

STRATEGIC REPORT, REPORT OF THE DIRECTORS AND

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019

FOR

QUEST AUTOMOTIVE PRODUCTS UK LIMITED

CONTENTS OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

	Page
Company Information	1
Strategic Report	2
Report of the Directors	3
Statement of Directors' Responsibilities	5
Report of the Independent Auditors	6
Statement of Comprehensive Income	8
Statement of Financial Position	9
Statement of Changes in Equity	10
Notes to the Financial Statements	11

QUEST AUTOMOTIVE PRODUCTS UK LIMITED

COMPANY INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2019

DIRECTORS:

J J Miklich
D H Karnstein
J M Donchess

REGISTERED OFFICE:

The Valspar (UK) Corporation Ltd
Avenue One
Station Lane
Witney
Oxfordshire
OX28 4XR

REGISTERED NUMBER:

02925683 (England and Wales)

SENIOR STATUTORY AUDITOR:

Neil Harding

AUDITORS:

Bradshaw Johnson
Chartered Accountants
Statutory Auditor
Croft Chambers
11 Bancroft
Hitchin
Hertfordshire
SG5 1JQ

STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2019

The directors present their strategic report for the year ended 31 December 2019.

REVIEW OF BUSINESS

The performance in 2019 is in line with expectations of the directors. Quest Automotive Products UK Limited (the Company) made a profit for the financial year, net of taxation of £405,091 (2018: £623,541)

PRINCIPAL RISKS AND UNCERTAINTIES

The Company sees its main risks and uncertainties to be that of business risks associated with health and safety in the workplace, and the use of hazardous products. This has now been reduced due to the new policies brought in by The Valspar (UK) Corporation Limited (the parent company).

SECTION 172(1) STATEMENT

See Report of the Directors page 3.

FINANCIAL INSTRUMENTS

The Company has a normal level of exposure to price, credit, liquidity and cash flow risks arising from trading activities which are largely conducted in sterling. The Company does not enter into any formal hedging arrangements.

ON BEHALF OF THE BOARD:

J J Miklich - Director

2 October 2020

REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2019

The directors present their report with the financial statements of the Company for the year ended 31 December 2019.

PRINCIPAL ACTIVITY

The principal activity of the Company in the year under review was that of licensing of the Intellectual Property to Valspar B.V and the provision of warehousing facilities.

DIVIDENDS

No dividends were declared or paid for the year ended 31 December 2019 (2018 - £nil). No dividends have been proposed for after the year-end.

DIRECTORS

J J Miklich has held office during the whole of the period from 1 January 2019 to the date of this report.

Other changes in directors holding office are as follows:

E N G Braggio - resigned 29 March 2019

A J Mistysyn - resigned 29 March 2019

D H Karnstein - appointed 29 March 2019

J M Donchess - appointed 29 March 2019

GOING CONCERN

The Directors have been informed that, as part of a wider programme to simplify the Sherwin-Williams Group's UK legal structure, it is likely that, within the 12 months following the signing of these accounts, the business and assets/liabilities of Quest Automotive Products UK Limited will be transferred to another Sherwin-Williams Group company and the Quest Automotive Products UK Limited legal entity will be wound up. This change is being done purely to reduce administrative costs and to improve efficiency, and the Directors are confident that it will have no impact on the existing business's commitment to license the Intellectual Property to Valspar B.V.

S172 STATEMENT

The Directors fulfil their duty by ensuring that there is a strong governance structure and process running through all aspects of the Sherwin-Williams Group's operations. The Sherwin-Williams Group's strategy and business model are underpinned by the employees and all members of the Board undertake regular site visits to deliver key engagement and development programmes. The Sherwin-Williams Group engages with its key stakeholders in a variety of ways, explained in more detail in the Strategic Report (page 2) and the Directors' responsibilities statement on page 5. The Board is kept informed of all relevant issues by means of a number of written reports against agreed KPIs.

