

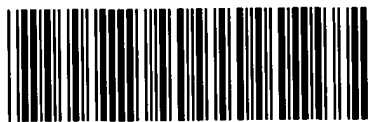
Akzo Nobel UK Ltd

Annual Report and Financial Statements

Registered number 128124

31 December 2017

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Contents

	Page(s)
Directors' Report	1-3
Independent auditors' report to the members of Akzo Nobel UK Ltd	4-6
Statement of Comprehensive Income	7
Balance Sheet	8
Statement of Changes in Equity	9
Notes to the Financial Statements	10-26

Directors' Report

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

Strategic Report

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

Principal Activities

The Company acts as a holding company; provides corporate services to the wider AkzoNobel UK group of companies; and performs legacy management activities relating to the former operations of the Company. This includes ownership of a number of sites, environmental remediation of owned or previously owned sites and the processing and management of employer's liability claims. The Company continues to be the principal employer of the Akzo Nobel (CPS) Pension Scheme ("CPS").

Business Review

The Company made a loss of £7.2 million for the financial year (2016: *profit £48.7 million*), and has net assets of £688.3 million as at the 31 December 2017 (2016: *£506.9 million*).

Post Balance Sheet Event

On 26th March 2018, the Company entered into a deed of assignment in which Akzo Nobel NV assigned its interest in an Option Agreement over certain UK land assets to the Company. On the same day, the Company entered into a Deed of Settlement with various third parties in which the Company agreed to terminate its call rights as set out in the Option Agreement for a payment of €20,000,000.

Dividends

The directors did not pay an interim dividend during the year, (2016: *£nil*) nor do the directors recommend the payment of a final dividend (2016: *£nil*).

Directors

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

B. Kaster	(resigned 31 December 2017)
R.H. Moss	(resigned 31 December 2017)
M. Smalley	
M. Trueblood	
D. Turner	(appointed 2 January 2018)

Political Contributions

Neither the Company nor any of its subsidiaries made any political donations or incurred any political expenditure during the current or prior year.

Post-retirement Benefits

The Company is the principal employer of the Akzo Nobel (CPS) Pension Scheme ("CPS"), a defined benefit pension scheme. It is closed to new entrants and is managed and controlled by independent trustees. The funded status of the scheme is affected by the trustees' investment decisions, market conditions, demographic experience and any regulatory actions. It requires additional funding (top up contributions) to address a funding deficit determined in the previous triennial funding valuation along with regular contributions at agreed rates. Changes in the funding deficit may adversely impact our business and results. AkzoNobel practises proactive pension risk management and continuously reviews options to reduce the financial risks associated with defined benefit schemes. From April 2013 the Company has assumed responsibility for certain pension administration costs on behalf of all CPS participating employers. Costs incurred for 2017 amounted to £4.6 million (2016: *£3.8 million*). The assets and liabilities of the scheme are recorded on the balance sheet of the Company.

Directors' Report *(continued)*

Financial Risk Management

Financial risk includes price risk, credit risk, liquidity risk and cash flow risk. These are addressed and managed at a group level as disclosed in the AkzoNobel Report 2017, pages 31 to 35 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 in 2018.

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

The directors are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement of disclosure of information to auditors

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.

Directors' Report *(continued)*

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



M. Smalley
Director

The AkzoNobel Building
Wexham Road
Slough
SL2 5DS
United Kingdom

09 August 2018

Independent auditors' report to the members of Akzo Nobel UK Limited

Report on the audit of the financial statements

Opinion

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

- give a true and fair view of the state of the company's affairs as at 31 December 2017 and of its 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 2017, the Statement of Comprehensive Income for the year ended, 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 when:

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

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

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.

Independent auditors' report to the members of Akzo Nobel UK Limited (continued)

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

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

Directors' Report

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

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

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

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

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

Auditors' responsibilities for the audit of the financial statements

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

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. 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.

Independent auditors' report to the members of Akzo Nobel UK Limited *(continued)*

Entitlement to exemptions

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

Miles Saunders

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

Statement of Comprehensive Income
for the year ended 31 December 2017

	<i>Note</i>	2017 £m	2016 £m
Administrative expenses	4	(4.9)	(5.9)
Other operating income	4	4.8	56.0
Operating (loss) / profit		(0.1)	50.1
Interest receivable and similar income	6	12.2	6.9
Interest payable and similar expenses	7	(0.1)	-
Profit before taxation		12.0	57.0
Tax on profit	8	(19.2)	(8.3)
(Loss) / profit for the financial year		(7.2)	48.7
Other comprehensive income / (expense) for the year			
Items that will not be reclassified to statement of comprehensive income			
Remeasurements of defined benefit liability		226.9	(72.8)
Income tax on remeasurement of defined benefit liability		(38.3)	12.4
Other comprehensive income / (expense) for the year, net of tax		188.6	(60.4)
Total comprehensive income / (expense) for the year		181.4	(11.7)

The results for both the current and preceding years relate to continuing operations.

