

D.E Holding UK Limited
Annual report and financial statements
For the year ended 31 December 2018

Registered number: 01558575



D.E Holding UK Limited

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D.E Holding UK Limited

Company information

Directors	J. R. Cook D. P. G. Jones
Company Secretary	Throgmorton Secretaries LLP 4 th Floor Reading Bridge House George Street Reading Berkshire England RG1 8LS S. Pashley
Company registration number	01558575
Country of incorporation	England and Wales
Company type	Private limited
Registered office	Horizon Honey Lane Hurley Maidenhead Berkshire SL6 6RJ
Auditor	Deloitte LLP Statutory Auditor St. Albans, United Kingdom
Banker	Lloyds Bank plc
Date of incorporation	28 April 1981

D.E Holding UK Limited

Strategic report

For the year ended 31 December 2018

Review of the business

The Company's principal activity is to act as a holding Company.

The Company is the Principal Employer for the Jacobs Douwe Egberts UK Pension Plan ("the Plan"). On 16th November 2018, the D.E UK Pension Plan ("DE Plan") merged with the JDE UK Legacy Retirement Benefits Plan ("JDE Legacy Plan") to form the Plan. The DE Plan has been included in this set of statutory accounts for a number of years. The JDE Legacy Plan was previously accounted for in the Jacobs Douwe Egberts GB Limited accounts.

The objective of the merger was to simplify the management of the Group's UK Defined Benefits into one scheme. The DE Plan was the larger scheme controlling assets of c£1.6bn vs c£100m in the JDE Legacy Plan – hence the DE Plan was the Receiving Scheme and the JDE Legacy Plan the Transferring scheme.

The directors expect there to be no change in the Company's activities within the foreseeable future.

Principal risks and uncertainties

The Company's operations expose it mainly to financial risk, in the form of interest rate risk and credit risk. Credit risk is minimised as all loans are inter-Company loans.

There is a risk that the return on the pension scheme investments will not cover the deficit in the schemes and accordingly this is closely monitored as set out in note 16.

The Company has also agreed to provide support to one subsidiary, Courtaulds Textiles (Holdings) Limited, to enable them to settle their liabilities as they fall due. As a consequence of this a provision of £25,016,000 (31 December 2017: £26,318,000) has been made in relation to the net external liabilities of Courtaulds Textiles (Holdings) Limited.

Financial key performance indicators

Given the nature of the business as a holding Company, the Company's directors are of the opinion that analysis using KPIs is not necessary for an understanding of the development, performance or position of the business. The development, performance and position of the group, which includes the Company, are discussed in the group's financial statements, which do not form part of this report.

Brexit

The Directors do not expect Brexit to have a material impact on the company. Brexit is leading to uncertainty in the financial markets which is impacting asset valuations. However, the pension scheme is well funded with 90% of the scheme assets invested in "matching" assets – FTSE UK Government Bonds, Inflation linked securities, credit linked to Gilts performance – and only 10% in Global Equity. Hence there is little exposure to exchange rate or the wider economy. The pension scheme is supported by an investment advisor who monitor the markets on an ongoing basis and advise if alterations are needed. This has ensured the pension assets and surplus have been maintained at strong levels throughout the period of Brexit uncertainty

On behalf of the board



D.P.G. Jones
Director

Date 24/9/18

D.E Holding UK Limited

Directors' report

For the year ended 31 December 2018

The directors present their annual report and the audited financial statements for the year ended 31 December 2018.

Principal activities and business review

The Company's principal activity is to act as a holding company. The directors do not expect there to be any changes within the Company's activities within the foreseeable future.

Results and dividends

The Company's results are set out on pages 8 - 11. The loss for the year after tax is £3,690,000 (2017: Profit of £6,513,000). Net assets at the end of the year were £404,412,000 (2017: £432,563,000).

The directors do not propose the payment of a dividend for the year (2017: £nil).

Financial risk management

As the Company does not trade, it is not exposed to any significant price or credit risk. Liquidity risk is managed through the significant cash reserves that the Company holds.

The Company has various interest bearing assets and liabilities which bear interest in relation to LIBOR. The directors do not consider there to be any risk in relation to this.

Directors and their interests

The directors who served during the year and subsequently to the date of signing this report are as follows:

J. R. Cook

D. P. G. Jones

At the time of making this report, a qualifying third party indemnity provision is in place for the benefit of the directors of the Company, and was in force during the financial year and at the date of approval of these financial statements.

Going concern

The directors have a reasonable expectation that the Company and the group have adequate resources to continue in operational existence for the foreseeable future, being at least 12 months from signing of the financial statements. Thus they continue to adopt the going concern basis in preparing the annual financial statements.

Further details regarding the adoption of the going concern basis can be found in the Notes to the financial statements.

D.E Holding UK Limited

Directors' report (continued)

For the year ended 31 December 2018

Directors' responsibilities statement

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 101 "Reduced Disclosure Framework". Under Company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the directors are required to:

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

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement of disclosure of information to auditor

In accordance with section 418, each person who is a director when the report is approved confirms that:

- (a) so far as each director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- (b) 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 auditor is aware of that information.

Independent auditor

The auditor, Deloitte LLP, has indicated its willingness to continue in office and a resolution concerning their re-appointment will be proposed at the Annual General Meeting.

