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an AkzoNobel company

Eka Chemicals Limited
Directors' Report and
financial statements
Year end 31 December 2011

Registered number 1934005

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Eka Chemicals Limited Registered number 1934005

Directors' Report and financial statements

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Eka Chemicals Limited Registered number 1934005

Directors and advisors

Executive directors

J Clifford
J Goddard
A-C Hogberg
P Otway (resigned 6 April 2012)
I Thorn (resigned 30 April 2011)

Registered auditor

KPMG LLP
100 Temple Street
Bristol
BS1 6AG

Secretary and registered office

J Clifford
26th Floor
Portland House
Bressenden Place
London
SW1E 5BG

Bankers

ING Bank NV
Branch London
60 London Wall
London
EC2M 5TQ

Solicitors

Barrington & Sons
60 High Street
Burnham-on-Sea
Somerset
TA8 1PE

Eka Chemicals Limited Registered number 1934005

Directors' Report for the year ended 31 December 2011

The directors have pleasure in submitting their annual report and the audited financial statements for the year ended 31 December 2011

Principal activities

The main business area is support of the supply of chemicals to the UK paper Industry through the provision of toll manufacture and technical sales force activities to Eka Chemicals AB, under the single business entity concept

Going concern

Akzo Nobel N V , the Company's ultimate parent undertaking, has provided notification that it shall continue to provide financial and other support to the Company for a period of at least twelve months from the date of approval of these financial statements and thereafter for the foreseeable future to enable it to continue to trade. On this basis the directors, having made appropriate enquiries, consider that the Company has adequate resources to continue in operational existence for the foreseeable future, and it is therefore appropriate to adopt the going concern basis in preparation of the financial statements

Review of business and future developments

2011 has been a year of significant change for Pulp and Paper Chemicals Europe. In the more traditional product lines all major raw materials suffered from volatility in pricing with some taking as much as 400% increases. These price increases caused significant hardship to the then business model and encouraged a change in business practice to reflect the market conditions. Due to the firm line that was taken to reflect raw material movement some volumes were lost to competition.

The Strip project has made significant progress in both improving or removing customers with poor payment records and high risk customers from our credit ledger. The target for 2012 is to reduce payment terms to an average of 45 days.

The Company made one redundancy from sales mid-year due to reduced volumes. Furthermore, the contractor company Greenbridge had its hours of requirement reduced by 75% in the last quarter, with the contract finally ceasing in March 2012.

Eka Chemicals Limited Registered number 1934005

Directors' Report (continued)

Results and dividend

The result for the year after taxation amounted to a loss of £3,261,716 (2010 loss of £276,862)

The directors do not recommend the payment of a final dividend (2010 £nil)

Directors

The directors of the Company at 31 December 2011 are shown on page 1 Jackie Clifford, Jason Goddard, Ann-Catrine Hogberg and Peter Otway served on the Board during the whole year under review Ian Thorn resigned from the Board on 30 April 2011 J Clifford served as company secretary for the whole year under review Peter Otway subsequently resigned from the Board on 6 April 2012

Disclosure of information to auditor

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 auditor is unaware 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 auditor is aware of that information

Auditor

Pursuant to Section 487(2) of the Companies Act 2006, the Company's auditor is deemed to be reappointed and therefore KPMG LLP will continue in office

By order of the board



J Clifford
Secretary

28 May 2012

Registered office
26th Floor
Portland House
Bressenden Place
London
SW1E 5BG

Eka Chemicals Limited Registered number 1934005

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)

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 the period.

In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements 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 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 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.

Independent auditor's report to the members of Eka Chemicals Limited

We have audited the financial statements of Eka Chemicals Limited for the year ended 31 December 2011 set out on pages 7 to 23. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Policies).

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement 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). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's website at www.frc.org.uk/apb/scope/private.cfm

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the Company's affairs as at 31 December 2011 and of its loss for the year then ended,
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006

Independent auditor's report to the members of Eka Chemicals Limited (continued)

Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, 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 accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit



**AC Campbell-Orde (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor**

Chartered Accountants
100 Temple Street
Bristol
BS1 6AG

28 May 2012

Eka Chemicals Limited Registered number 1934005

**Profit and loss account
for the year ended 31 December 2011**

	Note	2011 £	2010 £
Turnover	1,2	4,449,014	4,522,094
Other income	4	131,100	174,800
Administrative expenses	3	(9,138,202)	(5,044,698)
Operating loss	4	(4,558,088)	(347,804)
Interest payable and similar charges	6	(11,267)	(2,981)
Loss on ordinary activities before taxation		(4,569,355)	(350,785)
Tax on loss on ordinary activities	7	1,307,639	73,923
Loss for the year	12	(3,261,716)	(276,862)