Balance Sheet
at 31 December 2017

	<i>Note</i>	2017 £m	2016 £m
Non-current assets			
Tangible assets	<i>9</i>	0.2	0.2
Investments	<i>10</i>	28.5	28.3
Net defined benefit asset	<i>15</i>	467.4	167.0
		<hr/> 496.1	<hr/> 195.5
Current assets			
Debtors (including £302,000,000 (2016: £nil) due after more than one year)	<i>11</i>	311.1	476.0
Creditors: amounts falling due within one year	<i>12</i>	(36.2)	(140.3)
Provisions (current)	<i>14</i>	(0.7)	(0.8)
		<hr/> 274.2	<hr/> 334.9
Net current assets			
		<hr/> 770.3	<hr/> 530.4
Total assets less current liabilities			
Provisions for liabilities			
Deferred tax liability	<i>13</i>	(79.3)	(20.2)
Provisions	<i>14</i>	(1.8)	(2.4)
Pension liability	<i>14</i>	(0.9)	(0.9)
		<hr/> 688.3	<hr/> 506.9
Net assets			
Capital and reserves			
Called up share capital	<i>16</i>	103.9	103.9
Share premium account		159.3	159.3
Retained earnings		425.1	243.7
		<hr/> 688.3	<hr/> 506.9
Total Shareholders' funds			
		<hr/> 688.3	<hr/> 506.9

The notes on pages 10 to 26 are an integral part of these financial statements.

These financial statements on pages 7 to 26 were authorised for issue by the board of directors on 09 August 2018 and were signed on its behalf by:



M. Smalley
Director

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

	Called up share capital £m	Share premium account £m	Retained earnings £m	Total shareholders' funds £m
Balance at 1 January 2016	103.9	159.3	255.4	518.6
Profit for the financial year	-	-	48.7	48.7
Other comprehensive expense for the year				
Remeasurements of defined benefit liability	-	-	(72.8)	(72.8)
Income tax on defined benefit liability	-	-	12.4	12.4
Total comprehensive expense for the financial year	-	-	(11.7)	(11.7)
Balance at 31 December 2016	103.9	159.3	243.7	506.9

	Called up share capital £m	Share premium account £m	Retained earnings £m	Total shareholders' funds £m
Balance at 1 January 2017	103.9	159.3	243.7	506.9
Loss for the financial year	-	-	(7.2)	(7.2)
Other comprehensive expense for the year				
Remeasurements of defined benefit liability	-	-	226.9	226.9
Income tax on defined benefit liability	-	-	(38.3)	(38.3)
Total comprehensive expense for the financial year	-	-	181.4	181.4
Balance at 31 December 2017	103.9	159.3	425.1	688.3

Notes to the Financial Statements

1 General information

Akzo Nobel UK Ltd (the “Company”) is a private company limited by shares and is incorporated and domiciled in the UK. The Company registration number is 128124 and the registered office address is The AkzoNobel Building, Wexham Road, Slough, SL2 5DS, England.

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 pound sterling. The amendments to FRS 101 (2013/14 Cycle) issued in July 2015 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.

The financial statements are prepared on the historical cost basis, except for net defined benefit asset/liability, which is measured at fair value of plan assets less the present value of the defined benefit plan obligation, as explained in Note 2.11. Non-current assets are stated at the lower of previous carrying amount and fair value less costs to sell.

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 s400 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; and
- 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.

Notes to the Financial Statements *(continued)*

2 Accounting policies *(continued)*

2.2 *Going concern*

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

2.3 *New standards, amendments and IFRIC interpretations*

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

2.4 *Foreign currency translation*

(a) Functional and presentation currency

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

(b) Transactions and balances

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

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

2.5 *Tangible fixed assets*

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses.

Where parts of an item of tangible fixed assets have different useful lives, they are accounted for as separate items of tangible fixed assets.

Leases in which the Company assumes substantially all the risks and rewards of ownership of the leased asset are classified as finance leases. Where land and buildings are held under leases the accounting treatment of the land is considered separately from that of the buildings. Leased assets acquired by way of finance lease are stated at an amount equal to the lower of their fair value and the present value of the minimum lease payments at inception of the lease, less accumulated depreciation and less accumulated impairment losses.