The directors' report of D.E Holding UK Limited (registered number 01558575) was approved by the board of directors and authorised for issue on 24 September 2019. They were signed on its behalf by:



D.P.G. Jones
Director

Date: 24/9/19

D.E Holding UK Limited

Independent auditor's report to the members of D.E Holding UK Limited

Report on the audit of the financial statements for the year ended 31st December 2018

Opinion

In our opinion the financial statements of D.E Holding UK Limited (the 'company'):

- give a true and fair view of the state of the company's affairs as at 31st December 2018 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 101 "Reduced Disclosure Framework"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the profit and loss account;
- the statement of comprehensive income;
- the balance sheet;
- the statement of changes in equity and
- the related notes 1 to 17.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We are required by ISAs (UK) to report in respect of the following matters where:

- the directors' use of the going concern basis of accounting in 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.

We have nothing to report in respect of these matters.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in respect of these matters.

D.E Holding UK Limited

Independent auditor's report to the members of D.E Holding UK Limited

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine 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.

Auditor's 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 auditor's 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 auditor's report.

Report on other legal and regulatory requirements

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the strategic report or the directors' report.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

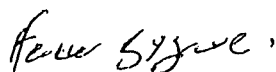
We have nothing to report in respect of these matters.

D.E Holding UK Limited

Independent auditor's report to the members of D.E Holding UK Limited

Use of our report

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



Heather Bygrave FCA (Senior statutory auditor)

For and on behalf of Deloitte LLP

Statutory Auditor

St Albans, United Kingdom

Date: 24 SEPTEMBER 2019

D.E Holding UK Limited

Profit and loss account

For the year ended 31 December 2018

	Note	Year ended 2018 £'000	Year ended 2017 £'000
Administrative expenses		(10,056)	(1,116)
Release for provisions for liabilities of subsidiaries	4	<u>1,119</u>	<u>2,500</u>
Operating (loss) / profit		(8,937)	1,384
Interest receivable and similar income	7	42,361	40,637
Interest payable and similar charges	8	<u>(33,071)</u>	<u>(35,508)</u>
Profit on ordinary activities before tax	4	353	6,513
Tax on profit on ordinary activities	9	(4,043)	-
(Loss) / profit for the financial year		<u>(3,690)</u>	<u>6,513</u>

Turnover and operating profit are all derived from continuing operations.

D.E Holding UK Limited

Statement of comprehensive income

For the year ended 31 December 2018

		Year ended 2018 £'000	Year ended 2017 £'000
	Note		
(Loss) / Profit for the financial year		<u>(3,690)</u>	<u>6,513</u>
Items that will not be reclassified subsequently to profit or loss:			
Re-measurement (loss) / gains on defined benefit pensions	16	(28,331)	80,800
Taxes on items taken directly to OCI		<u>3,870</u>	<u>(3,870)</u>
Other comprehensive income for the year net of tax		(24,461)	76,930
Total comprehensive income for the year attributable to the owners of the Company		<u><u>(28,151)</u></u>	<u><u>83,443</u></u>

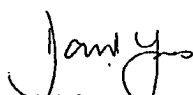
D.E Holding UK Limited

Balance Sheet

As at 31 December 2018

	Note	2018 £'000	2017 £'000
Fixed assets			
Investments	10	19,999	19,999
		<u>19,999</u>	<u>19,999</u>
Current assets			
Debtors: amounts falling due within one year	11	21,351	516
Cash at bank and in hand		<u>147,499</u>	<u>134,635</u>
		168,850	135,151
Creditors: Amounts falling due within one year	12	(58,631)	(46,579)
Net current assets		<u>110,219</u>	<u>88,572</u>
Pension asset	16	<u>301,053</u>	<u>351,970</u>
Total assets less current liabilities		431,271	460,541
Provisions for liabilities	13	(26,859)	(27,978)
Net assets		<u>404,412</u>	<u>432,563</u>
Capital and reserves			
Called up share capital	15	62,795	62,795
Profit and loss account		<u>341,617</u>	<u>369,768</u>
		<u>404,412</u>	<u>432,563</u>

The financial statements of D.E Holding UK Limited (registered number 01558575) were approved by the board of directors and authorised for issue on 24th September 2019. They were signed on its behalf by:


D.P.G. Jones
Director

D.E Holding UK Limited

Statement of changes in equity For the year ended 31 December 2018

	Called up share capital £'000	Profit and loss account £'000	Total £'000
Balance at 1 January 2017	62,795	286,325	349,120
Profit for the year	-	6,513	6,513
Other comprehensive income for the year	-	76,930	76,930
Total comprehensive income for the year	-	83,443	83,443
Balance at 31 December 2017	62,795	369,768	432,563
Loss for the year	-	(3,690)	(3,690)
Other comprehensive expense for the year	-	(24,461)	(24,461)
Total comprehensive expense for the year	-	(28,151)	(28,151)
Balance at 31 December 2018	62,795	341,617	404,412

D.E Holding UK Limited

Notes to the financial statements

For the year ended 31 December 2018

1. Basis of accounting

General information

D.E Holding UK Limited (the Company) is a private Company incorporated in the United Kingdom under the Companies Act 2006 and is a Company limited by shares. The address of the registered office is given on page 1. The nature of the Company's operations and its principal activities are set out in the strategic report on page 2.