All amounts relate to continuing operations

The Company had no recognised gains or losses during the current or preceding financial year other than those disclosed in the profit and loss account above

Eka Chemicals Limited Registered number 1934005**Balance sheet
at 31 December 2011**

	Note	2011 £	2010 £
Fixed assets			
Tangible assets	8	692,692	717,648
Investments	9	2	2
		<u>691,694</u>	<u>717,650</u>
Current assets			
Debtors due within one year	10	2,912,981	2,648,996
Cash at bank and in hand		169	109
		<u>2,913,150</u>	<u>2,649,105</u>
Creditors			
Amounts falling due within one year	11	(6,597,787)	(3,096,982)
		<u>(6,597,787)</u>	<u>(3,096,982)</u>
Net current liabilities		<u>(3,684,637)</u>	<u>(447,877)</u>
Net liabilities		<u>(2,991,943)</u>	<u>269,773</u>
Capital and reserves			
Called-up share capital	14	4,800,000	4,800,000
Profit & loss account	12	(7,791,943)	(4,530,227)
Shareholder's deficit		<u>(2,991,943)</u>	<u>269,773</u>

The notes on pages 10 to 23 form an integral part of these financial statements

These financial statements were approved by the board on 28 May 2012 and signed on its behalf by

J Goddard
Director



Eka Chemicals Limited Registered number 1934005

**Reconciliation of movement in shareholder's funds
for the year ended 31 December 2011**

	2011 £	2010 £
Opening shareholder's funds	269,773	546,635
Loss for the year	(3,261,716)	(276,862)
Closing shareholder's deficit	<u>(2,991,943)</u>	<u>269,773</u>

Eka Chemicals Limited Registered number 1934005

Notes to the financial statements for the year ended 31 December 2011

1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements

Basis of preparation

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost accounting rules

In accordance with s400 of the Companies Act 2006, the Company is exempt from the requirement to prepare group accounts. These financial statements present the information about the Company as an individual undertaking and not about its group.

Going concern

The financial statements have been prepared on the going concern basis, notwithstanding net current liabilities of £3,684,637 and net liabilities of £2,991,943, which the directors believe to be appropriate for the following reasons. The ultimate parent company, Akzo Nobel N V, has provided the Company with an undertaking that for at least 12 months from the date of approval of these financial statements, it will continue to provide financial and other support to Eka Chemicals Limited to enable the Company to continue to trade. As with any company placing reliance on other group entities for financial support, the directors acknowledge that there can be no certainty that this support will continue, although, at the date of approval of these financial statements, they have no reason to believe that it will not do so. Based on this undertaking the directors believe that it remains appropriate to prepare the financial statements on a going concern basis. The financial statements do not include any adjustments that would result from the basis of preparation being inappropriate.

Cash flow statement

The Company is exempt from the requirements of FRS 1 to prepare a cash flow statement on the grounds that the ultimate parent company, Akzo Nobel N V, includes the Company in its own published consolidated financial statements, which are available from the address given in note 16.

Eka Chemicals Limited Registered number 1934005

Notes to the financial statements (continued)

1 Accounting policies (continued)

Foreign currencies

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

Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation. Depreciation has been calculated to write off the assets over their estimated useful lives using the following annual rates on a straight line basis:

Leasehold land and buildings improvements	Life of the lease
Plant and machinery incorporating	
Machinery and equipment	4 - 50%
Furniture and fittings	10 - 20%
Computer equipment	25 - 33%

Leased and hire purchase assets

Where assets are financed by hire purchase agreements which give rights approximating to ownership, the assets are treated as if they had been purchased outright. The amount capitalised is the cash value of the asset. The corresponding hire purchase commitment is shown as an obligation to the hirer.

Rentals payable under operating leases are charged to the profit and loss account on a straight line basis over the lease term.

Investments

Investments are stated at cost less any provision for a permanent diminution in value.

Eka Chemicals Limited Registered number 1934005

Notes to the financial statements (continued)

1 Accounting policies (continued)

Turnover

The Company's turnover is generated through services rendered to the single business entity, Eka Chemicals AB, a company incorporated in Sweden, in servicing the UK customer base and developing, manufacturing and supplying paper chemicals for the business unit. Turnover represents the amount invoiced to Eka Chemicals AB including commission received and excluding value added tax. Turnover is recognised at the point of invoice.