Depreciation is charged to the profit and loss account on a straight-line basis over the estimated useful lives of each part of an item of tangible fixed assets. Land is not depreciated. The estimated useful lives are as follows:

Plant and equipment - 5% - 20% per annum

Depreciation methods, useful lives and residual values are reviewed at each balance sheet date.

Notes to the Financial Statements *(continued)*

2 Accounting policies *(continued)*

2.6 Investments in subsidiaries and associated undertakings

Investments in subsidiaries, associates and joint ventures 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.

2.7 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.

2.8 Creditors

Creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers or group companies.

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

2.9 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.

2.10 Current and deferred tax

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

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

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

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

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

Notes to the Financial Statements *(continued)*

2 Accounting policies *(continued)*

2.11 Employee Benefits

Defined contribution plans

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

Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Company's net obligation in respect of defined benefit pension plan is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value, and the fair value of any plan assets (at bid price) are deducted. The Company determines the net interest on the net defined benefit liability/(asset) for the year by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the net defined benefit liability/(asset).

The discount rate is the yield at the reporting date on bonds that have a credit rating of at least AA that have maturity dates approximating the terms of the Company's obligations and that are denominated in the currency in which the benefits are expected to be paid.

Remeasurements arising from defined benefit plans comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest). The Company recognises them immediately in other comprehensive income and all other expenses related to defined benefit plans in employee benefit expenses in profit or loss.

When the benefits of a plan are changed, or when a plan is curtailed, the portion of the changed benefit related to past service by employees, or the gain or loss on curtailment, is recognised immediately in profit or loss when the plan amendment or curtailment occurs.

The calculation of the defined benefit obligations is performed by a qualified actuary using the projected unit credit method. When the calculation results in a benefit to the Company, the recognised asset is limited to the present value of benefits available in the form of any future refunds from the plan or reductions in future contributions and takes into account the adverse effect of any minimum funding requirements.

The Company is the sponsoring employer of a group wide defined benefit pension plan. As there is no contractual agreement or stated group policy for charging the net defined benefit cost of the plan to participating entities, the net defined benefit cost of the pension plan is recognised fully by the sponsoring employer, which is the Company. The contributions payable in respect of active members by the participating entities are determined following each triennial valuation conducted by a qualified independent actuary, and charged as a percentage of salary costs. The Company recognises non sponsoring entity contributions in its statement of comprehensive income, as a net deduction against the defined benefit pension plan costs. If non sponsoring entity contributions exceed the current service cost, the excess of contributions over current service cost, are recorded in other comprehensive income.

As the Company has an unconditional right to any surplus of the scheme it recognises an asset as the amount of the surplus at the balance sheet that it has the right to receive as a refund. This is the fair value of the plan assets less the present value of the defined benefit obligation.

2.12 Provisions

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

Notes to the Financial Statements *(continued)*

2 Accounting policies *(continued)*

2.13 Interest income

Interest income is recognised using the effective interest method. When a loan and receivable is impaired, the company reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument, and continues unwinding the discount as interest income. Interest income on impaired loan and receivables is recognised using the original effective interest rate.

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) Investments

Each year and when there is an indicator of impairment, the Company carries out impairment tests of its investments in subsidiaries which require estimates to be made of the value in use of each entity. These values in use calculations are dependent on estimates of future cash flows, long-term growth rates and appropriate discount rates to be applied to future cash flows of the entity.

(b) Impairment of debtors

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

(c) Defined benefit pension scheme

The company has an obligation to pay pension benefits to certain employees. The cost of these benefits and the present value of the obligation depend on a number of factors, including; life expectancy, salary increases, asset valuations and the discount rate on corporate bonds. Management estimates these factors in determining the net pension obligation in the balance sheet. The assumptions reflect historical experience and current trends.

(d) Provisions

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

Notes to the Financial Statements *(continued)*

4 Administrative expenses

Operating profit is stated after charging:

	2017 £m	2016 £m
Wages and salaries	1.8	1.7
Social security costs	0.2	0.2
Other pension costs	0.3	0.3
	<u>2.3</u>	<u>2.2</u>
Release of pension accruals	-	(4.4)
Release of CPS unfunded pension provision	-	(1.3)
Other pension credit (note 15)	-	(49.4)
Release of provision for legal claims	(0.1)	(0.9)
Sales proceeds and overage on redundant properties	(4.7)	-

Other pension credit includes £nil (2016: £42.1m) of a past service gain recognised as plan amendments that were implemented in the CPS plan during the financial year.

Sales proceeds includes £4,282,661 in respect of a site which was being carried at £nil net book value..