The Board of Directors of Quest Automotive Products UK Limited consider that they, both individually and collectively, have acted in a way that would be most likely to promote the success of the Company for the benefit of its members as a whole (having regard to the stakeholders and matters set out in S172(1)(a-f) of the Act) in the decisions they have taken during the year ended 31 December 2019. In making this statement the Directors considered the longer term consideration of stakeholders and the environment and have taken into account the following:

- a) the likely consequences of any decisions in the long term;
- b) the interests of the Company's employees;
- c) the need to foster the Company's business relationships with suppliers, customers and others;
- d) the impact of the Company's operations on the community and the environment;
- e) the desirability of the Company maintaining a reputation for high standards of business conduct; and
- f) the need to act fairly as between members of the Company.

DISCLOSURE IN THE STRATEGIC REPORT

Contained within the strategic report is a review of business for this period with a prior year comparative plus the principal risks and uncertainties the company faces.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2019

AUDITORS

The auditors, Bradshaw Johnson, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:

J J Miklich - Director

2 October 2020

STATEMENT OF DIRECTORS' RESPONSIBILITIES
FOR THE YEAR ENDED 31 DECEMBER 2019

The directors are responsible for preparing the Strategic Report, the Report of the Directors 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 elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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;
- 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. 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.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
QUEST AUTOMOTIVE PRODUCTS UK LIMITED

Opinion

We have audited the financial statements of Quest Automotive Products UK Limited for the year ended 31 December 2019 which comprise the Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2019 and of its profit 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

- 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.

Other information

The directors are responsible for the other information. The other information comprises the information in the Strategic Report, the Report of the Directors and the Statement of Directors' Responsibilities, but does not include the financial statements and our Report of the Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion 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 such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in 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 in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Report of the Directors have been prepared in accordance with applicable legal requirements.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
QUEST AUTOMOTIVE PRODUCTS UK LIMITED

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Report of the Directors.

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 the 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.

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities set out on page five, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine 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 a Report of the Auditors 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 Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Auditors.

Use of our report

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 a Report of the Auditors 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.

Neil Harding (Senior Statutory Auditor)
for and on behalf of Bradshaw Johnson
Chartered Accountants
Statutory Auditor
Croft Chambers
11 Bancroft
Hitchin
Hertfordshire
SG5 1JQ

6 October 2020

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2019

	Notes	31.12.19 £	31.12.18 £
TURNOVER	4	451,153	562,777
Administrative expenses		<u>1,235,990</u> (784,837)	<u>1,113,010</u> (550,233)
Other operating income		<u>1,186,254</u>	<u>1,220,323</u>
OPERATING PROFIT	7	401,417	670,090
Interest receivable and similar income		<u>3,674</u> 405,091	<u>2,047</u> 672,137
Interest payable and similar expenses	8	<u>-</u>	<u>1,998</u>
PROFIT BEFORE TAXATION		405,091	670,139
Tax on profit	9	<u>-</u>	<u>46,598</u>
PROFIT FOR THE FINANCIAL YEAR		405,091	623,541
OTHER COMPREHENSIVE INCOME		<u>-</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME		<u>-</u>	<u>-</u>
FOR THE YEAR		<u>405,091</u>	<u>623,541</u>

The notes form part of these financial statements

STATEMENT OF FINANCIAL POSITION
31 DECEMBER 2019

	Notes	31.12.19 £	£	31.12.18 £	£
FIXED ASSETS					
Intangible assets	10		-		-
Tangible assets	11		<u>12,054</u>		<u>13,326</u>
			12,054		13,326
CURRENT ASSETS					
Debtors	12	3,361,649		2,982,265	
Cash at bank		<u>2,734</u>		<u>27,637</u>	
		3,364,383		3,009,902	
CREDITORS					
Amounts falling due within one year	13	<u>147,727</u>		<u>199,609</u>	
NET CURRENT ASSETS			<u>3,216,656</u>		<u>2,810,293</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>3,228,710</u>		<u>2,823,619</u>
CAPITAL AND RESERVES					
Called up share capital	16	1,000		1,000	
Retained earnings		<u>3,227,710</u>		<u>2,822,619</u>	
SHAREHOLDERS' FUNDS			<u>3,228,710</u>		<u>2,823,619</u>
			<u>3,228,710</u>		<u>2,823,619</u>