Current and deferred taxation

The charge for taxation is based on the loss for the year 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, except as otherwise required by FRS 19.

A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted, or that the Company will receive consideration for group relief that enables this asset to be realised.

Pension costs

The Company participates in the Akzo Nobel (CPS) Pension Scheme ("the CPS Scheme") providing benefits based on final pensionable pay.

The CPS scheme is a multi-employer scheme in which the Company is unable to identify its share of the underlying assets and liabilities on a consistent and reasonable basis and, as permitted by FRS 17, the scheme has been accounted for in these financial statements as if the scheme were a defined contribution scheme. The pension cost charge for the period represents contributions payable by the Company to the scheme (see note 13).

Eka Chemicals Limited Registered number 1934005

Notes to the financial statements (continued)

1 Accounting policies (continued)

Related party transactions

The Company is controlled by Akzo Nobel Chemicals International BV

As the Company is a wholly owned subsidiary of Akzo Nobel N V , a company whose accounts are publicly available, advantage has been taken of the exemption in FRS 8, relating to the disclosure of material, related party transactions, and has therefore not disclosed transactions or balances with other wholly owned subsidiaries which form part of the group. The consolidated financial statements of Akzo Nobel N V , within which this Company is included, can be obtained from the address given in note 16

2 Turnover

	2011 £	2010 £
Geographical segment: by destination		
Continental Europe	<u>4,449,014</u>	<u>4,522,094</u>

3 Administrative expenses

	2011 £	2010 £
Staff costs (see note 5)	7,500,508	3,129,538
Depreciation charge for the year on tangible owned fixed assets (see note 8)	37,234	55,152
Other administrative expenses	<u>1,600,460</u>	<u>1,860,008</u>
	<u>9,138,202</u>	<u>5,044,698</u>

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Notes to the financial statements (continued)

4 Loss on ordinary activities before taxation

	2011	2010
	£	£
Loss on ordinary activities before taxation is after charging/(crediting)		
Hire of land and buildings under operating leases	201,237	239,210
Hire of other assets under operating leases	142,783	147,767
Net foreign currency (gains)/losses	(1,014)	476
	<hr/>	<hr/>
<i>Auditor's remuneration</i>		
Audit of these financial statements	7,350	7,350
	<hr/>	<hr/>

Hire of land and buildings under operating leases is gross of amounts recharged in respect of sub-let property totalling £131,100 (2010 £174,800) which is represented by other operating income

5 Staff costs

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

	2011	2010
Labour	3	3
Administration	8	8
Sales, marketing and distribution	24	26
	<hr/>	<hr/>
	35	37
	<hr/>	<hr/>

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Notes to the financial statements (continued)

5 Staff costs (continued)

The aggregate payroll costs of these persons were as follows

	2011	2010
	£	£
Staff costs (for the above persons)		
Wages and salaries	1,831,888	1,778,743
Social security costs	197,984	191,740
Other pension costs (see note 13)		
Akzo Nobel (CPS) pension schemes	5,398,121	1,111,097
Akzo Nobel Benefit Builder Retirement Plan	50,249	26,263
Private pension schemes	22,266	21,695
	<u>7,500,508</u>	<u>3,129,538</u>

Other pension costs include a top up payment of £4,900,000 (2010 £700,000) paid into the Akzo Nobel (CPS) pension scheme (note 13)

The remuneration paid to the directors of Eka Chemicals Limited was

	2011	2010
	£	£
Directors' emoluments	253,670	303,180
Pension costs	70,740	83,598
	<u>324,410</u>	<u>386,778</u>

The emoluments of the highest paid director were

	2011	2010
	£	£
Remuneration	113,136	121,052
Contribution to group pension scheme	36,345	34,507
	<u>149,481</u>	<u>155,559</u>

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Notes to the financial statements (continued)
5 Staff costs (continued)

Retirement benefits are accruing to the following number of directors under

	2011	2010
Defined benefit schemes	3	4

6 Interest payable and similar charges

	2011 £	2010 £
On bank loans and overdrafts	11,267	2,981

7 Tax on loss on ordinary activities

	2011 £	2010 £
<i>Analysis of tax credit in year</i>		
<i>UK Corporation tax</i>		
Current tax on income for the year	(369,230)	(276,648)
Adjustment in respect of prior years	52,619	-
	(316,611)	(276,648)
<i>Deferred tax (note 10)</i>		
Original/reversal of timing differences	(759,269)	202,725
Prior year adjustment	(231,759)	-
Tax on loss on ordinary activities	(1,307,639)	(73,923)

