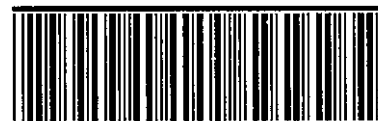


# **Akzo Dexter Aerospace Finishes Limited**

**Directors' Report and Financial Statements**

**31 December 1994**

**Registered Number 938151**



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COMPANIES HOUSE 28/10/95

# **AKZO DEXTER AEROSPACE FINISHES LIMITED**

## **Directors' report**

The directors present their annual report and the accounts for the year ended 31 December 1994.

## **Principal Activities**

The principal activities of the Company are the distribution and sale of coatings to the Aerospace industry.

## **Business Review**

The directors consider the company has traded very satisfactorily in the year and are expecting an improved performance next year. The retained profit for the year amounted to £282,000 (1993: £36,000). The directors do not recommend the payment of a dividend.

## **Directors**

A Zwaneveld  
K Fleetwood

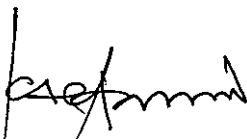
None of the directors who held office at the end of the financial year had any disclosable interest in the shares of any group company.  
Directors and officers liability insurance is maintained by the company.

The directors are not subject to retirement by rotation.

## **Auditors**

On 6th February 1995 our auditors changed their name under which they practice to KPMG and accordingly have signed the audit report in their new name. In accordance with Section 385 of the Companies Act 1985, a resolution for the re-appointment of KPMG as auditors of the company is to be proposed at the forthcoming Annual General Meeting.

BY ORDER OF THE BOARD



**K Harwood**  
*Secretary*

136 Milton Park  
Abingdon  
Oxon  
OX14 4SB

**/3** October 1995

## **AKZO DEXTER AEROSPACE FINISHES LIMITED**

### **Directors' Responsibilities in respect of the Preparation of Financial Statements**

Company law requires the Directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Company and of its profit or loss for that period. In preparing those financial statements, the Directors are required to :

- \* select suitable accounting policies and then apply them consistently;
- \* make judgements and estimates that are reasonable and prudent;
- \* state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- \* prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They have a general responsibility for taking such steps as are reasonably open to them for safeguarding the assets of the Company and to prevent and detect fraud and other irregularities.

### **Report of the Auditors to the Members of Akzo Dexter Aerospace Finishes Limited**

We have audited the financial statements on pages 3 – 8.

#### **Respective responsibilities of directors and auditors**

As described above, the Directors are responsible for the preparation of the financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

#### **Basis of opinion**

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the Directors in the preparation of the financial statements and of whether the accounting policies are appropriate to the Company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

#### **Opinion**

In our opinion the financial statements give a true and fair view of the state of affairs of the Company as at 31 December 1994 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

*KPMG*

KPMG  
Chartered Accountants  
Registered Auditors

8 Salisbury Square  
London  
EC4Y 8BB

*13 October 1995*

# AKZO DEXTER AEROSPACE FINISHES LIMITED

## PROFIT & LOSS ACCOUNT

For the year ended 31 December 1994

	Notes	1994 £'000	1993 £'000
Turnover		2,246	903
Cost of Sales		<u>(1,312)</u>	<u>(573)</u>
		934	330
Distribution Costs		(42)	(25)
Administrative Expenses		<u>(462)</u>	<u>(235)</u>
Operating profit	3 – 5	430	70
Interest Receivable		17	–
Interest Payable	6	<u>(26)</u>	<u>(15)</u>
Profit on Ordinary Activities before taxation		421	55
Tax on Ordinary Activities	7	<u>(139)</u>	<u>(19)</u>
Profit for the period		282	36
Retained profit for the period		282	36
Retained profit brought forward		<u>36</u>	<u>–</u>
Retained profit carried forward		<u>318</u>	<u>36</u>

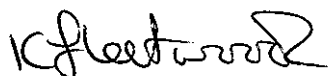
The Company has no recognised gains or losses other than the profit for the year.  
All the results for the year are from continuing operations.

# AKZO DEXTER AEROSPACE FINISHES LIMITED

## BALANCE SHEET At 31 December 1994

	Notes	1994 £'000	£'000	1993 £'000	£'000
<b>Fixed Assets</b>					
Property, plant and equipment	8	<u>16</u>		<u>-</u>	
		16	<u>16</u>	-	<u>-</u>
<b>Current Assets</b>					
Stocks	9	150		134	
Debtors	10	629		542	
Cash at bank and in hand		<u>1,009</u>		<u>613</u>	
		1,788		1,289	
<b>Creditors: amounts falling due within one year</b>	11	<u>(845)</u>		<u>(612)</u>	
<b>Net current assets</b>			<u>943</u>		<u>677</u>
<b>Total assets less current liabilities</b>			<b>959</b>		<b>677</b>
<b>Creditors: amounts falling due after more than one year</b>	12		<b>(291)</b>		<b>(291)</b>
<b>Net assets</b>			<u><b>668</b></u>		<u><b>386</b></u>
<b>Capital and Reserves</b>					
Called up share capital	13		-		-
Share Premium Account			350		350
Profit and loss account			318		36
			<u><b>668</b></u>		<u><b>386</b></u>

These financial statements were approved by the board of directors on 13 October 1995 and were signed on its behalf by



K Fleetwood  
Director

# AKZO DEXTER AEROSPACE FINISHES LIMITED

## Notes

### 1 Accounting policies

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

#### Basis of preparation

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

Due to its size, the company is exempt from the requirement to prepare a Cash Flow statement.

