has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Auditors

Pursuant to Section 487 of the Companies Act 2006, the auditors will be deemed reappointed and KPMG Audit Plc will therefore continue in office.

By order of the board

O.H. SECRETARIAT LIMITED


AUTHORISED SIGNATORY
O.H. Secretariat Limited
Secretary

Registered Office:
26th Floor
Portland House
Bressenden Place
London,
SW1E 5BG

Date: 2 November 2009

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

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

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice).

The financial statements are required by law to give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

In preparing these financial statements, the directors are required to:

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

The directors are responsible for keeping proper accounting records that 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 1985. 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.



St James' Square
Manchester M2 6DS
United Kingdom

Independent auditor's report to the members of Intex Yarns (Manufacturing) Limited

We have audited the financial statements of Intex Yarns (Manufacturing) Limited for the year ended 31 December 2008 which comprise the Profit and Loss Account, the Balance Sheet, the Statement of Total Recognised Gains and Losses and the related notes. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. 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 auditors

The directors' responsibilities for preparing the financial statements in accordance with applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities on page 2.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Independent auditor's report to the members of Intex Yarns (Manufacturing) Limited *(continued)*

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with UK Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2008 and of its profit for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Directors' Report is consistent with the financial statements.

KPMG Audit Plc

KPMG Audit Plc
Chartered Accountants
Registered Auditor

3 November 2009

Profit and Loss account
For the year ended 31st December 2008

	<u>Notes</u>	<u>2008</u> <u>£'000</u>	<u>2007</u> <u>£'000</u>
Dividend receivable & similar income	2	<u>23</u>	<u>3</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE AND AFTER TAXATION		<u>23</u>	<u>3</u>
DEFICIT BROUGHT FORWARD		<u>(46,065)</u>	<u>(46,068)</u>
DEFICIT CARRIED FORWARD	5	<u>(46,042)</u>	<u>(46,065)</u>

The notes on pages 7 to 8 form part of these accounts

There were no recognised gains or losses in 2008 or 2007 other than the profit for the year.

Balance Sheet
as at 31 December 2008

	<u>Notes</u>	<u>2008</u> £'000	<u>2007</u> £'000
CREDITORS (amounts falling due within one year)	3	(35,591)	(35,614)
NET CURRENT LIABILITIES		(35,591)	(35,614)
TOTAL ASSETS LESS CURRENT LIABILITIES		(35,591)	(35,614)
CAPITAL & RESERVES			
Called up Share Capital	4	7,038	7,038
Share Premium account	5	3,413	3,413
Profit and Loss Account	5	(46,042)	(46,065)
Shareholder's Deficit	6	(35,591)	(35,614)

The notes on pages 7 to 8 form part of the financial statements.

Approved by the board of directors on 2 November 2009 and were signed on its behalf by:

P. A. Create

Director

Notes to the Accounts

1. Accounting policies

The following paragraphs describe the main accounting policies of the Company, which have been applied consistently in dealing with items which are considered material in relation to the Company's financial statements.

Basis of preparation

The accounts have been prepared under the historical cost convention, in accordance with applicable accounting standards and comply with the Companies Act 1985.

Under Financial Reporting Standard 1 the Company is exempt from the requirements to prepare a cash flow statement on the grounds that a parent undertaking includes the Company in its own published consolidated financial statements.

As 100% of the Company's voting rights are controlled within the group headed by Akzo Nobel N.V., the Company has taken advantage of the exemption contained in Financial Reporting Standard 8 and has therefore not disclosed transactions or balances with entities which form part of the group.

The company has received a letter from the ultimate parent company Akzo Nobel N.V. stating that they will continue to fund the company for a period of not less than one year. In light of this the directors have concluded that it is appropriate to prepare the accounts of Intex Yarns (Manufacturing) Limited on a going concern basis.

2. Dividend receivable and similar income

Dividends other: £22,599 (2007: £2,955)

Dividend income relates to an historic investment in shares which are held on the balance sheet at nil book value

3. Creditors (amounts falling due within one year)

	2008 £'000	2007 £'000
Amounts owed to parent undertaking	<u>35,591</u>	<u>35,614</u>

Notes (continued)

4. Share Capital

	2008 £'000	2007 £'000
Authorised: 36,000,000 Ordinary shares of 25p each	<u>9,000</u>	<u>9,000</u>
Allotted, called up and fully paid 28,151,145 Ordinary shares of 25p each	<u>7,038</u>	<u>7,038</u>

5. Reserves

	Share premium account £000	Profit and loss account £000	Total £000
At 1 January 2008	3,413	(46,065)	(42,652)
Profit for the year	-	23	23
At 31 December 2008	<u>3,413</u>	<u>(46,042)</u>	<u>(42,629)</u>

6. Reconciliation of movement in shareholders' funds

	2008 £000	2007 £000
Profit for the financial year	23	3
Opening shareholders' funds	<u>(35,614)</u>	<u>(35,617)</u>
Closing shareholders' funds	<u>(35,591)</u>	<u>(35,614)</u>

7. Ultimate and controlling holding company

The company is a subsidiary undertaking of ICI Chemicals & Polymers Limited.

The only group in which the results of the Company are consolidated is that headed by Akzo Nobel N.V., the ultimate parent company, incorporated in the Netherlands. Copies of the Akzo Nobel N.V. Report and Accounts are available to the public and may be obtained from Velperweg 76, PO Box 9300, 6800 SB, Arnhem, The Netherlands.