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Notes to the financial statements (continued)

7 Tax on loss on ordinary activities (continued)

Factors affecting the tax change for the current year

The current tax credit for the year is lower (2010 higher) than the standard rate of corporation tax in the UK of 26.5% (2010 28%). The differences are explained below

	2011 £	2010 £
<i>Current tax reconciliation</i>		
Loss on ordinary activities before taxation	(4,569,355)	(350,785)
Current tax on ordinary activities at the standard rate	(1,210,879)	(98,220)
<i>Effects of:</i>		
Expenses not deductible for tax purposes	15,879	23,417
Capital allowances lower than/(in excess of) depreciation	4,932	(1,925)
Other timing differences – pension spreading	820,838	(199,920)
Adjustment in respect of prior years	52,619	-
Total current tax credit	(316,611)	(276,648)

Eka Chemicals Limited Registered number 1934005**Notes to the financial statements (continued)****8 Tangible fixed assets**

	Leasehold land and buildings £	Plant and machinery £	Total £
Cost			
At 1 January 2011	1,055,779	1,364,575	2,420,354
Additions	6,960	5,318	12,278
Disposals	(6,555)	(123,595)	(130,150)
At 31 December 2011	1,056,184	1,246,298	2,302,482
Depreciation			
At 1 January 2011	371,606	1,331,100	1,702,706
Charge for the year	18,619	18,615	37,234
Disposals	(6,555)	(123,595)	(130,150)
At 31 December 2011	383,670	1,226,120	1,609,790
Net book value at 31 December 2011	672,514	20,178	692,692
Net book value at 31 December 2010	684,173	33,475	717,648

The net book value of leasehold land and buildings all relate to long leaseholds

Eka Chemicals Limited Registered number 1934005

Notes to the financial statements (continued)

9 Investment in subsidiary undertakings

	£
Cost	
At beginning and end of year	<u>2</u>

The Company holds 100% of the ordinary share capital of the following company

Subsidiary undertaking	Country of incorporation	Principal activity	Profit for the year ended 31 December 2011 £	Loss for the year ended 31 December 2010 £
Eka Chemicals (AC) Limited	England & Wales	Holding company for joint venture	<u>155,745</u>	<u>(25,294)</u>

10 Debtors

	2011 £	2010 £
Amounts falling due within one year:		
Amounts owed by group undertakings	760,118	1,464,778
Other debtors	16,647	61,319
Current tax asset	1,070,611	1,036,000
Prepayments and accrued income	39,577	51,899
	<u>1,886,953</u>	<u>2,613,996</u>
Amounts falling due after more than one year:		
Deferred tax asset	1,026,028	35,000
	<u>2,912,981</u>	<u>2,648,996</u>

Eka Chemicals Limited Registered number 1934005**Notes to the financial statements (continued)****10 Debtors (continued)**

	2011	2010
	£	£
Movement on the deferred tax balance in the year		
At beginning of year	35,000	237,725
Credit/(debit) to profit and loss account (see note 7)	991,028	(202,725)
At end of year	<u>1,026,028</u>	<u>35,000</u>
Analysis of deferred tax balance		
Accelerated depreciation over capital allowances	251,653	(164,920)
Short term timing differences – pension spreading	774,375	199,920
	<u>1,026,028</u>	<u>35,000</u>

The Company participates in a cash pooling arrangement with certain other group companies. This arrangement allows the Company to draw upon or credit amounts to a separate designated facility within a cash pool account in the name of Akzo Nobel Coatings (BLD) Limited. The Company operates the facility as if it were the Company's own bank account, however, the Company has no legal title. Accordingly, the amounts have therefore been included within amounts owed by group undertakings rather than as cash at bank. All parties to the arrangement are jointly and severally liable to the bank for any overdraft thereon. At 31 December 2011 the overall balance was £1.1m credit (2010 £1.1m credit). Included within amounts owed by group undertakings is £nil (2010 £52,665 owed by) in respect of the Company's share of the account.

