

# **Akzo Nobel Decorative Coatings Limited**

Annual Report and Financial Statements

31 December 2017

Registered number 139914



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## **Directors' Report**

The directors present their Directors' Report and audited Financial Statements for the year ended 31 December 2017.

### **Principal Activities and Business Review**

Following the sale of its trade and operating business assets in 2008, the Company continues to manage the legacy affairs of its former trading activities including a legacy portfolio of retained leasehold interests. These residual operations are expected to continue until at least July 2019.

The Company made a profit after tax of £526,000 (2016: £635,000) during the financial year and has net assets of £10,648,000 (2016: £10,122,000) as at 31 December 2017.

### **Strategic Report**

This report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006 and exempt from preparing a Strategic Report.

### **Dividend**

The directors do not recommend the payment of a dividend (2016: £Nil).

### **Directors**

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

B. Kaster	(resigned 31 December 2017)
M. Smalley	
M. Trueblood	(appointed 2 January 2018)

### **Political contributions**

The Company and its subsidiaries made no political contributions during the current or previous year.

### **Financial Risk Management**

Financial risk includes price risk, credit risk, liquidity risk and cash flow risk. These are addressed and managed at a group level as disclosed in the AkzoNobel Report 2017, pages 31 to 35. An overall risk management program seeks to identify, assess and if necessary, mitigate these financial risks in order to minimise potential adverse effects on financial performance. Copies of the Akzo Nobel N.V. Annual Report and Accounts may be obtained from Velperweg 76, PO Box 9300, 6800 SB Arnhem, The Netherlands.

### **Future developments**

The directors are of the opinion that the Company is in a position to continue its principal activities during 2018.

## Directors' Report (continued)

### Statement of directors' responsibilities in respect of the Directors' Report and the financial statements

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", 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 the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 101, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006.

The directors 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.

In the case of each director in office at the date the Directors' Report is approved:

- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

### Independent Auditors'

PricewaterhouseCoopers LLP have been appointed as the Company's auditors, holding office until to the end of the next period for appointing auditors in accordance with section 485(4c) of the Companies Act 2006.

By order of the Board



**M. Smalley**  
Director

The AkzoNobel Building  
Wexham Road  
Slough  
United Kingdom  
SL2 5DS

09 August 2018

# ***Independent auditors' report to the members of Akzo Nobel Decorative Coatings Limited***

## **Report on the audit of the financial statements**

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### **Opinion**

In our opinion, Akzo Nobel Decorative Coatings Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2017 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Financial statements (the "Annual Report"), which comprise: the Balance sheet as at 31 December 2017; the statement of comprehensive income, the statement of changes in equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

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### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Independence**

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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### **Conclusions relating to going concern**

We have nothing to report in respect of the following matters in relation to which ISAs (UK) require us to report to you when:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern.

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### **Reporting on other information**

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

## *Directors' Report*

In our opinion, based on the work undertaken in the course of the audit, the information given in the Directors' Report for the year ended 31 December 2017 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Directors' Report.

## **Responsibilities for the financial statements and the audit**

### *Responsibilities of the directors for the financial statements*

As explained more fully in the Statement of Directors' Responsibilities in respect of the Directors' Report and the financial statements set out on page 2, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

### *Auditors' responsibilities for the audit of the financial statements*

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditors' report.

### *Use of this report*

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.

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## **Other required reporting**

### **Companies Act 2006 exception reporting**

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

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

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### **Entitlement to exemptions**

Under the Companies Act 2006 we are required to report to you if, in our opinion, the directors were not entitled to take advantage of the small companies exemption from preparing a strategic report. We have no exceptions to report arising from this responsibility.

