

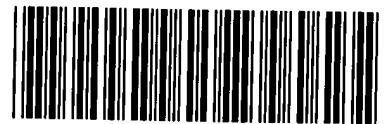
Akzo Nobel ICI Holdings

Annual Report and Financial Statements

31 December 2019

Registered number 6535182

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Contents

	Page(s)
Strategic Report	1
Directors' Report	2-3
Independent auditors' report to the members of Akzo Nobel ICI Holdings	4-5
Statement of Comprehensive Income	6
Balance Sheet	7
Statement of Changes in Equity	8
Notes to the Financial Statements	9 - 20

Strategic Report

The directors present their Strategic' Report and the audited financial statements for the year ended 31 December 2019.

Business Review

The Company made a loss for the financial year of £103 million (2018: loss £100 million) and has net assets of £210 million (2018: £313 million) as at 31 December 2019.

Principal Activities

The principal activity of the Company is an investment holding company owning shares in certain subsidiaries of Akzo Nobel N.V., its ultimate parent company.

Key Performance Indicators

The Company's directors believe that analysis using key performance indicators is not necessary or appropriate for an understanding of the development, performance or position of the business.

Principal Risks and Uncertainties

The management of the business and the execution of the Company's strategy are subject to minimal risks. The key business risks, both external and internal, are fully discussed in the context of the Akzo Nobel N.V. group as a whole, on pages 54 to 60 of the group's annual report which does not form part of this report.

On behalf of the Board



B. Williams
Director

The AkzoNobel Building
Wexham Road
Slough
United Kingdom
SL2 5DS

2nd March 2021

Directors' Report

The directors present the Directors' Report and the audited financial statements for year ended 31 December 2019.

Dividend

The directors do not recommend the payment of dividend for the year (2018: £nil).

Going concern

Since the outbreak of COVID-19 in the first quarter of 2020, global financial markets have experienced, and may continue to experience significant volatility and there are significant consequences for the global economy from travel and border restrictions, quarantines, supply chain disruptions, lower consumer demand and general market uncertainty. The extent and duration of the impact of COVID-19 on the global economy and the sectors in which the Company and its fellow group companies operate is uncertain at this time.

As of the signing date of these financial statements management was not aware of any material adverse effects on the financial statements for the year ended December 31, 2019 as a result of COVID-19. Management will continue to monitor the situation and the impact on the Company.

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.

Directors

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

S. Ray

M. Smalley

D. Turner (resigned 1 September 2020)

B. Williams (appointed 1 September 2020)

Political contributions

The Company made no political contributions during the current or previous financial year. The Company's directly owned subsidiaries made no political contributions during the current or previous financial 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 2019, pages 107 to 110 and may be obtained from Velperweg 76, PO Box 9300, 6800 SB Arnhem, The Netherlands.

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.

Future developments

The directors are of the opinion that the Company is in a position to continue its principal activities during 2020 and 2021.

Directors' Report (continued)

Statement of directors' responsibilities in respect of 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 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 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.

Directors' confirmations

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.

On behalf of the Board



B. Williams
Director

The AkzoNobel Building
Wexham Road
Slough
United Kingdom
SL2 5DS

2nd March 2021

Independent auditors' report to the members of Akzo Nobel ICI Holdings

Report on the audit of the financial statements

Opinion

In our opinion, Akzo Nobel ICI Holdings's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2019 and of its loss 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 2019; the Statement of Comprehensive Income and 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.

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.

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 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.

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.

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 Strategic Report and 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.

Independent auditors' report to the members of Akzo Nobel ICI Holdings (continued)

Strategic Report and Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and Directors' Report for the year ended 31 December 2019 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 Strategic Report and 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 financial statements set out on page 3, 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. 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.

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.



Miles Saunders (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Reading
2 March 2021

Statement of Comprehensive Income
for the year ended 31 December 2019

	<i>Note</i>	2019 £m	2018 £m
Interest receivable and similar income	6	283	282
Interest payable and similar expenses	7	(410)	(406)
		<hr/>	<hr/>
Loss before taxation		(127)	(124)
Tax on loss	8	24	24
		<hr/>	<hr/>
Loss for the financial year		(103)	(100)
		<hr/>	<hr/>
Total comprehensive expense for the year		(103)	(100)
		<hr/>	<hr/>

Balance Sheet
at 31 December 2019

	<i>Note</i>	2019 £m	2018 £m
Fixed assets			
Investments	9	5,591	5,591
Current assets			
Debtors (including £7,166,822,000 (2018: £7,135,099,000) due after more than one year)	10	8,497	7,945
Creditors: amounts falling due within one year	11	(1,156)	(773)
Net current assets		7,341	7,172
Total assets less current liabilities		12,932	12,763
Creditors: amounts falling due after more than one year	12	(12,722)	(12,450)
Net assets		210	313
Capital and reserves			
Called up share capital	14	2,885	2,885
Accumulated losses		(2,675)	(2,572)
Total shareholders' funds		210	313

The notes on pages 9 to 20 are an integral part of these financial statements.