Audit of these financial statements was £36,000 (2016: £33,000)

5 Employees and directors

Employees

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

	2017 Number	2016 Number
Corporate	<u>15</u>	<u>14</u>

Directors

The directors received no remuneration for their services to the Company in either year as their services to the Company are incidental to their services to the group.

6 Interest receivable and similar income

	2017 £m	2016 £m
Receivable from group undertakings	6.4	6.9
Net financing credit on post-employment benefit	5.8	-
	<u>12.2</u>	<u>6.9</u>

7 Interest payable and similar expenses

	2017 £m	2016 £m
Interest payable to group undertakings	0.1	-
	<u>0.1</u>	<u>-</u>

Notes to the Financial Statements *(continued)*

8 Tax on profit

Recognised in the statement of comprehensive income

<i>Analysis of charge in year</i>	2017 £m	2016 £m
<i>UK corporation tax</i>		
Current tax on income for the year	(1.7)	(0.4)
Prior year adjustment	3.3	(0.9)
Total current tax credit / (charge)	1.6	(1.3)
<i>Deferred tax (note 13)</i>		
Origination and reversal of temporary differences	(14.4)	(8.4)
Impact of change in the UK tax rate	1.7	1.4
Adjustments in respect of prior periods	(8.1)	-
Total deferred tax	(20.8)	(7.0)
Total tax charge	(19.2)	(8.3)

Income tax recognised in other comprehensive income

	2017 £m	2016 £m
Remeasurements of defined benefit asset	(38.3)	12.4
Tax charge on other comprehensive income	(38.3)	12.4

Reconciliation of effective tax rate

	2017 £m	2016 £m
Profit before taxation	12.0	57.0
Tax using the UK corporation tax rate of 19.25% (2016: 20%)	(2.3)	(11.4)
Non-taxable income	0.9	0.1
Non-deductible expenses	0.1	1.5
Contribution to defined benefit funding deficit	-	9.2
UK to UK transfer pricing adjustment	(14.8)	(9.1)
Reduction in tax rate on deferred tax balances	1.7	1.4
Adjustments in respect of prior periods	(4.8)	-
Total tax charge	(19.2)	(8.3)

Notes to the Financial Statements *(continued)*

8 Taxation *(continued)*

Factors that may affect future current and total tax charges

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

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

9 Tangible assets

	Freehold Land £m	Plant and Equipment £m	Total £m
<i>Cost</i>			
At beginning and end of year	0.1	0.2	0.3
	=====	=====	=====
<i>Accumulated depreciation</i>			
At beginning and end of year	-	(0.1)	(0.1)
	=====	=====	=====
<i>Net book value</i>			
At 31 December 2017	0.1	0.1	0.2
	=====	=====	=====
At 31 December 2016	0.1	0.1	0.2
	=====	=====	=====

10 Investments

	£m
<i>Cost</i>	
At beginning of year	29.1
Additions	0.2
	=====
At end of year	29.3
	=====
<i>Provisions</i>	
At beginning and end of year	(0.8)
	=====
<i>Net book value</i>	
At 31 December 2017	28.5
	=====
At 31 December 2016	28.3
	=====

The companies, in which the Company's interest at 31 December 2017 is more than 20%, are disclosed in note 18.

Notes to the financial statements *(continued)*

11 Debtors

	2017	2016
	£m	£m
Trade debtors	0.8	-
Amounts owed by group undertakings	309.1	473.7
Other debtors	1.2	1.8
Group relief receivable	-	0.5
	<u>311.1</u>	<u>476.0</u>

Due within one year	9.1	476.0
Due after more than one year	302.0	-

Amounts owed by group undertakings included an intercompany loan of £302,000,000 (2016: £467,000,000). The loan matures on 15 June 2025. Interest is fixed at 1.98%. The loan matured in 2017 and was refinanced. It is now classified as debtors due after more than one year.

Amounts owed by group undertakings include a balance of £2,919,631 (2016: creditor £57,281,834) that is repayable on demand. Interest is charged monthly based on 1 month LIBOR plus a spread of -10/+15 basis points.

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

12 Creditors: amounts falling due within one year

	2017	2016
	£m	£m
Trade creditors	1.6	-
Amounts owed to group undertakings	30.2	138.3
Other creditors	1.4	-
Accruals and deferred income	-	2.0
Group relief payable	3.0	-
	<u>36.2</u>	<u>140.3</u>

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

Group relief will be provided from fellow group members for equivalent consideration.