These financial statements are separate financial statements. The Company is exempt from the preparation of consolidated financial statements under s405 of Companies Act 2006, because it is included in the group accounts of Jacobs Douwe Egberts B.V. The group accounts of Jacobs Douwe Egberts B.V. can be obtained as set out in note 17.

Basis of accounting

The Company meets the definition of a qualifying entity under FRS 100 (Financial Reporting Standard 100) issued by the Financial Reporting Council. Accordingly, in the year ended 31 December 2015 the Company underwent a transition from reporting under applicable accounting standards in the United Kingdom to FRS 101 as issued by the Financial Reporting Council. The financial statements have therefore been prepared in accordance with FRS 101 'Reduced Disclosure Framework' as issued by the Financial Reporting Council.

The Company has applied FRS 101 'Reduced Disclosure Framework' incorporating the Amendments to FRS 101 issued by the FRC in July 2015.

As permitted by FRS 101, the Company has taken advantage of the disclosure exemptions available under that standard in relation to business combinations, share-based payment, non-current assets held for sale, financial instruments, capital management, presentation of comparative information in respect of certain assets, presentation of a cash-flow statement, standards not yet effective, impairment of assets and related party transactions.

Where relevant, equivalent disclosures have been given in the group financial statements of Jacobs Douwe Egberts B.V. The group financial statements of Jacobs Douwe Egberts B.V. can be obtained as set out in note 17.

The financial statements have been prepared on the historical cost basis. Historical cost is generally based on the fair value of the consideration given in exchange for the goods and services. The principal accounting policies adopted are set out below.

Going concern

The Company's business activities, together with the factors likely to affect its future development and position, are set out in the Strategic report on page 2.

The Company is expected to continue to generate positive cash flows on its own account for the foreseeable future, being at least 12 months from the date of signing the financial statements. The Company participates in the group's centralised treasury arrangements and so shares banking arrangements with its parent and fellow subsidiaries.

On the basis of their assessment of the Company's financial position and of the future cash flows, the Directors believe there are no concerns with the Company's ability to continue as a going concern. Thus, they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

D.E Holding UK Limited

Notes to the financial statements (continued)

For the year ended 31 December 2018

2. Significant accounting policies

Investments in subsidiaries

Investments in subsidiaries are accounted for at cost less loss for impairments.

Interest revenue

Dividend income from investments is recognised when the shareholders' rights to receive payment have been established (provided that it is probable that the economic benefits will flow to the Company and the amount of revenue can be measured reliably).

Interest income is recognised when it is probable that the economic benefits will flow to the Company and the amount of revenue can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Operating profit

Operating profit is stated after charging restructuring costs but before investment income and finance costs.

Retirement benefit costs

The Company participates in a group defined benefit scheme which is the legal responsibility of D.E Holding UK Limited as the principal employer.

For defined benefit schemes, the amounts charged to operating profit are the costs arising from employee services rendered during the period and the cost of the plan introductions, benefit changes, settlements and curtailments. They are included as part of staff costs. The net interest cost on the net defined benefit liability is charged to profit or loss and included within finance costs. Re-measurement comprising actuarial gains and losses and the return on scheme assets (excluding amount included in net interest on the net defined benefit liability) are recognised immediately in other comprehensive income.

Defined benefit schemes are funded, with the assets of the scheme held separately from those of the Group, in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. There is no contractual agreement or stated policy for charging the net defined benefit cost.

The defined benefit surplus or deficit and the related deferred tax are separately recognised on the face of the balance sheet. Defined benefit surplus balances are recognised to the extent that on a winding up of the pension scheme any surplus assets are refundable to the Company

Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

D.E Holding UK Limited

Notes to the financial statements (continued)

For the year ended 31 December 2018

2. Significant accounting policies (continued)

Taxation (continued)

Deferred tax

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised based on tax laws and rates that have been enacted or substantively enacted at the balance sheet date. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited in other comprehensive income, in which case the deferred tax is also dealt with in other comprehensive income.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

Current tax and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the balance sheet date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

D.E Holding UK Limited

Notes to the financial statements (continued)

For the year ended 31 December 2018

2. Significant accounting policies (continued)

Amendments to IFRS Standards and the new Interpretation that are mandatorily effective for the current year

Impact of initial application of IFRS 9 Financial Instruments

In the current year, the Company has applied IFRS 9 *Financial Instruments* (as revised in July 2014) and the related consequential amendments to other IFRS Standards that are effective for an annual period that begins on or after 1 January 2018. The transition provisions of IFRS 9 allow an entity not to restate comparatives.

IFRS 9 introduced new requirements for:

1. The classification and measurement of financial assets and financial liabilities,
2. Impairment of financial assets, and
3. General hedge accounting.

Details of these new requirements as well as their impact on the Company's financial statements are described below.

The Company has applied IFRS 9 in accordance with the transition provisions set out in IFRS 9.

(a) Classification and measurement of financial assets

The date of initial application (i.e. the date on which the Company has assessed its existing financial assets and financial liabilities in terms of the requirements of IFRS 9) is 1 January 2018. Accordingly, the Company has applied the requirements of IFRS 9 to instruments that continue to be recognised as at 1 January 2018 and has not applied the requirements to instruments that have already been derecognised as at 1 January 2018.