These financial statements on pages 6 to 20 were authorised for issue by the board of directors on 2nd March 2021 and were signed on its behalf by:



B. Williams

Director

Statement of Changes in Equity
for the year ended 31 December 2019

	Called up share capital £m	Accumulated losses £m	Total shareholders' funds £m
Balance at 1 January 2018	2,885	(2,472)	413
Loss for the financial year	-	(100)	(100)
Total comprehensive expense for the year	-	(100)	(100)
Balance at 31 December 2018	2,885	(2,572)	313

	Called up share Capital £m	Accumulated losses £m	Total shareholders' funds £m
Balance at 1 January 2019	2,885	(2,572)	313
Loss for the financial year	-	(103)	(103)
Total comprehensive expense for the year	-	(103)	(103)
Balance at 31 December 2019	2,885	(2,675)	210

Notes to the Financial Statements

1 General information

Akzo Nobel ICI Holdings (the "Company") is a private unlimited Company and is incorporated and domiciled in the England, UK. The Company registration number is 6535182 and the registered office address is The AkzoNobel Building, Wexham Road, Slough, United Kingdom, SL2 5DS.

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.

2.2 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.

Notes to the Financial Statements *(continued)*

2 Accounting policies *(continued)*

2.3 New standards, amendments and IFRIC interpretations

In 2019 the most significant change in accounting policies adopted by the AkzoNobel Group relate to adoption of IFRS 16 "Leases". IFRS 16 replaces the previous standard on lessee accounting for leases. It requires lessees to bring most leases on balance sheet in a single lease accounting model, recognizing a right-of-use asset and a lease liability. The implementation of IFRS 16 has not led to a recognition of right-of-use assets and a lease liability as at 1 January 2019.

2.4 Debtors

Amounts receivable are amounts due from group companies for services performed in the ordinary course of business. If collection is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Amounts receivable are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

The impairment is calculated using the simplified approach which requires recognition of lifetime expected credit loss (no tracking of changes in credit risk).

2.5 Creditors

Amounts payable are amounts due to group companies for services that have been acquired in the ordinary course of business.

Amounts payable are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

2.6 Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowings using the effective interest method.

2.7 Investments in subsidiaries and associated undertakings

Investments in subsidiaries and associates are held at cost less accumulated impairment losses. Investments are annually reviewed and considered for impairment if events or changes in circumstances indicate that the carrying amount may not be recoverable. As the Company is exempt from preparing consolidated financial statements, it has also taken the exemption under IAS 28 from applying the equity method of accounting to its investments in associates.

2.8 Current and deferred tax

The tax expense for the period comprises current and deferred tax. Tax is recognised 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.

Notes to the Financial Statements *(continued)*

2 Accounting policies *(continued)*

2.8 Current and deferred tax *(continued)*

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.

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.

3.1 Critical accounting estimates and assumptions

The company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

(a) Impairment of debtors

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

(b) Impairment of investments

When assessing impairment of non-financial assets, management considers factors including the net asset value, nature of the entity, historical experience (such as political environment) and future cash flows. Future cash flows are estimated and inherently uncertain.

(c) Deferred tax asset recognition

Deferred tax assets are only recognised on losses to the extent that future probable taxable profits will be available against which the deferred tax asset can be utilised. This is based upon future taxable profit forecasts of the Company.

4 Directors and employees

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.

No individuals were employed by the Company in either year.

5 Expenses and auditors' remuneration

There is no charge for the remuneration of auditors' in the financial statements of the Company as the auditors' fee of £13,770 (2018: £13,000) in relation to the audit of this Company was borne by another group company and is not recharged.