*Miles Saunders*

Miles Saunders (Senior Statutory Auditor)  
for and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
Reading  
13 August 2018

**Statement of Comprehensive Income**  
*for the year ended 31 December 2017*

	<i>Note</i>	<b>2017</b> <b>£000</b>	<b>2016</b> <b>£000</b>
Administrative and other expenses	4	(2)	(12)
Other operating income	7	109	524
<b>Operating profit</b>		<b>107</b>	<b>512</b>
Interest receivable and similar income	8	170	155
<b>Profit before taxation</b>		<b>277</b>	<b>667</b>
Tax credit / (charge) on profit	9	249	(32)
<b>Profit for the financial year</b>		<b>526</b>	<b>635</b>
<b>Total comprehensive income for the year</b>		<b>526</b>	<b>635</b>

There are no items of other comprehensive income in either year.

**Balance Sheet**  
*at 31 December 2017*

	<i>Note</i>	<b>2017</b> <b>£000</b>	<b>2016</b> <b>£000</b>
<b>Fixed assets</b>			
Investments	10	21,901	21,901
<b>Current assets</b>			
Debtors (including £10,783,000 (2016: £nil) due after more than one year)	11	11,336	10,871
<b>Creditors: amounts falling due within one year</b>	13	(22,390)	(22,437)
<b>Net current liabilities</b>		(11,054)	(11,566)
<b>Provisions for liabilities</b>	14	(199)	(213)
<b>Net assets</b>		<u>10,648</u>	<u>10,122</u>
<b>Capital and reserves</b>			
Called up share capital	15	1,630	1,630
Share premium account		108,172	108,172
Accumulated deficit		(99,154)	(99,680)
<b>Total Shareholders' funds</b>		<u>10,648</u>	<u>10,122</u>

The notes on pages 8 to 15 form part of these financial statements.

These financial statements on pages 5 to 20 were approved by the board of directors on 09 August 2018 and were signed on its behalf by:



**M Smalley**  
*Director*



**Statement of Changes in Equity**  
*for the year ended 31 December 2017*

	<b>Called up share capital £000</b>	<b>Share premium account £000</b>	<b>Accumulated deficit £000</b>	<b>Total Shareholders' funds £000</b>
Balance at 1 January 2016	1,630	108,172	(100,315)	9,487
Profit for the financial year	-	-	635	635
<b>Total comprehensive income for the year</b>	-	-	635	635
<b>Balance at 31 December 2016</b>	<b>1,630</b>	<b>108,172</b>	<b>(99,680)</b>	<b>10,122</b>

	<b>Called up share capital £000</b>	<b>Share premium account £000</b>	<b>Accumulated deficit £000</b>	<b>Total Shareholders' funds £000</b>
Balance at 1 January 2017	1,630	108,172	(99,680)	10,122
Profit for the financial year	-	-	526	526
<b>Total comprehensive income for the year</b>	-	-	526	526
<b>Balance at 31 December 2017</b>	<b>1,630</b>	<b>108,172</b>	<b>(99,154)</b>	<b>10,648</b>

## Notes to Financial Statements

### 1 General Information

Akzo Nobel Decorative Coatings Limited (the "Company") is a company incorporated and domiciled in the UK. The Company's registration number is 139914 and the registered office address is The AkzoNobel Building, Wexham Road, Slough, SL2 5DS, United Kingdom.

### 2 Accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below and have, unless otherwise stated, been applied consistently to all years presented in these financial statements.

#### 2.1 Basis of preparation

These financial statements were prepared in accordance with the Companies Act 2006 and Financial Reporting Standard 101 Reduced Disclosure Framework ("FRS 101") under historical cost convention in pounds sterling. The amendments to FRS 101 (2013/14 Cycle) issued in July 2014 and effective immediately have been applied.

In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards as adopted by the EU ("Adopted IFRSs"), but makes amendments where necessary in order to comply with Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

The financial statements are prepared on the historical cost basis.

The Company's ultimate parent undertaking, Akzo Nobel N.V. includes the Company in its consolidated financial statements. The consolidated financial statements of Akzo Nobel N.V. are prepared in accordance with International Financial Reporting Standards and are available to the public and may be obtained from Velperweg 76, PO Box 9300, 6800 SB Arnhem, The Netherlands.