All recognised financial assets that are within the scope of IFRS 9 are required to be measured subsequently at amortised cost or fair value on the basis of the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets.

Specifically:

- debt instruments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal amount outstanding, are measured subsequently at amortised cost;
- debt instruments that are held within a business model whose objective is both to collect the contractual cash flows and to sell the debt instruments, and that have contractual cash flows that are solely payments of principal and interest on the principal amount outstanding, are measured subsequently at fair value through other comprehensive income (FVTOCI);
- all other debt investments and equity investments are measured subsequently at fair value through profit or loss (FVTPL).

Despite the foregoing, the Company may make the following irrevocable election / designation at initial recognition of a financial asset:

- the Company may irrevocably elect to present subsequent changes in fair value of an equity investment that is not held for trading in other comprehensive income; and
- the Company may irrevocably designate a debt investment that meets the amortised cost or FVTOCI criteria as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.

The directors of the Company reviewed and assessed the Company's existing financial assets as at 1 January 2018 based on the facts and circumstances that existed at that date and concluded that the initial application of IFRS 9 has not had any impact on the Company's financial assets as regards their classification and measurement in either year.

D.E Holding UK Limited

Notes to the financial statements (continued)

For the year ended 31 December 2018

2. Significant accounting policies (continued)

Impact of initial application of IFRS 9 Financial Instruments (continued)

(b) Impairment of financial assets

In relation to the impairment of financial assets, IFRS 9 requires an expected credit loss model as opposed to an incurred credit loss model under IAS 39. The expected credit loss model requires the Company to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition of the financial assets. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognised.

Specifically, IFRS 9 requires the Company to recognise a loss allowance for expected credit losses on:

1. Debt investments measured subsequently at amortised cost; and,
2. Trade receivables and contract assets.

In particular, IFRS 9 requires the Company to measure the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses (ECL) if the credit risk on that financial instrument has increased significantly since initial recognition, or if the financial instrument is a purchased or originated credit-impaired financial asset. However, if the credit risk on a financial instrument has not increased significantly since initial recognition (except for a purchased or originated credit-impaired financial asset), the Company is required to measure the loss allowance for that financial instrument at an amount equal to 12-months ECL. IFRS 9 also requires a simplified approach for measuring the loss allowance at an amount equal to lifetime ECL for trade receivables and contract assets in certain circumstances.

(c) Classification and measurement of financial liabilities

A significant change introduced by IFRS 9 in the classification and measurement of financial liabilities relates to the accounting for changes in the fair value of a financial liability designated as at FVTPL attributable to changes in the credit risk of the issuer. Specifically, IFRS 9 requires that the changes in the fair value of the financial liability that is attributable to changes in the credit risk of that liability be presented in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss.

The application of IFRS 9 has had no impact on the classification and measurement of the Company's financial liabilities.

(d) General hedge accounting

The new general hedge accounting requirements retain the three types of hedge accounting. However, greater flexibility has been introduced to the types of transactions eligible for hedge accounting, specifically broadening the types of instruments that qualify for hedging instruments and the types of risk components of non-financial items that are eligible for hedge accounting. In addition, the effectiveness test has been replaced with the principle of an 'economic relationship'. Retrospective assessment of hedge effectiveness is also no longer required.

The company did not adopt any hedge accounting in either the current year or the preceding year. Accordingly, the adoption of IFRS 9 has had no impact in relation to hedge accounting.

Impact of application of IFRS 15 Revenue from Contracts with Customers

In the current year, the Company has applied IFRS 15 *Revenue from Contracts with Customers* (as amended in April 2016) which is effective for an annual period that begins on or after 1 January 2018. IFRS 15 introduced a 5-step approach to revenue recognition. More prescriptive guidance has been added in IFRS 15 to deal with specific scenarios. Details of the new requirements as well as their impact on the Company's financial statements are described below.

The Company has applied IFRS 15 in accordance with the fully retrospective transitional approach without using the practical expedients for completed contracts in IFRS 15.C5(a), and (b), or for modified contracts in IFRS 15.C5(c).

D.E Holding UK Limited

Notes to the financial statements (continued)

For the year ended 31 December 2018

2. Significant accounting policies (continued)

Impact of application of IFRS 15 Revenue from Contracts with Customers (continued)

IFRS 15 uses the terms 'contract asset' and 'contract liability' to describe what might more commonly be known as 'accrued revenue' and 'deferred revenue', however the Standard does not prohibit an entity from using alternative descriptions in the balance sheet. The Company has adopted the terminology used in IFRS 15 to describe such balances.

The Company's principal activity is to act as a holding company and as such the Company does not engage in revenue generating activities. The application of IFRS 15 has therefore not had a significant impact on the financial position and/or financial performance of the Company.

3. Critical accounting judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies, which are described in note 2, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

There are no critical judgements within the financial statements.

Pension scheme valuation

The company operates a defined benefit pension scheme as outlined in note 16; a number of financial estimates are made in arriving at the pension scheme valuation and the note provides further details on the estimates used.