6 Interest receivable and similar income

	2019	2018
	£m	£m
Interest receivable from group undertakings	283	282
	<u>283</u>	<u>282</u>

7 Interest payable and similar expenses

	2019	2018
	£m	£m
Interest payable to group undertakings	(410)	(406)
	<u>(410)</u>	<u>(406)</u>

Notes to the Financial Statements *(continued)*

8 Tax on loss

Recognised in statement of comprehensive income

<i>Analysis of credit in year</i>	2019 £m	2018 £m
<i>UK corporation tax</i>		
Current tax credit for the year	24	24
Tax on loss	<u>24</u>	<u>24</u>

Reconciliation of effective tax rate

	2019 £m	2018 £m
Loss before taxation	(127)	(124)
Tax using UK corporation tax rate 19% (2018: 19%)	24	24
Total tax credit	<u>24</u>	<u>24</u>

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 rate applicable for 2018 and 2019 was 19.0%. The rate applied to deferred tax balances is 17% as these balances are not expected to be utilised until after this rate takes effect.

In the Budget Statement on March 2020 the corporation rate tax was confirmed as 19% and the previously substantively enacted rate change to 17% from April 2020 was over written with this 19% tax rate. This change had not been substantively enacted as per these financial statements balance sheet date and has no impact on these financial statements.

Notes to the Financial Statements (continued)

9 Investments

	Shares in group undertakings £m
Cost	
At beginning of year	8,103
Additions	-
At end of year	8,103
Provisions	
At beginning of year	(2,512)
Impairment losses	-
At end of year	(2,512)
Net book value	
At 31 December 2019	5,591
At 31 December 2018	5,591

The Company, which is incorporated in England and Wales, and in which the Company's interest at the balance sheet date is more than 20% is as follows:

Subsidiary undertakings	Country of Incorporation	Class of shares held	Ownership	
			2018	2017
Akzo Nobel India Limited*	India	Equity	49.24%	49.24%
Akzo Nobel (NASH) Limited*	England and Wales	Ordinary	100%	100%
Akzo Nobel (NSC) Limited*	England and Wales	Ordinary	100%	100%
Akzo Nobel Packaging Coatings Limited*	England and Wales	Ordinary	100%	100%
Akzo Nobel Paints (Asia Pacific) Pte Ltd*	Singapore	Ordinary	-	100%
Akzo Nobel Paints Lanka (PVT) Limited*	Sri Lanka	Ordinary	50.6%	50.6%
Akzo Nobel Paints (Malaysia) Sdn. Bhd.*	Malaysia	Ordinary	59.95%	59.95%
Akzo Nobel Paints Vietnam Ltd*	Vietnam	Ordinary	100%	100%
Cuprinol Limited *	England and Wales	Ordinary	100%	100%
Dulux Botswana (Pty) limited*	Botswana	Class A	100%	100%
		Class B	100%	100%
Dulux Limited*	England and Wales	Ordinary	100%	100%
Dulux Swaziland (Pty) Limited*	Swaziland	Capital	100%	100%
Dulux Zambia (2005) Limited*	Zambia	Ordinary	100%	100%
Ergon Investments International Limited*	England and Wales	Ordinary	100%	100%
Ergon Investments UK Limited*	England and Wales	Ordinary	100%	100%
Hammerite Products Limited*	England and Wales	Ordinary	100%	100%
Horseferry Investments Limited*	England and Wales	Ordinary	100%	100%
ICHEM Reinsurance Company Limited*	Cayman Islands	Ordinary	100%	100%
ICI Chemicals & Polymers Limited*	England and Wales	Ordinary	100%	100%
ICI Fertilisers (Ireland) Limited*	Ireland	Ordinary	99.9%	99.9%
ICI Finance Limited*	England and Wales	Ordinary	100%	100%
		Preference	100%	100%

Notes to the Financial Statements (continued)