Notes to the Financial Statements (continued)

13 Deferred tax liabilities

Recognised deferred tax liabilities

Deferred tax liabilities are attributable to the following:

	2017 £m	2016 £m
Defined benefit scheme	(79.3)	(20.2)

Movement in deferred tax during the year

	1 January 2017 £m	Recognised in income £m	Recognised in OCI £m	31 December 2017 £m
Defined benefit scheme	(21.6)	(22.5)	(38.3)	(82.4)
Reduction in tax rate on deferred tax balances	1.4	1.7	-	3.1
	<u>(20.2)</u>	<u>(20.8)</u>	<u>(38.3)</u>	<u>(79.3)</u>

Movement in deferred tax during the prior year

	1 January 2016 £m	Recognised in income £m	Recognised in OCI £m	31 December 2016 £m
Defined benefit scheme	(25.6)	(8.4)	12.4	(21.6)
Reduction in tax rate on deferred tax balances	-	1.4	-	1.4
	<u>(25.6)</u>	<u>(7.0)</u>	<u>12.4</u>	<u>(20.2)</u>

14 Provisions for liabilities

	Acordis sale variation £m	Post retirement benefit provisions (note 15) £m	Other provisions £m	Total £m
At beginning of year	2.4	1.0	0.7	4.1
Utilised during the year	(0.5)	-	(0.2)	(0.7)
At end of year	<u>1.9</u>	<u>1.0</u>	<u>0.5</u>	<u>3.4</u>
Non-current	1.8	0.9	-	2.7
Current	0.1	0.1	0.5	0.7
	<u>1.9</u>	<u>1.0</u>	<u>0.5</u>	<u>3.4</u>

Acordis Sale Variation

Acordis are able to reclaim from the Company a proportion of their environmental remediation costs in relation to certain proposed remediation works, where these works had been notified to the Company prior to 31 December 2010. The exact amounts payable by the Company will depend on the Company agreeing to the type of remediation

Notes to the Financial Statements *(continued)*

14 Provisions for liabilities *(continued)*

required, the cost of the remediation incurred by Acordis, and at what date prior to 31 December 2010 they had notified the Company of the proposed remediation works.

At 31 December 2017, the provision for the total future variations to the sale price was £1.9 million and is expected to be fully utilised by the end of 2025.

Other Provisions

Other provisions relate to uninsured employer's liability claims made by former employees of the Company or employees of former subsidiaries of the Company. During the year the Company recorded a net movement of £0.3m of claims. The remaining balance of uninsured claims is £0.5 million and is expected to be fully utilised by the end of 2018.

15 Post-retirement benefit provisions

Post-retirement benefit provisions relate to defined benefit pension plans. There is a large funded pension plan called the Akzo Nobel (CPS) Pension Scheme ("CPS") and a small unfunded pension plan. The benefits of the pension plans are based primarily on years of service and final pensionable pay. The funding policy for the plans is consistent with local requirements in the United Kingdom.

Valuations of the obligations under the plans are carried out regularly by independent qualified actuaries. We accrue for the expected costs of providing such post-retirement benefits during the service years of the employees. Governance of the benefit plans is the responsibility of AkzoNobel's ExCo Pensions Committee. This committee provides oversight of the costs and risks of the plans including oversight of the impact of the plans on the company in terms of cash flow, pension expenses and the balance sheet. The Committee develops and maintains policies on benefit design, funding, asset allocation and assumption setting.

Pension plans

The CPS plan was closed to new members in 2004, although long-serving employees continue to accrue benefits. Other employees are eligible to join a defined contribution arrangement named the Akzo Nobel Benefit Builder Scheme. Unless mandated by law, it is AkzoNobel's policy that any new plans are established as defined contribution plans.

The most significant risks that we run in relation to defined benefit plans are that investment returns fall short of expectations, discount rates fall to low levels, that inflation exceeds expectations, and that retirees live longer than expected. The assets and liabilities of each plan are held outside of the company in a trust or a foundation, which is governed by a board of fiduciaries or trustees. CPS uses a corporate trustee called Akzo Nobel (CPS) Pension Trustee Limited, a company which is owned by Akzo Nobel UK Ltd. The primary objective with regard to the investment of pension plan assets is to ensure that the plan has sufficient funds available to satisfy future benefit obligations in accordance with local legal and legislative requirements. For this purpose, AkzoNobel works closely with plan trustees or fiduciaries to develop investment strategies. Studies are carried out periodically to analyse and understand the trade-off between expected investment returns, volatility of outcomes and the impact on cash contributions. The aim is to strike a cautious balance between these factors in order to agree affordable contribution schedules with plan fiduciaries. Plan assets principally consist of long-term interest-earning investments, an LDI portfolio, quoted equity securities and property. Derivatives (such as index futures, currency forward contracts and a longevity swap) are used to reduce volatility of underlying variables, for efficient portfolio management and to improve the liability matching characteristics of the assets. Limits have been set on the use of derivatives which are periodically subject to review for compliance with the pension fund's investment strategy.