#### Turnover

Turnover represents the provision of goods and services excluding VAT.

#### Stock

Stock is stated at the lower of cost or net realisable value.

#### Fixed Assets

The company depreciates fixed assets over their estimated economic life. Rates are as follows :

Plant & Machinery	10 years
Computer Equipment	5 years

### 2 Taxation

The charge for taxation is based on the profit for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes. Provision is made for deferred tax only to the extent that it is probable that an actual liability will crystallise.

### 3 Profit on ordinary activities before taxation

	1994 £'000	1993 £'000
<i>Profit on ordinary activities before taxation is stated after charging</i>		
Auditors remuneration		
For audit services	5	7
Hire of assets	23	8

Expenses for property, personnel and administration are borne by a related company, Akzo Nobel Coatings Ltd (formerly Akzo Nobel Coatings plc), and subsequently recharged to the company.

# AKZO DEXTER AEROSPACE FINISHES LIMITED

## Notes

### 4 Staff numbers and costs

The average number of persons employed by the company during the year, analysed by category was as follows:

	Number of employees	
	1994	1993
Distribution and sale of paints	<u>7</u>	<u>6</u>

The aggregate payroll costs of these persons were as follows:

	1994 £'000	1993 £'000
Wages and salaries	130	57
Social Security costs	12	5
Other pension costs	—	—
	<u>142</u>	<u>62</u>

Employees are members of the Akzo Nobel Coatings Ltd (formerly Akzo Nobel Coatings plc) pension scheme. Details of the scheme are disclosed in the accounts of that company.

### 5 Remuneration of directors

	1994 £'000	1993 £'000
Directors' emoluments:		
Remuneration as executives	<u>—</u>	<u>21</u>
	<u>—</u>	<u>21</u>

The emoluments, excluding pension contributions of the highest paid director were nil (1993: £21,000).

The emoluments, excluding pension contributions, of the directors (including the highest paid director) were within the following ranges:

	Number of directors	
	1994	1993
£0 — £5,000	2	4
£20,001 — £25,000	—	1

### 6 Interest payable

	1994 £'000	1993 £'000
On amounts owed to group undertakings	<u>26</u>	<u>15</u>
	<u>26</u>	<u>15</u>

# AKZO DEXTER AEROSPACE FINISHES' LIMITED

## Notes

### 7 Taxation

	1994 £'000	1993 £'000
Corporation tax at 33% on the taxable profits for the period	138	24
Deferred tax / (credit)	1	(5)
	<u>139</u>	<u>19</u>

### 8 Fixed Assets

	1994 £'000	1993 £'000
Plant and Machinery		
Acquisitions at cost	16	—
Accumulated depreciation	—	—
Net Book Value	<u>16</u>	<u>—</u>

### 9 Stocks

	1994 £'000	1993 £'000
Finished goods and goods for resale	150	134
	<u>150</u>	<u>134</u>

### 10 Debtors: due within one year

	1994 £'000	1993 £'000
Trade debtors	593	514
Amounts owed by parent and fellow subsidiary undertakings	—	16
Deferred tax	4	5
Prepayments and accrued income	32	7
	<u>629</u>	<u>542</u>

The deferred tax asset relates to short term timing differences

### 11 Creditors: amounts falling due within one year

	1994 £'000	1993 £'000
Trade creditors	55	13
Amounts owed to parent undertaking	115	137
" " fellow subsidiary undertakings	319	224
Corporation Tax	138	24
Other taxes including social security	50	52
Accruals and deferred income	<u>168</u>	<u>162</u>
	<u>845</u>	<u>612</u>



# AKZO DEXTER AEROSPACE FINISHES LIMITED

## Notes

### 12 Creditors: amounts falling due after more than one year

	1994 £'000	1993 £'000
Loan from related undertaking	<u>291</u>	<u>291</u>

Interest is chargeable on the loan from the related undertaking at 9.5% p.a., and no date has been set for repayment.

### 13 Called up share capital

	1994 £	1993 £
Authorised:		
Ordinary shares of £1 each	<u>350,000</u>	<u>350,000</u>
Allotted and fully paid up:		
Ordinary shares of £1 each	<u>100</u>	<u>100</u>

### 14 Ultimate holding company

The company is a subsidiary undertaking of Akzo Nobel NV, which is incorporated in the Netherlands. This is the largest company for which consolidated accounts are prepared, which include the results of Akzo Dexter Aerospace Finishes Ltd. The smallest company which prepares consolidated accounts which include the results of the company, is Aerospace Finishing Systems International BV, which is also incorporated in the Netherlands.