9 Investments (continued)

Subsidiary undertakings	Country of Incorporation	Class of shares held	Ownership	
			2018	2017
ICI India Research and Technology Centre*	India	Voting Only	25%	25%
ICI Insurance Company Limited*	Cayman Islands	Ordinary	100%	100%
ICI International Investments Limited*	Cayman Islands	Ordinary	100%	100%
ICI International Limited*	England and Wales	Ordinary	100%	100%
ICI Ireland Limited*	Ireland	Ordinary	100%	100%
ICI Kern**	Venezuela	Ordinary	55%	55%
ICI Limited*	England and Wales	Ordinary	100%	100%
ICI North America Limited*	England and Wales	Ordinary	100%	100%
ICI Paints (Trade Contract) Limited*	England and Wales	Ordinary	100%	100%
ICI Theta BV*	Netherlands	Ordinary	100%	100%
Imperial Chemical Industries Limited	England and Wales	Ordinary	100%	100%
Intex Yarns (Manufacturing) Limited*	England and Wales	Ordinary	100%	100%
J.P. McDougall & Co. Limited*	England and Wales	Ordinary	100%	100%
Metlac S.p.A.*	Italy	Ordinary	44.44%	44.44%
Mortar Investments International Limited*	England and Wales	Ordinary	100%	100%
Mortar Investments UK Limited*	England and Wales	Ordinary	99.9%	99.9%
Pinturas Coral De Bolivia Ltda*	Bolivia	Ordinary	99%	99%
Polycell Products Limited*	England and Wales	Ordinary	100%	100%
Quest International (Dublin) Limited*	Ireland	Ordinary	100%	100%
Sales Support Group Limited*	England and Wales	Ordinary	100%	100%
Scottish Agricultural Industries Limited*	England and Wales	Ordinary	100%	100%
Deeside Coatings Limited	England and Wales	Ordinary	100%	100%
Stevenston Holdings Limited*	England and Wales	Ordinary	100%	100%

Subsidiary undertakings	Registered Office Address	Limited shares or guarantee	by Registration or number	Public or private
Akzo Nobel India Limited*	Geetanjali Apartment, 8 B, Middleton Street Kolkata 700 071 India	Shares	L24292WB19 54PLC021516	Public
Akzo Nobel (NASH) Limited*	The AkzoNobel Building, Wexham Road Slough SL2 5DS United Kingdom	Shares	1000836	Private
Akzo Nobel (NSC) Limited*	The AkzoNobel Building, Wexham Road Slough SL2 5DS United Kingdom	Shares	226707	Private
Akzo Nobel Packaging Coatings Limited*	The AkzoNobel Building, Wexham Road Slough SL2 5DS United Kingdom	Shares	59837	Private
Akzo Nobel Paints Lanka (PVT) Limited*	CIC House, 199 Kew Road Colombo 2 Sri Lanka	Shares	PV 4610	Private
Akzo Nobel Paints (Malaysia) Sdn. Bhd.*	Lot 5827, Kawasan Perindustrian Nilai Nilai 71800 Malaysia	Shares	3393-V	Private

Notes to the Financial Statements *(continued)*

9 Investments *(continued)*

Subsidiary undertakings	Registered Office Address	Limited by shares or guarantee Shares	Registration number	Public or private
Akzo Nobel Paints Vietnam Ltd*	Lot E-1-CN, My Phuoc II Industrial Park, Ben Cat District Binh Duong Vietnam		462043000572	Private
Cuprinol Limited *	The AkzoNobel Building, Wexham Road Slough SL2 5DS United Kingdom	Shares	272308	Private
Deeside Coatings Limited	The AkzoNobel Building, Wexham Road Slough SL2 5DS United Kingdom	Shares	10278659	Private
Dulux Botswana (Pty) limited*	Haile Selassie Road Gaborone Botswana	Shares	Co. 1855	Private
Dulux Limited*	The AkzoNobel Building, Wexham Road Slough SL2 5DS United Kingdom	Shares	2048463	Private
Dulux Swaziland (Pty) Limited*	10th Street Industrial Site Matsapha Swaziland	Shares	7/1966	Private
Dulux Zambia (2005) Limited*	Plot no. 290 Nampungwe Road, Off Mumbwa Road, Chinika Lusaka 10101 Zambia	Shares	60107	Private
Ergon Investments International Limited*	The AkzoNobel Building, Wexham Road Slough SL2 5DS United Kingdom	Shares	2074788	Private
Ergon Investments UK Limited*	The AkzoNobel Building, Wexham Road Slough SL2 5DS United Kingdom	Shares	2074787	Private
Hammerite Products Limited*	The AkzoNobel Building, Wexham Road Slough SL2 5DS United Kingdom	Shares	2781134	Private
Horseferry Investments Limited*	The AkzoNobel Building, Wexham Road Slough SL2 5DS United Kingdom	Shares	2306148	Private
ICHEM Reinsurance Company Limited*	94 Solaris Avenue, Second Floor, PO Box 69 Camana Bay Cayman Islands	Shares	#1070	Private

Notes to the Financial Statements (continued)