In line with AkzoNobel's proactive pension risk management strategy, it seeks to reduce risk in its pension plans over time. Potential de-risking strategies and opportunities continue to be evaluated on an ongoing basis. Some future de-risking transactions may have both cash flow and balance sheet impacts which may be substantial, as have some of the de-risking actions already taken. The cost of fully removing risk would exceed estimated funding deficits. CPS has an insurance contract with SwissRe to hedge longevity risk in respect of a portion of its pensioners.

Other than CPS there is an unfunded pension scheme and a defined contribution arrangement named the Akzo Nobel Benefit Builder Scheme which provides benefits based on contributions made. The contributions paid to this plan totalled £149,000 in 2017 (2016: £152,000).

Notes to the Financial Statements *(continued)*

15 Post-retirement benefit provisions *(continued)*

Reconciliation balance sheet

	2017			2016		
	£m	£m	£m	£m	£m	£m
	DBO	Plan assets	Total	DBO	Plan assets	Total
Balance at the beginning of the year	(3,102.3)	3,268.3	166.0	(2,629.2)	2,772.3	143.1
Statement of income						
Current service cost	(9.2)	-	(9.2)	(8.5)	-	(8.5)
Past service cost	-	-	-	42.1	-	42.1
Net interest (charge)/income on net defined benefit (liability)/asset	(76.2)	82.0	5.8	(93.8)	101.1	7.3
Non sponsoring entity contributions	9.2	-	9.2	8.5	-	8.5
(Costs) / income recognised in statement of income	(76.2)	82.0	5.8	(51.7)	101.1	49.4
Remeasurements						
Actuarial gain due to liability experience	(7.4)	-	(7.4)	37.1	-	37.1
Actuarial gain/(loss) due to liability financial assumption changes	13.8	-	13.8	(581.5)	-	(581.5)
Actuarial gain due to liability demographic assumption changes	118.0	-	118.0	-	-	-
Return on plan assets greater than discount rate	-	101.2	101.2	-	469.5	469.5
Remeasurement effects recognised in other comprehensive income	124.4	101.2	225.6	(544.4)	469.5	(74.9)
Non sponsoring entity contributions to funding deficit recognised in other comprehensive income	1.3	-	1.3	2.1	-	2.1
Cash flow						
Employer contributions	-	78.3	78.3	-	56.9	56.9
Non sponsoring entity contributions to funding deficit	(1.3)	-	(1.3)	(2.1)	-	(2.1)
Non sponsoring entity regular contributions	(9.2)	-	(9.2)	(8.5)	-	(8.5)
Employee contributions	(0.1)	0.1	-	(0.1)	0.1	-
Benefits and administration costs paid from plan assets	152.0	(152.0)	-	131.6	(131.6)	-
Net cash flow	141.4	(73.6)	67.8	120.9	(74.6)	46.3
Balance at the end of the year	(2,911.4)	3,377.9	466.5	(3,102.3)	3,268.3	166.0
In the balance sheet under			2017			2016
			£m			£m
Net defined benefit asset			467.5			167.0
Post-retirement benefit provisions			(0.9)			(0.9)
Current portion of provisions			(0.1)			(0.1)
Net balance sheet provision			466.5			166.0

Notes to the Financial Statements *(continued)*

15 Post-retirement benefit provisions *(continued)*

The expenses of the funds are borne directly by the Company. Administration expenses are expensed as incurred and charged to Operating income. Administration expenses in 2017 totalled £4.6 million (2016: £3.8 million).

DBO at funded and unfunded pension plans

	2017	2016
	£m	£m
Wholly or partly funded plans	2,910.5	3,101.3
Unfunded plans	0.9	1.0
Total	2,911.4	3,102.3

Interest costs on DBO for pensions together with the interest income on plan assets comprise the net financing income related to post-retirement benefits of £5.8 million (2016: *net financing income* £7.3 million).

Plan assets

	2017		2016	
	£m	Percentage of total	£m	Percentage of total
Equities	721.1	21	799.0	24
Debt – fixed interest government bonds	461.0	14	444.5	14
Debt – index-linked government bonds	968.7	29	879.5	27
Debt – corporate and other bonds	719.7	21	634.2	19
Insurance contracts	(89.3)	(3)	(73.2)	(2)
Cash and cash equivalents	40.0	1	37.7	1
Other	556.7	17	546.6	17
Total	3,377.9	100	3,268.3	100

The equities and government bond debt assets in the table above have quoted prices in active markets, although most are held through funds comprised of such instruments which are not actively traded themselves. The other categories of plan assets include certain assets that are not quoted in active markets totalling £678.6 million (2016: £610.9 million). Unquoted plan assets include investments in real estate, totalling £295.3 million (2016: £269.7 million) and other investments in infrastructure, catastrophe bonds, insurance policies and high-yield credit strategies. Plan assets did not directly include any of the Company's own transferable financial instruments, nor any property occupied by or assets used by the Company.