4. Profit on ordinary activities before taxation

Profit on ordinary activities for the year before taxation has been arrived at after crediting:

	Year ended 2018 £'000	Year ended 2017 £'000
Provisions for liabilities of subsidiaries decrease	<u>1,119</u>	<u>2,500</u>

5. Auditor's remuneration

Fees payable for the audit of the Company's annual financial statements were £44,200 (2017: £43,000).

Fees payable for the audit of subsidiaries and fellow group companies were £238,400 (2017: £254,000). These fees were borne by the Company.

Fees payable for non-audit services to the Company are not required to be disclosed because the consolidated financial statements of the parent Company are required to disclose such fees on a consolidated basis.

D.E Holding UK Limited

Notes to the financial statements (continued)

For the year ended 31 December 2018

6. Staff costs

There were no staff employed by the Company during the year (2017: nil).

The directors do not receive any remuneration in relation to their services to this Company (2017: nil).

7. Interest receivable and similar income

		Year ended 2018 £'000	Year ended 2017 £'000
Interest receivable:			
Bank deposits		759	253
Net interest on defined benefit pension schemes	16	41,602	40,384
		<u>42,361</u>	<u>40,637</u>

8. Interest payable and similar charges

		Year ended 2018 £'000	Year ended 2017 £'000
Interest payable on bank overdrafts and loans		7	1
Net interest on defined benefit pension schemes	16	33,064	35,507
		<u>33,071</u>	<u>35,508</u>

D.E Holding UK Limited

Notes to the financial statements (continued)

For the year ended 31 December 2018

9. Tax on profit on ordinary activities

	Year ended 2018 £'000	Year ended 2017 £'000
Corporation tax:		
UK corporation tax	-	-
Deferred tax (note 14)	4,043	-
	<u>4,043</u>	<u>-</u>

Corporation tax is calculated at 19.00% (2017: 19.25%) of the estimated taxable profit for the year.

In addition to the amount charged to the profit and loss account, the following amounts relating to tax have been recognised in other comprehensive income:

	Year ended 2018 £'000	Year ended 2017 £'000
Deferred tax:		
Re-measurement Gains / (losses) on defined benefit pensions	(3,870)	3,870
	<u>(3,870)</u>	<u>3,870</u>

The Finance (No.2) Act 2015, which provides for reductions in the main rate of corporation tax to 19% from 1 April 2017 was followed by the Finance Act 2016 which further reduces the rate to 17% effective from 1 April 2020. The Finance Act 2019 was substantively enacted in February 2019 but did not amend the corporation tax rate, and therefore the rate from 1 April 2020 will continue to be 17%. This rate reduction has been reflected in the calculation of deferred tax at the balance sheet date. The closing deferred tax asset as at 31 December 2018 has been calculated at 17% reflecting the tax rate at which the deferred tax asset is expected to be utilised in future periods.

D.E Holding UK Limited

Notes to the financial statements (continued)

For the year ended 31 December 2018

9. Tax on profit on ordinary activities (continued)

The charge for the year can be reconciled to the profit in the profit and loss account as follows:

	Year ended 2018 £'000	Year ended 2017 £'000
Profit before tax	353	6,513
Tax at the UK corporation tax rate of 19.00% (2017: 19.25%)	67	1,253
Expenses/Income not deductible in determining taxable profit		
Adjustments in respect of prior years	(493)	-
Income not taxable in relation to tax losses	(213)	(481)
Tax rate changes	(534)	-
Group relief/other reliefs	342	283
Amounts not recognised	9	(1,055)
Irrecoverable losses charge in the year	4,865	-
Tax expense for the year	4,043	-

The Finance (No.2) Act 2015 provided for the reduction in the main rate of corporation tax from 19.25% to 19% from 1 April 2017.

10. Fixed asset investments

Subsidiaries

	2018 £'000
Cost	
At 1 January 2018 and 31 December 2018	19,999

The parent Company and the Company have investments in the following subsidiary undertakings, associates and other investments. Unless otherwise stated, the Company holds a 100% interest in the ordinary share capital of its subsidiary undertakings.

D.E Holding UK Limited

Notes to the financial statements (continued)

For the year ended 31 December 2018

10. Fixed asset investments (continued)

Name	Country of registration	Principal activity	Registered office address
Jacobs Douwe Egberts GB Limited	England and Wales	(A)	
Courtaulds Textiles Limited*	England and Wales	(B)	Horizon Honey Lane, Hurley, Maidenhead, Berkshire, SL6 6RJ
Courtaulds Textiles (Holdings) Limited	England and Wales	(B)	
D.E Finance UK Limited*	England and Wales	(B)	
Linnyslaw Insurance Limited	Isle of Man	(C)	Tower House Loch Promenade Douglas Isle of Man IM1 2LZ
D.E Pension Trustee UK Limited*	England and Wales	(D)	
New Way Packaged Products Limited*	England and Wales	(D)	Horizon Honey Lane, Hurley, Maidenhead, Berkshire, SL6 6RJ
Jacobs Douwe Egberts PRO GB Limited	England and Wales	(D)	
Kiwi (Nigeria) Limited (51% holding)	Nigeria	(D)	4 Industrial Street Ilupeju Industrial Estate Ikeja, Lagos, Nigeria

(A) This company is involved in the sale and distribution of coffee products or beverage concentrates.