The financial statements were approved and authorised for issue by the Board of Directors and authorised for issue on 2 October 2020 and were signed on its behalf by:

J J Miklich - Director

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2019

	Called up share capital £	Retained earnings £	Total equity £
Balance at 1 January 2018	1,000	2,199,078	2,200,078
Changes in equity			
Total comprehensive income	-	623,541	623,541
Balance at 31 December 2018	<u>1,000</u>	<u>2,822,619</u>	<u>2,823,619</u>
Changes in equity			
Total comprehensive income	-	405,091	405,091
Balance at 31 December 2019	<u>1,000</u>	<u>3,227,710</u>	<u>3,228,710</u>

The notes form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

1. STATEMENT OF COMPLIANCE

Quest Automotive Products UK Limited is a private company limited by shares incorporated in England. The registered office is:

Avenue One
Station Lane
Witney
Oxfordshire
OX28 4XR

The Company's financial statements have been prepared in compliance with FRS 102 as it applies to the financial statements for the year ended 31 December 2019.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards. The financial statements are prepared in sterling.

The financial statements are not prepared on a going concern basis as the Directors have been informed that, as part of a wider programme to simplify the Sherwin-William Group's UK legal structure, it is likely that, within the 12 months following the signing of these accounts, the business and assets/liabilities of Quest Automotive Products UK Limited will be transferred to another Sherwin-William Group company and the Quest Automotive Products UK Limited legal entity will be wound up.

Financial Reporting Standard 102 - reduced disclosure exemptions

The Company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by frs 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirement of Section 33 Related Party Disclosures paragraph 33.7.

Preparation of consolidated financial statements

The financial statements contain information about Quest Automotive Products UK Limited as an individual company and do not contain consolidated financial information as the parent of a group. The Company is exempt under Section 400 of the Companies Act 2006 from the requirements to prepare consolidated financial statements as it and its subsidiary undertakings are included by full consolidation in the consolidated financial statements of its parent, Sherwin-Williams, a Company registered in the United States of America.

Revenue recognition

Turnover is measured at the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

Revenue is recognised to the extent that the Company obtains the right to consideration in exchange for its performance. Revenue is measured at the fair value of the consideration received, excluding discounts, rebates, VAT and other sales taxes or duty

Intangible assets

Intangible assets are measured at cost less accumulated amortisation.

Amortisation is charged so as to allocate the cost of intangibles less their residual values over their estimated useful lives, using the straight-line method. The intangible assets are amortised over the following useful economic life:

Software - 4 years

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2019

2. ACCOUNTING POLICIES - continued

Property, plant and equipment

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Short leasehold	- over length of lease
Plant and machinery	- 10% on cost
Equipment on loan to customers	- 33% on cost
Computer & office equipment	- 25% on cost

All property, plant and equipment are initially recorded at cost.

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Statement of Comprehensive Income, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the statement of financial position date.

Deferred tax

Deferred tax is recognised in respect of all timing differences which are differences between taxable profits and total comprehensive income that arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements, except that:

- where there are differences between amounts that can be deducted for tax for assets (other than goodwill) and liabilities compared with the amounts that are recognised for those assets and liabilities in a business combination a deferred tax liability/(asset) shall be recognised. The amount attributed to goodwill is adjusted by the amount of the deferred tax recognised; and

- unrelieved tax losses and other deferred tax assets are recognised only to the extent that the directors consider that it probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is measured on an undiscounted basis at the tax rates that they are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the statement of financial position date.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the statement of financial position date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

Hire purchase and leasing commitments

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the period of the lease.