The Company is exempt by virtue of Section 400 of the Companies Act 2006 from the requirement to prepare group financial statements. These financial statements present information about the Company as an individual undertaking and not about its group.

In these financial statements, the Company has applied the exemptions available under FRS 101 in respect of the following disclosures:

- Statement of Compliance with IFRS
- Cash Flow Statement and related notes;
- Comparative period reconciliations for share capital;
- Disclosures in respect of transactions entered in to between two or more wholly owned members of a group;
- Disclosures in respect of capital management;
- The effects of new but not yet effective IFRSs;
- Disclosures in respect of the compensation of Key Management Personnel.

As the consolidated financial statements of Akzo Nobel N.V. include the equivalent disclosures, the Company has also taken the exemptions under FRS 101 available in respect of the following disclosures:

- Certain disclosures required by IFRS 13 Fair Value Measurement and the disclosures required by IFRS 7 Financial Instrument Disclosures

In accordance with Section 414B of The Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013, the Company is exempt from preparing a Strategic Report.

## Notes to Financial Statements (*continued*)

### 2 Accounting policies (*continued*)

#### 2.2 Going concern

The directors have made the necessary enquiries and assessed the Company's financial position and have a reasonable expectation that the Company has adequate resources to continue operating for the foreseeable future. The directors therefore, continue to adopt the going concern basis of accounting in preparing the annual financial statements.

#### 2.3 New standards, amendments and IFRIC interpretations

No new accounting standards, or amendments to accounting standards, or IFRIC interpretations that are effective for the year ended 31 December 2017, have had a material impact on the Company.

#### 2.4 Fixed asset investments

Investments in subsidiaries are stated at cost less any provisions for impairment. Investments are reviewed for impairment if events or changes in circumstances indicate that the carrying amount may not be recoverable.

#### 2.5 Foreign currency translation

##### (a) Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates ('the functional currency'). The financial statements are presented in 'Pounds Sterling' (£), which is also the Company's functional currency.

##### (b) Transactions and balances

Transactions in foreign currencies are translated to the Company's functional currency at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated to the functional currency at the foreign exchange rate ruling at that date. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are retranslated to the functional currency at foreign exchange rates ruling at the dates the fair value was determined.

Foreign exchange differences arising on translation are recognised in the statement of comprehensive income

#### 2.6 Provisions

A provision is recognised in the balance sheet when the Company has a present legal or constructive obligation as a result of a past event, that can be reliably measured and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects risks specific to the liability.

#### 2.7 Employee benefits

##### Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which the Company pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an expense in the statement of comprehensive income in the periods during which services are rendered by employees.

##### Defined benefit plans

Some of the Company's employees are members of group wide defined benefit pension plans. As there is no contractual agreement or stated group policy for charging the net defined benefit cost of the plan to participating entities, the net defined benefit cost of the pension plan is recognised fully by the legally sponsoring employer, which is Akzo Nobel UK Limited. The Company then recognises a cost equal to its contribution payable for the period. The contributions payable in respect of active members by the participating entities are determined following each triennial valuation conducted by a qualified independent actuary, and charged as a percentage of salary costs.

## Notes to Financial Statements (*continued*)

### 2 Accounting policies (*continued*)

#### 2.8 Expenses

##### *Interest payable*

Interest payable and similar charges include interest payable, finance charges on shares classified as liabilities and finance leases recognised in the statement of comprehensive income using the effective interest method, unwinding of the discount on provisions, and net foreign exchange losses that are recognised in the profit and loss account (see foreign currencies accounting policy).

Interest payable is recognised in the statement of comprehensive income as it accrues, using the effective interest method. Foreign currency gains and losses are reported on a net basis.

#### 2.9 Current and deferred tax

The tax expense for the period comprises current and deferred tax. Tax is recognized in the income statement, except to the extent that it relates to items recognised in other comprehensive income or directly in shareholders' funds. In this case, the tax is also recognised in other comprehensive income or directly in shareholders' funds, respectively.

The current tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Company operates and generates taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill; or arise from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

## Notes to Financial Statements (*continued*)

### 3 Critical accounting estimates and judgements

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.