9 Investments (continued)

Subsidiary undertakings	Registered Office Address	Limited by shares or guarantee	Shares	Registration number	Public or private
ICI Chemicals & Polymers Limited*	The AkzoNobel Building, Wexham Road Slough SL2 5DS United Kingdom			358535	Private
ICI Fertilisers (Ireland) Limited*	Courthouse Chambers, 27/29 Washington Street Cork Ireland	Shares	115416		Private
ICI Finance Limited*	The AkzoNobel Building, Wexham Road Slough SL2 5DS United Kingdom	Shares	45690		Private
ICI India Research and Technology Centre*	Plot No. 1/1, TTC Industrial Area, Thane Belapur Road, 12 Koparkhaim Navi Mumbai 400709 India	Shares		U73100MH19 76PTC019199	Private
ICI Insurance Company Limited*	94 Solaris Avenue, Second Floor, PO Box 69 Camana Bay Cayman Islands	Shares	#2475		Private
ICI International Investments Limited*	PO Box 309 Uglan House, South Church Street George Town KY1-1104 Cayman Islands	Shares	26631		Private
ICI International Limited*	The AkzoNobel Building, Wexham Road Slough SL2 5DS United Kingdom	Shares	2766927		Private
ICI Ireland Limited*	Shandon Works, Commons Road Cork Ireland	Shares	196184		Private
ICI Kern**	Edificio Kern Arda, Prinsipal Los Cortijos de Lourde, Aparto 1567, Caracas Venezuela	Shares	N/A		Private
ICI Limited*	The AkzoNobel Building, Wexham Road Slough SL2 5DS United Kingdom	Shares	1852101		Private
ICI North America Limited*	The AkzoNobel Building, Wexham Road Slough SL2 5DS United Kingdom	Shares	989786		Private

Notes to the Financial Statements *(continued)*

9 Investments (continued)

Subsidiary undertakings	Registered Office Address	Limited by shares or guarantee Shares	Registration number	Public or private
ICI Paints (Trade Contract) Limited*	Manchester Road, West Timperley Altrincham WA14 5PG United Kingdom		2881641	Private
ICI Theta BV*	The AkzoNobel Building, Wexham Road Slough SL2 5DS United Kingdom	Shares	24171758	Private
Imperial Chemical Industries Limited	The AkzoNobel Building, Wexham Road Slough SL2 5DS United Kingdom	Shares	218019	Private
Intex Yarns (Manufacturing) Limited*	The AkzoNobel Building, Wexham Road Slough SL2 5DS United Kingdom	Shares	137784	Private
J.P. McDougall & Co. Limited*	Manchester Road, West Timperley Altrincham WA14 5PG United Kingdom	Shares	254941	Private
Metlac S.p.A.*	Strada Statale 35 Bis dei Giovi Bosco Marengo 53-15062 Italy	Shares	01264360064	Private
Mortar Investments International Limited*	The AkzoNobel Building, Wexham Road Slough SL2 5DS United Kingdom	Shares	2767051	Private
Mortar Investments UK Limited*	The AkzoNobel Building, Wexham Road Slough SL2 5DS United Kingdom	Shares	2767052	Private
Pinturas Coral De Bolivia Ltda*	Parque Industrial Pi 24 Santa Cruz de la Sierra Bolivia	Shares	NIT 1015213026	Private
Polycell Products Limited*	The AkzoNobel Building, Wexham Road Slough SL2 5DS United Kingdom	Shares	521214	Private

Notes to the Financial Statements (continued)

9 Investments (continued)

Subsidiary undertakings	Registered Office Address	Limited by shares or guarantee	Registration number	Public or private
Quest International (Dublin) Limited*	Shandon Works, Commons Road Cork Ireland	Shares	37960	Private
Sales Support Group Limited*	Manchester Road, West Timperley Altrincham WA14 5PG United Kingdom	Shares	891336	Private
Scottish Agricultural Industries Limited*	Dundas & Wilson CS LLP, Saltire Court, 20 Castle Terrace Edinburgh EH1 2EN United Kingdom	Shares	15365	Private
Stevenston Holdings Limited*	Dundas & Wilson CS LLP, Saltire Court, 20 Castle Terrace Edinburgh EH1 2EN United Kingdom	Shares	SC48881	Private

*Held by Subsidiaries

**Equity

The directors have reviewed the carrying amount of the Company's investments for impairment triggers. No impairment charge was recorded during the year (2018: nil).

10 Debtors

	2019	2018
	£m	£m
Amounts owed by group undertakings	8,427	7,897
Group relief receivable	70	48
	<u>8,497</u>	<u>7,945</u>
Due within one year	1,330	810
Due after more than one year	7,167	7,135
	<u>8,497</u>	<u>7,945</u>

Amounts owed by group undertakings include intercompany loans totalling £8,277,598,000 (2018: £7,741,153,000), maturing between 15 September 2020 and 15 August 2025. Average interest is fixed at 3.4% (2018: 4.5%).