Cash and cash equivalents

Cash and cash equivalents in the statement of financial position comprise cash at banks and in hand and short term deposits with an original maturity date of three months or less.

Short-term debtors and creditors

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in the income statement in other operating income.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2019

3. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the statement of financial position date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates. The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

Operating lease commitments

The Company, as a lessee, obtains use of property, plant and equipment. The classification of such leases as operating or finance leases requires the Company to determine, based on an evaluation of the terms and conditions of the arrangements, whether it retains or acquires the significant risks and rewards of ownership of these assets and accordingly whether the lease requires an asset and liability to be recognised in the statement of financial position.

4. TURNOVER

The turnover and profit before taxation are attributable to the one principal activity of the Company.

An analysis of turnover by geographical market is given below:

		31.12.19	31.12.18
	£		
Europe	£	<u>451,153</u>	<u>562,777</u>
		<u>451,153</u>	<u>562,777</u>

5. EMPLOYEES AND DIRECTORS

		Year ended 31.12.19	Year ended 31.12.18
	£		
Wages and salaries	£	559,099	595,943
Social security costs		58,533	59,297
Other pension costs		<u>19,448</u>	<u>13,940</u>
		<u>637,080</u>	<u>669,180</u>

The average monthly number of employees during the period was as follows:

		Year ended 31.12.19	Year ended 31.12.18
Logistics		5	7
Sales		5	4
Administration		<u>3</u>	<u>5</u>
		<u>13</u>	<u>16</u>

6. DIRECTORS' REMUNERATION

		31.12.19	31.12.18
	£		
Directors' remuneration		<u>-</u>	<u>-</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2019

6. DIRECTORS' REMUNERATION - continued

Directors' remuneration for the year ended 31 December 2019 and year ended 31 December 2018 have been borne by the ultimate parent Company. The directors of the Company are also directors or officers of other companies within the Sherwin-Williams group. The directors' services to the Company do not occupy a significant amount of their time. As such, the directors do not consider that they have received any remuneration for their incidental services to the Company for the year ended 31 December 2019 and year ended 31 December 2018. All directors have retirement benefits accruing to them under pension schemes with Sherwin-Williams.

Share options in the ultimate parent undertaking are granted to the directors. During the period no directors exercised share options (2018: nil).

7. OPERATING PROFIT

The operating profit is stated after charging:

	Year ended 31.12.19	Year ended 31.12.18
£		
Hire of plant and machinery	19,537	17,353
Other operating leases	307,062	306,000
Depreciation - owned assets	1,272	12,095
Auditors' remuneration	<u>12,100</u>	<u>13,046</u>

8. INTEREST PAYABLE AND SIMILAR EXPENSES

	31.12.19	31.12.18
£		
Corporation tax interest	<u>-</u>	<u>1,998</u>

9. TAXATION

Analysis of the tax charge

The tax charge on the profit for the year was as follows:

	31.12.19	31.12.18
£		
Current tax:		
UK corporation tax	<u>-</u>	<u>46,598</u>
Tax on profit	<u>-</u>	<u>46,598</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2019

9. **TAXATION - continued**

Reconciliation of total tax charge included in profit and loss

The tax assessed for the year is lower than the standard rate of corporation tax in the UK. The difference is explained below:

	31.12.19	31.12.18
	£	£
Profit before tax	<u>405,091</u>	<u>670,139</u>
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2018 - 19%)	76,967	127,326
Effects of:		
Expenses not deductible for tax purposes	-	17
Capital allowances in excess of depreciation	(8,755)	-
Depreciation in excess of capital allowances	-	2,298
Utilisation of tax losses	-	(8,978)
Group loss relief	(68,212)	(120,663)
Write-off of deferred tax asset	-	46,598
Total tax charge	<u>-</u>	<u>46,598</u>

The deferred tax asset not recognised in the financial statements is as follows:

	2019	2019	2018	2018
	Recognised	Not recognised	Recognised	Not recognised
£	£			
Accelerated capital allowances	-	38,695	-	47,450
	<u>-</u>	<u>38,695</u>	<u>-</u>	<u>47,450</u>

The standard rate of tax applied to reported profit on ordinary activities is 19% (2018: 19%). The Finance Bill 2016 included provisions to reduce the main rate of corporation tax to 17% from 1 April 2020. However, in the March 2020 Budget it was announced that the cut in the rate to 17% will now not occur and Corporation Tax Rate will be held at 19%. As this has not been enacted by the balance sheet date, balances as at 31 December 2019 continue to be measured at 17%.