(B) Holding or investment companies.

(C) This company holds an insurance business licence in accordance with the Isle of Man Insurance Act 2008, and its principal activity is that of an insurance company.

(D) Dormant companies.

* Held directly by D.E Holding UK Limited.

11. Debtors: amounts falling due within one year

	2018 £'000	2017 £'000
Amounts owed by group undertakings	21,288	428
Other debtors	63	63
Prepayments and accrued income	-	-
Deferred tax asset	-	-
Taxes and social security	-	25
	<u>21,351</u>	<u>516</u>

D.E Holding UK Limited

Notes to the financial statements (continued)

For the year ended 31 December 2018

12. Creditors: amounts falling due within one year

	2018	2017
	£'000	£'000
Bank loans and overdraft	56,049	41,969
Amounts owed to group undertakings	1,198	-
Accruals	1,105	740
Taxes & social security	279	3,870
	<u>58,631</u>	<u>46,579</u>

13. Provisions for liabilities

	Liabilities of subsidiaries £'000
At 1 January 2017	(30,478)
Release in the year	<u>2,500</u>
At 1 January 2018	(27,978)
Release in the year	1,119
At 31 December 2018	<u>(26,859)</u>

The company entered into banking cross guarantee with various subsidiary companies. Given the net liability position of a subsidiary it is considered unlikely that they will be able to settle the current overdraft position and therefore provision has been made for the net overdraft of the subsidiary as at the year-end date.

The company has also agreed to provide support to various subsidiaries to enable them to settle their liabilities as they fall due.

It is also considered unlikely that one of these subsidiaries will be able to settle its external liabilities therefore these external liabilities are provided for.

Courtaulds Textiles (Holdings) Limited, a 100% subsidiary of the Company, has net liabilities of £25,016,000 (2017: £26,318,000) and has received support from the Company that sufficient resources will be provided to enable it to meet its liabilities as they fall due for a period of at least 12 months from the date of approval of these financial statements.

D.E Holding UK Limited

Notes to the financial statements (continued)

For the year ended 31 December 2018

14. Deferred tax

The following are the major deferred tax liabilities/(assets) recognised by the Company and movements thereon during the current and prior reporting period.

	Retirement benefit obligations £'000	Other £'000	Tax losses £'000	Total £'000
At 1 January 2018	59,834	(39)	(55,925)	3,870
Charge/(credit) to other comprehensive income	(4,363)	-	-	(4,363)
Re transfer of trade	(4,043)	-	-	(4,043)
Charge/(credit) to income statement	(249)	(20)	4,805	4,536
At 31 December 2018	51,179	(59)	(51,120)	-

Deferred tax assets and liabilities are offset where the Company has a legally enforceable right to do so. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

	2018 £'000	2017 £'000
Deferred tax liabilities	51,120	59,834
Deferred tax assets	(51,120)	(55,964)
	-	3,870

At the balance sheet date, the Company has unused tax losses of £328,973,485 (2017: £328,973,485), represented by non-trading deficits of £15,555,013 (2017: £15,555,013) and management expenses of £313,418,472 (2017: £313,418,472).

D.E Holding UK Limited

Notes to the financial statements (continued)

For the year ended 31 December 2018

15. Called up share capital

	2018 £'000	2017 £'000
Authorised:		
92,135,538 'A' ordinary shares of £1 each (2017: 92,135,538)	92,136	92,136
7,864,462 'B' ordinary shares of £1 each (2017: 7,864,462)	7,864	7,864
	<u>100,000</u>	<u>100,000</u>
Issued and fully paid:		
54,931,056 'A' ordinary shares of £1 each (2017: 54,931,056)	54,931	54,931
7,864,462 'B' ordinary shares of £1 each (2017: 7,864,462)	7,864	7,864
	<u>62,795</u>	<u>62,795</u>

The 'A' ordinary shares relate to the D.E Holding UK Limited business prior to the acquisition of Jacobs Douwe Egberts PRO GB Ltd (formerly Douwe Egberts Professional UK Limited), and the 'B' ordinary shares relate to the Jacob Douwe Egberts PRO GB Ltd business.

Dividends and any surplus on winding up are to be paid to each class of share based on the results of the respective businesses as determined by non-audited financial statements drawn up, analysing the combined group into these two businesses.

The articles provide that the Company may repurchase its own shares, subject to the provisions of relevant legislation.

D.E Holding UK Limited

Notes to the financial statements (continued)

For the year ended 31 December 2018

16. Retirement benefit schemes

Defined benefit schemes

The Company is the Principal Employer for the Jacobs Douwe Egberts UK Pension Plan ("the Plan") although no individuals are employed directly by the Company. The Plan is a defined benefit pension Plan and is closed to new members. The Plan assets are legally separated from the Company. The trustee of the Plan is a Corporate Trustee and is required by law to act in the best interests of the fund's beneficiaries.

There is no contractual agreement or stated policy for charging the net defined benefit cost and therefore, the Company, which is the Principal Employer for the schemes, recognises the whole of the scheme surplus or deficit in its financial statements.

The cost of the defined benefit plans is calculated in accordance with FRS 101, based on formal actuarial valuations by independent qualified actuaries. A valuation of liabilities has been performed at 31 December 2018 using the projected unit credit method.