Pension balances recorded under Net defined benefit asset totalled £467.5 million (2016: £167.0 million). The increase in 2017 was primarily due to £67.3 million of top-up pension contributions and £225.6 million of net actuarial gains in CPS. These assets could be recognised under IFRIC 14 because economic benefits are available in the form of future refunds from the plan or reductions in future contributions to the plan, either during the life of the plan or on the (final) settlement of the plan liabilities.

Cash flows

In 2018, the Company expects to contribute £32.0 million (2017 actual: £78.3 million) to its defined benefit pension plans. This includes £11.0 million (2017 actual: £11.0 million) of regular pension contributions and £21.0 million (2017 actual: £67.3 million) for top-ups. The 2017 top-up figure included £46.3 million paid out on the maturity of the CPS escrow account. No allowance is made for any special one-off contributions that may arise in relation to new de-risking opportunities.

The figures in the table below are the estimated future benefit payments to be paid from the plans to beneficiaries over the next ten years..

Notes to the Financial Statements (continued)

15 Post-retirement benefit provisions (continued)

Future benefit payments

	Pensions
	£m
2018	156.8
2019	161.8
2020	167.0
2021	172.3
2022	177.8
2023-2027	978.5

Key figures and assumptions by plan

	2017			2016		
	CPS UK	Other pension plans	Total	CPS UK	Other pension plans	Total
	£m	£m	£m	£m	£m	£m
Percentage of total DBO	100%	0%		100%	0%	
Defined Benefit Obligation	(2,910.5)	(0.9)	(2,911.4)	(3,101.3)	(1.0)	(3,102.3)
Fair value of plan assets	3,377.9	-	3,377.9	3,268.3	-	3,268.3
Plan funded status	467.4	(0.9)	466.5	167.0	(1.0)	166.0
Amounts recognised on the balance sheet	467.4	(0.9)	466.5	167.0	(1.0)	166.0
Percentage of total current service cost	100%	0%		100%	0%	
Current service cost	9.2	-	9.2	8.5	-	8.5
Employer contributions	78.2	0.1	78.3	56.7	0.2	56.9
Discount rate	2.5%		2.5%	2.5%		2.5%
Rate of compensation increase	1.4%		1.4%	1.4%		1.4%
Inflation	3.2%		3.2%	3.3%		3.3%
Pension increases	2.2%		2.2%	2.3%		2.3%

Life expectancy (in years)

	2017		2016	
	CPS UK	Total	CPS UK	Total
Currently aged 60				
Males	26.4	26.4	27.0	27.0
Females	28.7	28.7	29.5	29.5
Currently aged 45, from age 60				
Males	27.6	27.6	28.4	28.4
Females	29.9	29.9	31.0	31.0

Notes to the Financial Statements *(continued)*

15 Post-retirement benefit provisions *(continued)*

Sensitivity of DBO to change in assumptions

	CPS £m	Total £m
Discount rate: 0.5% decrease	244.6	244.6
Price inflation: 0.5% increase ¹	131.1	131.1
Life expectancy: one year increase from age 60	94.9	94.9
Maturity information		
Weighted average duration of DBO (years)	16.4	16.4
¹ The sensitivity to price inflation assumption includes corresponding changes to all inflation-related compensation increases, pensions in payment and pensions in deferment.		

The effect on DBO shown allows for an alternative value for each assumption while the other actuarial assumptions remain unchanged. The sensitivity analysis is intended to illustrate the inherent uncertainty in the valuation of the DBO under market conditions at the measurement date. Its results cannot be extrapolated due to non-linear effects that changes in the key actuarial assumptions may have on the total DBO. Furthermore, the analysis does not indicate a probability of such changes occurring and it does not necessarily represent our view of expected future changes in DBO. Any management actions that may be taken to mitigate the inherent risks in the post-retirement defined benefit plans are not reflected in this analysis, as they would normally be reflected in plan asset changes rather than DBO changes.

The sensitivities in the table only apply to the DBO and not to the net amounts recognised in the balance sheet. Movements in the fair value of plan assets (which include the de-risking instruments) would, to a significant extent, be expected to offset movements in the DBO resulting from changes in the given assumptions. The longevity hedge contract covers approximately 58 percent of pensioner liabilities (2016: 66 percent) and 36 percent of total DBO liabilities at CPS (2016: 38 percent).