A decision has been made across the UK group that deferred tax is not considered to be recoverable.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2019

10. INTANGIBLE FIXED ASSETS

	Computer software £
COST	
At 1 January 2019 and 31 December 2019	<u>1,240</u>
AMORTISATION	
At 1 January 2019 and 31 December 2019	<u>1,240</u>
NET BOOK VALUE	
At 31 December 2019	<u>-</u>
At 31 December 2018	<u>-</u>

11. TANGIBLE FIXED ASSETS

	Short leasehold £	Plant and machinery £	Equipment on loan to customers £	Computer & office equipment £	Totals £
COST					
At 1 January 2019 and 31 December 2019	<u>19,158</u>	<u>31,952</u>	<u>677,969</u>	<u>42,904</u>	<u>771,983</u>
DEPRECIATION					
At 1 January 2019	5,832	31,952	677,969	42,904	758,657
Charge for year	<u>1,272</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,272</u>
At 31 December 2019	<u>7,104</u>	<u>31,952</u>	<u>677,969</u>	<u>42,904</u>	<u>759,929</u>
NET BOOK VALUE					
At 31 December 2019	<u>12,054</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>12,054</u>
At 31 December 2018	<u>13,326</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>13,326</u>

12. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.12.19 £	31.12.18 £
Amounts owed by group undertakings	3,282,483	2,905,567
Prepayments	<u>79,166</u>	<u>76,698</u>
	<u>3,361,649</u>	<u>2,982,265</u>

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.12.19 £	31.12.18 £
Trade creditors	46,716	19,491
Amounts owed to group undertakings	-	8,066
Social security and other taxes	58,579	126,812
Other creditors and accruals	<u>42,432</u>	<u>45,240</u>
	<u>147,727</u>	<u>199,609</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2019

14. LEASING AGREEMENTS

Minimum lease payments under non-cancellable operating leases fall due as follows:

	31.12.19	31.12.18
	£	£
Within one year	365,000	314,641
Between one and five years	1,460,000	1,226,728
In more than five years	1,460,000	1,683,000
	<u>3,285,000</u>	<u>3,224,369</u>

15. SECURED DEBTS

The company banking facilities are secured by a debenture over all assets and undertakings both present and future.

16. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	31.12.19	31.12.18
		£1	£	£
1,000	Ordinary		<u>1,000</u>	<u>1,000</u>

17. PENSION COMMITMENTS

The Company contributes to group personal pension plans for its employees. The assets of the scheme are held separately from those of the Company. The pension cost charged represents contributions payable during the year by the Company to the personal pension plans. The outstanding balance unpaid at the period end was £nil (2018 - £nil). The total contributions paid in the period amounted to £19,448 (2018 - £13,940).

18. RELATED PARTY DISCLOSURES

The Company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the group.

Key management personnel

All directors and certain senior employees who have authority and responsibility for planning, directing and controlling the activities of the Company are considered to be key management personnel. Total remuneration in respect of these individuals is £nil (2018 - £nil).

19. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The Company is a wholly owned subsidiary of The Valspar (UK) Corporation Limited, a company registered in England & Wales.

The Company's ultimate parent undertaking and controlling party is The Sherwin-Williams Company, which is incorporated in the United States of America. Copies of its group financial statements, which include the Company are available from:

The Sherwin-Williams Company
101 Prospect Ave
Cleveland
Ohio
USA
44115

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