In line with normal practice, valuations are undertaken on a triennial basis. Defined benefit obligations as at 31 December 2018 are based on a valuation of member benefits as at 31 December 2018 but based on membership data as at 1 April 2018 updated to 31 December 2018 using updated salary and benefit payment data. Benefits are attributed to service based on the benefit formula applicable to each Section of the Plan.

The main risk which the Plan exposes the Company to is the requirement to meet any deficit arising within the Plan. Examples of risks that could result in a deficit along with mitigating strategies are set out below:

- Investment returns on the Plan's assets being lower than assumed in the actuarial valuation. This risk is reduced by the Trustee having a process in place to monitor investment performance quarterly as well as reviewing the Plan's investment strategy alongside each actuarial valuation. The investment strategy makes allowance for the nature of liabilities, for example investing in gilts in respect of pensioner liabilities.
- Gilt yields reducing in future which result in the liability value increasing by more than the Plan's assets. The Trustee have an investment strategy which hedges a significant proportion of the exposure to changes in interest rates;
- Price inflation could be higher than that assumed resulting in the liability value increasing by more than the Plan's assets. The Trustee have an investment strategy which hedges a significant proportion of the exposure to changes in inflation rates; and
- Plan members living longer than assumed would result in the liability value increasing by more than the Plan's assets. The Trustee uses a prudent mortality assumption when determining the value placed on liabilities so that higher reserves are targeted in respect of the risk than are expected to be necessary.

Pension Scheme Merger

On 16th November 2018, the defined pension benefit scheme that was accounted for in the Group company Jacobs Douwe Egberts GB Limited was merged into the scheme in DE Holding UK Limited and the value of the scheme was transferred. The objective of the merger was to simplify the management of the Group's UK defined benefit schemes. The scheme in DE Holding UK was the larger of the two schemes and the reason why the scheme in Jacobs Douwe Egberts GB Limited was transferred in.

The profit and loss disclosures and the statement of other comprehensive income disclosures within this note relate only to the scheme that was managed by DE Holding UK Limited during this year and not the merged scheme. Refer to the financial statements of Jacobs Douwe Egberts GB Limited for the disclosures relating to movements of that scheme pre-merger.

The remaining disclosures within this note relate to the merged scheme and where necessary show the transfer in value of the Jacobs Douwe Egberts GB Limited scheme.

D.E Holding UK Limited

Notes to the financial statements (continued)

For the year ended 31 December 2018

16. Retirement benefit schemes (continued)

Defined benefit schemes (continued)

Actuarial assumptions

The main actuarial assumptions used by the actuaries in calculating the pension liabilities were as follows:

	2018	2017
	Total	Total
	%	%
Discount rate	2.65	2.60
Rate of salary increases	3.20	2.90
Inflation assumption	3.20	3.40

The mortality assumptions used were as follows:

	2018	2017
	Years	Years
Life expectancy of a male aged 65 now	21.17	21.30
Life expectancy of a female aged 65 now	23.08	23.16
Life expectancy of a male aged 65 in 15 years	22.16	22.32
Life expectancy of a female aged 65 in 15 years	24.24	24.32

D.E Holding UK Limited

Notes to the financial statements (continued)

For the year ended 31 December 2018

16. Retirement benefit schemes (continued)

Value of Plan assets/liabilities

The major categories and fair values of Plan assets for each category as at 31 December 2018 were as follows:

	2018	2017
	Total	Total
	£'000	£'000
Equities	155,539	175,854
Government bonds – fixed interest	12,784	13,184
Corporate bonds	390,406	407,771
Asset backed securities	1,101	1,751
Cash and cash equivalents	42,631	85,289
Derivatives	-	(4,012)
Other quoted securities	992,167	956,823
Fair value of plan assets	1,594,628	1,636,660
Present value of defined benefit obligations	(1,293,575)	(1,284,690)
Net defined benefit asset as at 31 December	301,053	351,970

Change in defined benefit obligations during the year

	2018	2017
	Total	Total
	£'000	£'000
1 January	1,284,690	1,382,120
Current service cost	328	568
Past service cost – plan amendment	417	-
Interest cost on defined benefit obligation	32,454	33,749
Plan participants' contributions	52	56
Administration costs and taxes	610	1,758
Disbursements paid	(69,014)	(68,983)
Actuarial (gain)/loss	(44,248)	(64,578)
Settlements	(40,200)	-
Transfer in value of JDE GB Ltd scheme	128,486	-
31 December	1,293,575	1,284,690

The detail of the transfer in value can be found in the financial statements of Jacobs Douwe Egberts GB Limited.

D.E Holding UK Limited

Notes to the financial statements (continued)

For the year ended 31 December 2018

16. Retirement benefit schemes (continued)

Change in fair value of Plan assets during the year

	2018	2017
	Total	Total
	£'000	£'000
1 January	1,636,660	1,647,824
Interest income on Plan assets	41,602	40,384
Employer contributions	1,438	1,157
Plan participants' contributions	52	56
Disbursements paid	(68,969)	(68,983)
Actuarial gain	(72,579)	16,222
Settlements	(48,280)	-
Transfer in value of JDE GB Ltd scheme	104,705	-
31 December	1,594,629	1,636,660

The detail of the transfer in value can be found in the financial statements of Jacobs Douwe Egberts GB Limited.