11 Creditors

	2011	2010
	£	£
Amounts falling due within one year:		
Trade creditors	35,429	33,936
Amounts owed to group undertakings	6,319,188	2,828,975
Other creditors including social security	42,256	-
Accruals and deferred income	200,914	234,071
	<u>6,597,787</u>	<u>3,096,982</u>

Eka Chemicals Limited Registered number 1934005

Notes to the financial statements (continued)

12 Profit and loss account

	2011	2010
	£	£
At beginning of year	(4,530,227)	(4,253,365)
Loss for the year	(3,261,716)	(276,862)
At end of year	<u>(7,791,943)</u>	<u>(4,530,227)</u>

13 Pension and similar obligations

Akzo Nobel (CPS) Pension Scheme

The Company participates in the Akzo Nobel (CPS) Pension Scheme ("the CPS Scheme") providing benefits based on final pensionable pay

The CPS scheme is a multi-employer scheme in which the Company is unable to identify its share of the underlying assets and liabilities on a consistent and reasonable basis and, as permitted by FRS 17, the scheme has been accounted for in these financial statements as if the scheme were a defined contribution scheme. The pension costs charge for the period represents contributions payable by the Company to the scheme.

The latest full actuarial valuation was carried out at 31 March 2009 by a qualified independent actuary. At this valuation, the market value of the UK scheme assets was sufficient to cover 71% of the benefits that had accrued to members at that date.

The contribution rate is generally reviewed every three years following each full actuarial valuation of the scheme. The employer contribution rates which was set following the 2009 valuation was 34% of pensionable pay, plus variable deficit contributions.

The total contribution made by the Company during the year to the CPS scheme was £498,121 (2010 £411,097).

Following the 2009 valuation, the trustees of the CPS Scheme and Akzo Nobel N V, the ultimate parent company, agreed that an additional contribution of £85.0 million would be made as a deficit contribution in 2011 (2010 £85.0 million). This contribution was made by another group undertaking in 2011 and 2010. The portion of the additional contribution charged to the Company for 2011 was £4,900,000 (2010 £700,000) (note 5). It was also agreed that deficit contribution payments in total of £645.0 million would be made over the next 7 years. The portion of this additional contribution that will be charged to the Company is as yet unknown.

Eka Chemicals Limited Registered number 1934005

Notes to the financial statements (continued)

13 Pension and similar obligations (continued)

The next full actuarial valuation is being carried out as at 31 March 2012, but at the signing date of these financial statements has not been completed, so any further impact to the Company via changes in either contribution rate or top up contributions cannot be determined

The CPS scheme is included within the group accounts of the ultimate parent company, Akzo Nobel NV, and valued under IAS 19. At 31 December 2011 the funded status valuation was a deficit of £231.0 million (2010 £347.0 million deficit). This valuation is not used to determine the funding requirements under UK pension regulations and therefore has no impact upon the Company. The contribution rate and top up contributions affecting the Company are as disclosed above and were set at the 2009 full actuarial valuation.

Akzo Nobel Benefit Builder Retirement Plan

The Company is also a member of the Akzo Nobel Benefit Builder Retirement Plan providing benefits based on contributions made. There were no outstanding or prepaid contributions at the beginning or end of the financial year.

During the year the Company's membership of the Akzo Nobel (CPS) Pension Scheme Defined Contribution Section ceased and all members transferred into the Akzo Nobel Benefit Builder Retirement Plan.

The total contribution made by the Company during the year to the Akzo Nobel Benefit Builder Retirement Plan was £50,249 (2010 £26,263).

Private Pension Schemes

The Company also makes contributions to private pension schemes. There were no outstanding or prepaid contributions at the beginning or end of the financial year.

The total contribution made by the Company during the year to private pension schemes was £22,266 (2010 £21,695).

The total contribution made by the Company during the year to all pension schemes, including additional contributions, was £5,470,636 (2010 £1,159,055) (note 5).

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Notes to the financial statements (continued)

14 Share capital

	2011 £	2010 £
Allotted, called-up and fully paid:		
4,800,000 ordinary shares of £1 each (2010 4,800,000)	<u>4,800,000</u>	<u>4,800,000</u>

15 Financial commitments

	2011			2010		
	Land and buildings £	Other £	Total £	Land and buildings £	Other £	Total £
Expiring within one year	3,754	3,608	7,362	5,520	44,461	49,981
Expiring between two and five years inclusive	42,000	135,927	177,927	42,000	92,843	134,843
Expiring in over five years	<u>22,100</u>	<u>-</u>	<u>22,100</u>	<u>196,900</u>	<u>-</u>	<u>196,900</u>
	<u>67,854</u>	<u>139,535</u>	<u>207,389</u>	<u>244,420</u>	<u>137,304</u>	<u>381,724</u>

16 Ultimate parent company and parent undertaking of which the Company is a member

The Company is a wholly owned subsidiary undertaking of Akzo Nobel Chemicals International B V , a company registered in the Netherlands. 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 Annual Report and Accounts are available to the public and may be obtained from Velperweg 76, PO Box 9300, 6800 SB Arnhem, The Netherlands.