

Speciality Coatings Group Limited

Annual report and financial statements

for the year ended 30 June 2016

Registered number 01243319



Contents

Company information	1
Strategic report	2
Directors' report	3
Independent Auditors' Report to the members of Speciality Coatings Group Limited	5
Income Statement	7
Statement of Financial Position	8
Statement of changes in equity	9
Notes to the financial statements	10

Company information

The board of directors	P J P V Gyllenhammar A C Heilborn
Company Secretary	K A Davenport
Registered office	Old Mills Drighlington Bradford West Yorkshire BD11 1BY
Independent Auditors	PricewaterhouseCoopers LLP Central Square 29 Wellington Street Leeds LS1 4DL

Strategic Report

Strategic report for the year ended 30 June 2016

The directors present the strategic report of the Company for the year ended 30 June 2016.

Review of the business

The principal activity of the Company continues to be that of holding investments.

The Company did not trade in the current year or prior year.

At 30 June 2016 the Company had net assets of £219,000 (2015: £219,000).

Dividends

No dividend was declared and paid during the year (2015: £nil).

Future outlook

The directors remain confident on the trading outlook of the investments owned by the business.

Principal risks and uncertainties

The Company's principal risk relates to the recoverable value of the Company's principal investments.

Signed on behalf of the board of directors



A C Heilborn
Director
17th October 2016

Directors' report

The directors present the annual report and the audited financial statements of the Company for the year ended 30 June 2016.

Principal activity

The principal activity of the Company continues to be that of holding investments.

Business Review

Result after taxation for the year ended 30 June 2016 is £nil (2015: £nil).

Dividends

No dividend was declared and paid during the year (2015: £nil).

Future developments

The directors monitor closely the trading outlook of the investments owned by the business.

Principal risks and uncertainties

The Company's principal risk relates to the recoverable value of the Company's principal investments.

Directors

The directors of the Company who were in office during the year and up to the date of signing the financial statements were:

P J P V Gyllenhammar
A C Heilborn

None of the directors held shares in the Company. The interests of P J P V Gyllenhammar in the ordinary shares of International Fibres Group (Holdings) Limited are disclosed in the accounts of International Fibres Group (Holdings) Limited.

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 Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising Financial Reporting Standard 102 *The Financial Reporting Standard Applicable in the UK and Republic of Ireland* (FRS 102), and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards comprising FRS 102 have been followed, subject to any material departures disclosed and explained in the financial statements;
- notify its 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.

Directors' report (continued)

Statement of directors' responsibilities (continued)

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

Disclosure of information to auditors

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

The directors, at the date this report is approved, confirm that, as far as they are aware, there is no relevant audit information (information needed by the Company's auditors in connection with preparing their report) of which the Company's auditors are unaware, and that they have taken all the steps that they ought to have taken as directors 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 is deemed to be re-appointed under Section 487(2) of the Companies Act 2006.

Signed on behalf of the board of directors



A C Heilborn
Director
17th October 2016

Independent Auditors' Report to the members of Speciality Coatings Group Limited

Report on the financial statements

Our opinion:

In our opinion, Speciality Coatings Group Limited's financial statements (the "financial statements"):

- give a true and fair view of the state of the company's affairs as at 30 June 2016 and of its result for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

What we have audited

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

- the Statement of financial position as at 30 June 2016;
- the Income statement for the year then ended;
- the Statement of changes in equity for the year 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 year for which the financial statements are prepared is consistent with the financial statements.

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

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, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns.

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.

Independent Auditors' Report to the members of Speciality Coatings Group Limited (continued)

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 3, 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 and financial statements 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.



Randal Casson (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Leeds

17 October 2016

Income Statement

for the year ended 30 June 2016

There were no transactions in the current or preceding year, so no Income Statement has been presented.

There were no other recognised gains or losses during the current year or preceding year.

There were no acquisitions or discontinued operations during either the current year or preceding year.

The notes on pages 10 to 12 form part of these financial statements.

There is no material difference between the profit on ordinary activities before taxation and the profit for the financial year stated above and their historical costs equivalents.

Statement of financial position
at 30 June 2016

	Note	30 June 2016		30 June 2015	
		£'000	£'000	£'000	£'000
Fixed assets					
Investments	4		322		322
Creditors: amounts falling due within one year	5	(103)		(103)	
Net current liabilities			(103)		(103)
Total Assets less current liabilities			219		219
Capital and reserves					
Called up share capital	6		100		100
Profit and loss account			119		119
Total equity			219		219

The financial statements on pages 7 to 12 were approved by the board of directors on 17th October 2016 and were signed on its behalf by:



A C Heilborn
Director

The notes on pages 10 to 12 form part of these financial statements.

Statement of changes in equity for the year ended 30 June 2016

	Called up share capital £'000	Profit and Loss Account £'000	Total Equity £'000
As at 1 July 2014 (as previously stated)	100	119	219
Effect of changes in accounting policy	–	–	–
As at 1 July 2014 (restated)	100	119	219
Result for the financial year	–	–	–
As at 30 June 2015	100	119	219
Result for the financial year	–	–	–
As at 30 June 2016	100	119	219

Notes to the financial statements for the year ended 30 June 2016

1. General Information

Speciality Coatings Group Limited is an investment holding company. The company is a private company limited by shares and is incorporated in England. The address of its registered office is Old Mills, Drighlington, Bradford, BD11 1BY.