The actual return on Plan assets in the year was a gain of £32,728,463 represented by a gain in the DE Holding plan - £30,976,945 and a gain in the GB plan - £1,751,518 (2017: gain of £56,604,140 – DE Holding plan).

D.E Holding UK Limited

Notes to the financial statements (continued)

For the year ended 31 December 2018

16. Retirement benefit schemes (continued)

Profit and Loss disclosures

Amounts recognised in profit and loss for the year were as follows:

	Year ended 2018 Total £'000	Year ended 2017 Total £'000
Current service cost ⁽¹⁾	328	568
Settlement loss ⁽³⁾	8,080	-
Interest cost on defined benefit obligation	32,454	33,749
Interest income on assets	(41,602)	(40,384)
Net interest cost/(income) on net defined benefit liability/(asset) ⁽²⁾	(740)	(6,067)
Administration costs and taxes ⁽²⁾	610	1,758
Cost recognised in P&L	(130)	(4,309)

⁽¹⁾ As explained above, no individuals are employed by the Company. The current service costs shown are cross-charged to the profit and loss account of the entities in which the individuals are employed (Jacobs Douwe Egberts GB Limited and Jacobs Douwe Egberts PRO GB Limited).

⁽²⁾ Net interest cost/income, administration costs and taxes are charged to the profit and loss account of the Company, under interest receivable and similar income, or interest payable and similar charges, as appropriate.

⁽³⁾ The pension scheme undertook some liability management exercises during the year to try and reduce pension liabilities by offering scheme member options to take benefits earlier. Two of these exercises, Trivial Commutation and Retirement Transfer Option have resulted in a cost because the liability reduction was less than the amount paid.

Statement of Comprehensive Income disclosures

Amounts recognised in other comprehensive income for the year were as follows:

	Year ended 2018 Total £'000	Year ended 2017 Total £'000
Return on Plan assets (greater)/less than discount rate	72,579	(16,222)
Actuarial loss/(gain) due to experience on defined benefit obligation	(7,204)	(8,656)
Actuarial loss/(gain) due to changes in demographic assumptions	(6,979)	(20,294)
Actuarial loss/(gain) due to changes in financial assumptions	(30,065)	(35,628)
Net re-measurement loss/(gain) recognised in other comprehensive income	28,331	(80,800)

D.E Holding UK Limited

Notes to the financial statements (continued)

For the year ended 31 December 2018

16. Retirement benefit schemes (continued)

Sensitivity analysis

The discount rate, inflation, salary growth and the mortality assumptions all have a significant effect on the amounts reported. A 0.5-percentage point change, in isolation, in certain assumptions as at 31 December 2018 for the scheme liabilities would have had the effects shown in the table below

	0.5 percentage point	
	Increase	Decrease
	£'000	£'000
Discount rate		
Effect on pension obligation at 31 December 2018	(89,882)	101,454
Inflation rate		
Effect on pension obligation at 31 December 2018	62,378	(58,621)
Salary growth		
Effect on pension obligation at 31 December 2018	4,383	(4,127)

One additional year in longevity in the mortality assumptions would increase the plan liabilities by 5%.

Expected cash flow for the following year

	Year ended 2018 Forecast Total £'000	Year ended 2017 Forecast Total £'000
Employer Contributions to Plan Assets	5,832	1,040
Plan Participants' Contributions to Plan Assets	79	49
Benefit Payments from Plan Assets	62,831	73,654
Administration Costs Paid from Plan Assets	1,312	610

The average duration of the defined benefit obligation at 31 December 2018 is 14.283 years (2017: 16.536 years).

D.E Holding UK Limited

Notes to the financial statements (continued)

For the year ended 31 December 2018

16. Retirement benefit schemes (continued)

Pension funding arrangements

The most recent full actuarial valuation of the Plan was carried out as at 1 April 2018. The funding level at this date showed the funding level to be at 107% of the Plan's agreed technical provisions. The funding position is regularly reviewed and as at 31st December 2018 was at 105% with a plan surplus of £77m so there is no current requirement for deficit funding.

A revised Schedule of Contributions for the Plan was certified on 24 September 2018, which replaced the previous version certified on 9 September 2016. Following the 1 April 2018 valuation, from 14 November 2018 the Company will pay contributions between 42% and 59% of pensionable salary for active (employed) members to meet future benefit accrual depending on which section of the plan they are part of.

The Company will also reimburse the Trustee for any reasonable administration and governance expenses incurred by the Trustee in the management of the Plan and for the full cost of the PPF levies payable in respect of the Plan. All investment related expenses are met out of Plan assets.

17. Controlling party

In the opinion of the directors, the Company's ultimate parent Company and ultimate controlling party is Acorn Holdings B.V, a Company incorporated in the Netherlands.

The parent undertaking of the largest group, which includes the Company and for which group accounts are prepared, is Jacobs Douwe Egberts B.V., a Company incorporated in the Netherlands. Copies of the group financial statements of Jacobs Douwe Egberts B.V. are available from the offices at Oosterdoksstraat 80, 1011 DK Amsterdam.

The Company's immediate controlling party is Jacobs Douwe Egberts B.V.