Equivalent consideration will be received from fellow group companies to settle group relief balances.

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

Notes to the Financial Statements *(continued)*

11 Creditors: amounts falling due within one year

	2019	2018
	£m	£m
Amounts owed to group undertakings	(1,156)	(773)

Amounts owed to group undertakings include intercompany loans totalling £679,916,000 (2018: £236,000,000), maturing between 16 September 2020 and 17 September 2020. Average interest is fixed at 0.49% (2018: 2.75%).

Amounts owed to group undertakings include a balance of £315,553,000 (2018: £375,840,000) that is repayable on demand. Interest is charged monthly based on 1 month LIBOR plus a spread of -10 basis points.

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

12 Creditors: amounts falling due after more than one year

	2019	2018
	£m	£m
Amounts owed to group undertakings	(12,722)	(12,450)

Amounts owed to group undertakings include intercompany loans totalling £12,722,000,000 (2018: £12,450,000,000), maturing between 15 June 2022 and 15 August 2025. Average interest is fixed at 3.20% (2018: 2.75%).

13 Deferred tax

Deferred tax assets are only recognised on losses to the extent that future probable taxable profits will be available against which the deferred tax asset can be utilised. Based upon future taxable profit forecasts of the Company, gross cumulative tax losses of £660,919,149 (2018: £660,919,149) with an equivalent deferred tax asset value of £112,356,255 (2018: £112,356,255) was unrecognised.

14 Called up share capital

	2019	2018
	£m	£m
<i>Authorised, allotted, called up and fully paid</i>		
2,885,318,822 (2018: 2,885,318,822) ordinary shares of £1 each	2,885	2,885

15 Immediate and ultimate parent company

The immediate and ultimate parent company of the Company is Akzo Nobel N.V., a company incorporated in the Netherlands.

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

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

Notes to the Financial Statements *(continued)*

16 Post balance sheet events

Since the outbreak of COVID-19 in the first quarter of 2020, global financial markets have experienced, and may continue to experience significant volatility and there are significant consequences for the global economy from travel and border restrictions, quarantines, supply chain disruptions, lower consumer demand and general market uncertainty. The extent and duration of the impact of COVID-19 on the global economy and the sectors in which the Company and its fellow group companies operate is uncertain at this time.

As of the signing date of these financial statements management was not aware of any material adverse effects on the financial statements for the year ended December 31, 2019 as a result of COVID-19. Management will continue to monitor the situation and the impact on the Company.

On 15 September 2020 the Company entered into a new intercompany loan agreement with Akzo Nobel Limited, a borrower, for £619,147,934 which matures on 15 September 2021. Interest is fixed at 1.2%.

On 17 September 2020 the Company entered into a new intercompany loan agreement with Ergon Investment UK Limited, a borrower, for £471,904,725 which matures on 15 September 2021. Interest is fixed at 1.19%.

On 16 September 2020 the Company entered into a new intercompany loan agreement with Akzo Nobel limited, a borrower, for £31,464,536 which matures on 15 September 2021. Interest is fixed at 1.2%.

On 17 September 2020 the Company entered into a new intercompany loan agreement with Ergon Investments International limited, a lender, for £299,380,417 which matures on 15 September 2021. Interest is fixed at 1.19%.

On 16 September 2020 the Company entered into a new intercompany loan agreement with ICI Chemicals & Polymers limited, a lender, for £10,149,850 which matures on 16 September 2021. Interest is fixed at 1.2%.

On 15 September 2020 the Company entered into a new intercompany loan agreement with Akzo Nobel Packaging Coatings limited, a lender, for £40,599,401 which matures on 15 September 2021. Interest is fixed at 1.2%.

On 17 September 2020 the Company entered into a new intercompany loan agreement with ICI Theta B.V., a lender, for £108,588,829 which matures on 15 September 2021. Interest is fixed at 1.19%.

On 17 September 2020 the Company entered into a new intercompany loan agreement with Mortar Investments International Limited, a lender, for £208,044,019 which matures on 15 September 2021. Interest is fixed at 1.19%.

On 16 September 2020 the Company entered into a new intercompany loan agreement with Akzo Nobel Holdings Limited, a lender, for £20,299,700 which matures on 15 September 2021. Interest is fixed at 1.2%.