2. Summary of significant accounting policies

The company transitioned from the previously extant UK GAAP to FRS 102 as at 1 July 2014.

The principle 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. Details of the transition to FRS 102 are disclosed in note 10.

Basis of preparation

These financial statements are prepared on the going concern basis, under the historical cost convention and in accordance with the Companies Act 2006, applicable accounting standards in the United Kingdom including Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland" (FRS 102), and, consistently applied accounting policies. The principal accounting policies are set out below.

Investments

Investments held as fixed assets are stated at cost less any provision for impairment.

Cash flow statement

The Company has taken advantage of the exemption available under section 7 of FRS 102 and para 3.17 (d) not to prepare a cash flow statement on the grounds that it is a wholly owned subsidiary of a Company within the EEA, as disclosed in Note 9.

Taxation

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

3. Remuneration of directors, employees and audit remuneration

The directors did not receive any emoluments for services to the Company during the year (2015: £nil). There are no employees other than the directors (2015: none).

Auditors' fees have been borne by the parent company, International Fibres Group (Holdings) Limited.

Notes to the financial statements for the year ended 30 June 2016

4. Investments

	Speciality Coatings (Darwen) Limited £'000	Total £'000
Cost		
At 1 July 2015	322	322
At 30 June 2016	322	322
Amount provided		
At 1 July 2015	—	—
At 30 June 2016	—	—
Net book value		
At 30 June 2016	322	322
At 30 June 2015	322	322

	Principal activity	Country of Incorporation
Joint venture		
Speciality Coatings (Darwen) Limited (40% of ordinary issued share capital)	Manufacturer of vinyl-base and plastisols for the wallcovering industry.	Great Britain

In the directors' opinion the value of the aggregate investment in this company is not less than the amount at which it is stated in these financial statements.

5. Creditors: amounts falling due within one year

	Year ended 30 June 2016 £'000	Year ended 30 June 2015 £'000
Amounts owed to group undertakings	103	103
	<u>103</u>	<u>103</u>

Amounts owed to Group companies are unsecured, interest free and have no formal repayment terms.

6. Called up share capital

	Year ended 30 June 2016 £'000	Year ended 30 June 2015 £'000
Allotted, called up and fully paid		
A - 80,000 (2015: 80,000) ordinary shares of £1 each	80	80
B - 20,000 (2015: 20,000) ordinary shares of £1 each	20	20
	<u>100</u>	<u>100</u>

Notes to the financial statements for the year ended 30 June 2016

6. Called up share capital continued

The 'A' and 'B' ordinary shares rank equally in respect of all rights, with the exception that on a winding up, holders of 'A' ordinary shares are entitled to two thirds of the assets and the holders of 'B' ordinary shares are entitled to one third, and also that the directors have the right to declare dividends separately for each class of share such that a different amount of dividend may be declared and paid for each class of share.

7. Contingent liabilities

Under the terms of the UK banking facilities the Company has guaranteed the net indebtedness of the following Group companies: International Fibres Group (Holdings) Limited, IFG Drake Limited and International Fibres Group Limited. The net indebtedness at 30 June 2016 amounted to £nil (2015: £nil)

8. Ultimate holding company

International Fibres Group (Holdings) Limited, a company incorporated in Great Britain, is the immediate parent company. However, this company does not prepare consolidated financial statements at 30 June 2016.

International Fibres Group AB, a company incorporated in Sweden, is the parent company of International Fibres Group (Holdings) Limited and is the parent company of the smallest group to consolidate these financial statements. Copies of the Group financial statements for International Fibres Group AB may be obtained from Linnégatan 18, SE-114 47 Stockholm, Sweden.

Gyllenhammar Holding AB, a company incorporated and registered in Sweden, is the ultimate holding company. However, Peter Gyllenhammar AB, a company incorporated and registered in Sweden, is the largest group for which group accounts are prepared. Copies of consolidated financial statements for Peter Gyllenhammar AB may be obtained from Bolagsverket, 851 81 Sundsvall, Sweden. P J P V Gyllenhammar is the ultimate controlling party of all companies noted above at the date of signing the financial statements.

9. Related party transactions

Transactions with other companies within the Group are not disclosed as the Company has taken advantage of the exemption under Financial Reporting Standard No. 8 "Related Party Disclosures", as the consolidated financial statements of International Fibres Group AB, a company within the EEA may be obtained from Linnégatan 18, SE-114 47 Stockholm, Sweden.

10. Impact of transition to FRS 102

These are the Company's first financial statements prepared under FRS 102. The date of transition to FRS 102 was 1 July 2014.

The accounting policies set out on page 10 have been applied in preparing the company's financial statements for the years ended 30 June 2015 and 30 June 2016, and in the preparation of the opening FRS 102 statement of financial position at 1 July 2014.

In preparing its opening FRS 102 statement of financial position, the Company has adjusted amounts reported previously in financial statements prepared with UK GAAP.

There has been no impact on the income statement for the year ended 30 June 2015 following the transition to FRS 102.

There has been no impact on the statement of financial position at 1 July 2014 or 30 June 2015 following the transition to FRS 102.