#### (a) Impairment of debtors

The Company makes an estimate of the recoverable value of amounts receivable. When assessing impairment of amounts receivable, management considers factors including the credit rating of the receivable, the ageing profile of receivables and historical experience.

#### (b) Provisions

Provisions are based on estimates of future events that the Company has provided for now. This includes items such as restructuring, future plans of operations and environmental provisions. Environmental liabilities can change substantially due to the emergence of additional information on the nature or extent of the contamination, the geological circumstances, the necessity of employing particular methods of remediation, actions by governmental agencies or private parties, or other factors.

### 4 Profit before taxation

	2017 £000	2016 £000
<i>Profit before taxation is stated after charging:</i>		
Exchange loss	(2)	(8)
Administration and other costs	-	(4)
	<u>          </u>	<u>          </u>

There is no charge for the remuneration of auditors' in the financial statements of the Company as the auditors' fee of £12,518 (2016: £12,518) in relation to the audit of this Company was borne by another group company and is not recharged

### 5 Staff numbers

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

	Number of employees	
	2017	2016
Administration	3	10
	<u>          </u>	<u>          </u>

### 6 Remuneration of directors

The directors received no remuneration for their services to the Company in either year as their services to the Company are incidental to their services to the group. The present directors are employed by, and receive remuneration for services from, a wholly owned subsidiary of the ultimate parent company.

### 7 Other operating income

	2017 £000	2016 £000
Release of unused provisions	6	410
Release of accruals	103	100
Refund of contribution to pension fund	-	14
	<u>          </u>	<u>          </u>

## Notes to Financial Statements (*continued*)

### 8 Interest receivable and similar income

	2017 £000	2016 £000
Receivable from group undertakings	170	155

### 9 Tax on profit

#### Recognised in the statement of comprehensive income

##### *Analysis of charge in year*

	2017 £000	2016 £000
<i>UK corporation tax</i>		
Current tax on profit for the financial year	(34)	(32)
<i>Deferred tax</i>		
Recognition of previously unrecognised tax losses	283	-
Total tax credit / (expense)	249	(32)

#### Reconciliation of effective tax rate

	2017 £000	2016 £000
Profit before taxation	277	667
Tax using the UK corporation tax rate of 19.25% (2016: 20%)	(53)	(133)
Income not taxable	19	101
Recognition of previously unrecognised tax losses	283	-
Total tax credit / (expense)	249	(32)

#### *Factors that may affect future current and total tax charges*

In the Summer 2015 Budget Statement this rate was reduced from 20% to 19% effective 1 April 2017, with a further reduction to 18% effective 1 April 2020, and In the March 2016 Budget Statement it was announced this rate would reduce from 18% to 17% effective 1 April 2020. All of these changes have been substantively enacted at the balance sheet date.

As a result of these changes, the effective current tax rate applicable for 2016 was 20% and the rate applicable for 2017 was 19.25%. The rate applied to deferred tax balances is 17% as these balances are not expected to be utilised until after this rate takes effect

## Notes to Financial Statements (continued)

### 10 Investments

Cost	Shares in group undertakings £000
At beginning and end of year	23,400
<b>Provisions for impairment</b>	
At beginning and end of year	1,499
<b>Net book value</b>	
<b>At 31 December 2017</b>	<b>21,901</b>
At 31 December 2016	21,901

The Company, which is incorporated in England and Wales, in which the Company's interest at the year-end is 20% or more is as follows:

Subsidiary undertakings	Nature of business/Principal activity	Percentage and class of share held
Akzo Nobel Properties Limited	Dormant	100% Ordinary

  

Subsidiary undertakings	Registered Office Address	Limited by shares or guarantee	Registration number	Public or private
Akzo Nobel Properties Limited	The Akzo Nobel Building Wexham Road Slough United Kingdom SL2 5DS	Shares	62178	Private

### 11 Debtors

	2017 £000	2016 £000
Amounts owed by group undertakings	11,034	10,814
Group relief receivable	-	38
Deferred tax	283	-
Other debtors	19	19
	<b>11,336</b>	<b>10,871</b>
Due within one year	553	10,871
Due after more than one year	10,783	-
	<b>11,336</b>	<b>10,871</b>

Amounts owed by group undertakings include an intercompany loan of £10,500,000 (2016: £10,500,000). The loan matured on 15 June 2017. Interest is fixed at 1.45%.