Key plan details of the largest pension plan

	Akzo Nobel (CPS) Pension Scheme, UK
Type of plan	Defined benefit, based upon years of service and final salary
Benefits	Retirement pension for employee Dependents' pensions on death of employee/pensioner Options for ill health early retirement
Pension increases (main benefit section)	Annually linked to UK CPI with a maximum of 5 percent
Plan structure	Plans are set up under a trust and are tax approved
Governance	Trustee directors: Four member-nominated trustees Four company-nominated trustees One independent (Law Debenture)
Regulatory framework	The plans are tax approved and assets are held in trust for the benefit of participants. The trustees have a legal duty to manage the trust in the best interests of participants. Investment strategy is controlled by the trustees in consultation with the Company
Funding basis	A plan specific basis must be agreed with the trustee board in accordance with UK regulations. The basis is not the same as the IFRS calculation as it uses more prudent assumptions about life expectancy and the discount rates reflect prudent estimates of the expected return on assets actually held, thus the trustees' investment strategies will impact the discounted value of liabilities
Frequency of funding reviews	Normally every three years
Latest valuation	31 March 2015
Funding deficit ¹ at latest valuation	£84 million
Recovery plan	£21 million per annum to 2019, with £13million in 2020, paid in March each year
Next funding review	March 31, 2018 with recovery plan to be agreed by June 30, 2019

Notes to the Financial Statements *(continued)*

15 Post-retirement benefit provisions *(continued)*

Key plan details of the largest pension plan *(continued)*

Asset allocation at March 31, 2017	
Matching:	61%
Return seeking:	39%
Matching:	The longevity hedge contract covers approximately 58% of pensioner liabilities and 36% of total liabilities
Membership at March 31, 2017	
Active	467
Deferred	7,986
Pensioner	18,712
Total	<u>27,165</u>

¹ Based on local valuation regulations.

16 Called up share capital

	2017 £m	2016 £m
<i>Allotted, called up and fully paid</i>		
415,778,693 (2016: 415,778,693) ordinary shares of £0.25 each	<u>103.9</u>	<u>103.9</u>

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

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

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

The Company is a wholly owned subsidiary company of Akzo Nobel Limited, a company incorporated in England and Wales.

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

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

Notes to the Financial Statements *(continued)*

18 Investment in related undertakings

The Company has the following investments in subsidiaries:

	Country of Incorporation	Class of shares held	Ownership	
			2017	2016
Akzo Nobel (CPS) Pension Trustee Limited	England and Wales	Ordinary	100%	100%
Akzo Nobel CIF Nominees Limited *	England and Wales	Ordinary	100%	100%
Akzo Nobel Films (Holdings) Limited	England and Wales	Ordinary	100%	100%
Fothergill and Harvey Limited	England and Wales	Ordinary	100%	100%
Holywell-Halkyn Mining and Tunnel Company Limited	England and Wales	Ordinary	97%	97%
Resinous Chemicals Limited	England and Wales	Ordinary	100%	100%
Tritonsmooth Limited	England and Wales	Ordinary	100%	100%

Subsidiary undertakings	Registered Office Address	Limited by shares or guarantee	Registration number	Public or private
Akzo Nobel (CPS) Pension Trustee Limited	The AkzoNobel Building, Wexham Road, Slough, SL2 5DS, United Kingdom.	Shares	02579110	Private
Akzo Nobel CIF Nominees Limited *	The AkzoNobel Building, Wexham Road, Slough, SL2 5DS, United Kingdom.	Shares	970015	Private
Akzo Nobel Films (Holdings) Limited	The AkzoNobel Building, Wexham Road, Slough, SL2 5DS, United Kingdom.	Shares	295664	Private
Fothergill and Harvey Limited	The AkzoNobel Building, Wexham Road, Slough, SL2 5DS, United Kingdom.	Shares	65470	Private
Holywell-Halkyn Mining and Tunnel Company Limited	The AkzoNobel Building, Wexham Road, Slough, SL2 5DS, United Kingdom.	Shares	50892	Private
Resinous Chemicals Limited	The AkzoNobel Building, Wexham Road, Slough, SL2 5DS, United Kingdom.	Shares	973607	Private
Tritonsmooth Limited	The AkzoNobel Building, Wexham Road, Slough, SL2 5DS, United Kingdom.	Shares	00277211	Private

* Indirectly owned subsidiary.

On 14 November 2017, the Company's wholly owned subsidiary Group Nominees Limited was voluntarily struck off from Companies House.