On 15 June 2017 the Company entered into a new loan agreement for £10,500,000 to mature on 15 June 2022. Interest is fixed at 1.74%. The new loan is classified as debtor amounts falling due after one year.

Amounts owed by group undertakings include a balance of £434,000 (2016: £231,000) that is repayable on demand. Interest is charged monthly based on 1 month LIBOR plus a spread of -10 basis points.

The remaining amounts owed by/to group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

## Notes to Financial Statements *(continued)*

### 12 Deferred tax

#### *Recognised deferred tax assets*

Deferred tax assets are attributable to the following:

	2017 £000	2016 £000
Tax losses	283	-

#### *Movement in deferred tax during the year*

	1 January 2017 £000	Recognised in Income £000	31 December 2017 £000
Tax losses	-	283	283

#### *Movement in deferred tax during the prior year*

	1 January 2016 £000	Recognised in Income £000	31 December 2016 £000
Tax Losses	-	-	-

### 13 Creditors: amounts falling due within one year

	2017 £000	2016 £000
Amounts owed to group undertakings	22,312	22,405
Group relief	65	-
Accruals and deferred income	13	32
	<u>22,390</u>	<u>22,437</u>

Amounts owed by group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

Group relief will be provided to fellow group companies for equivalent consideration.



## Notes to Financial Statements (*continued*)

### 14 Provisions for liabilities

	Insurance £000	Total £000
At January 2017	213	213
Statement of comprehensive income	(6)	(6)
Utilised during year	(8)	(8)
	<hr/>	<hr/>
At 31 December 2017	199	199
	<hr/>	<hr/>

#### Insurance

This provision of £199,000 relates to both public liability and uninsured employee liability claims made by former employees of the Company or employees of former subsidiaries of the Company and is expected to be fully utilised by the end of 2018.

The provisions as at 31 December 2017 represent the directors' current best estimate of the expected future liabilities.

### 15 Called up equity share capital

	2017 £000	2016 £000
<i>Allotted, called up and fully paid</i>		
1,630,334 (2016: 1,630,334) ordinary shares of £1 each	1,630	1,630
	<hr/>	<hr/>

All share capital is classified as shareholders' funds. There has been no movement in the number of shares in the current year.

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company.

### 16 Post-retirement benefit provisions

#### Defined benefit plans

The company is a participant in two group wide defined benefit schemes – Akzo Nobel (CPS) Pension Scheme ("CPS") and ICI Specialty Chemicals Pension Fund ("the ISCPF"). As the legally sponsoring entities for these schemes, the financial statements of Akzo Nobel UK Ltd and Imperial Chemical Industries Limited respectively identify and disclose the information on the plans as prescribed by IAS19, and these financial statements are available from the companies' registered office at The AkzoNobel Building, Wexham Road, Slough, SL2 5DS or from Companies House. The contributions payable in respect of active members by the participating entities are determined following each triennial valuation conducted by a qualified independent actuary, and charged as a percentage of salary costs. The group-wide policy is that funding deficits are not charged to non-sponsoring entities.

### 17 Ultimate parent company and parent undertaking of larger group of which the Company is a member

The Company is a wholly owned subsidiary undertaking of Akzo Nobel Coatings (BLD) Limited, a company registered in England and Wales.

The only group in which the results of the Company are consolidated is that headed by the ultimate parent company, Akzo Nobel N.V., incorporated in the Netherlands.

Copies of the Akzo Nobel N.V. Annual Report and financial statements are available to the public and may be obtained from Velperweg 76, PO Box 9300, 6800 SB, Arnhem, The Netherlands.