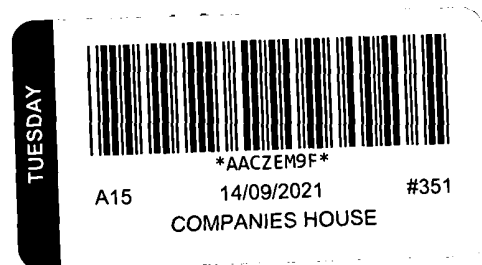


Registered number: 04227005

BRENNTAG COLOURS LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020



BRENNTAG COLOURS LIMITED

COMPANY INFORMATION

Directors	R Argo M Gratton
Company secretary	M Gratton
Registered number	04227005
Registered office	Alpha House Lawnswood Business Park Redvers Close Leeds West Yorkshire LS16 6QY
Independent auditors	PricewaterhouseCoopers LLP Chartered Accountants & Statutory Auditors Central Square 29 Wellington Street Leeds West Yorkshire LS1 4DL

BRENNTAG COLOURS LIMITED

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BRENNTAG COLOURS LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2020

INTRODUCTION

The directors present their Strategic Report for the financial year ended 31 December 2020.

BUSINESS REVIEW

Throughout the year the Company remained non-trading. Profits were generated via interest receipts on intercompany balances.

The results for the year are summarised on page 9. The directors consider these results to be satisfactory.

The directors are satisfied with the net asset position of the Company at the year end, as disclosed on page 10.

The Company has access to considerable financial resources and has rigorous procedures for identifying, quantifying and mitigating all aspects of risk relevant to the business. In light of these factors, the directors have a reasonable expectation that the Company has adequate resources to continue in existence for the foreseeable future.

PRINCIPAL RISKS AND UNCERTAINTIES

The principal risks and uncertainties affecting the Company are relatively low as it has no liabilities and access to considerable group resources.

Intercompany loan structures are managed at a group level, interest rates are based on external market rates. Interest risks are mainly managed by the Brenntag Group treasury department. The group hedges such risks by using various derivative instruments, this permits a balancing of risks for the Company and throughout the group.

USE OF KEY PERFORMANCE INDICATORS

The directors are of the opinion that analysis using key performance indicators is not necessary for an understanding of the development, performance or position of the business. The principle measure used for monitoring performance is profit before taxation.

BRENNTAG COLOURS LIMITED

**STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020**

DIRECTORS' STATEMENT OF COMPLIANCE WITH DUTY TO PROMOTE THE SUCCESS OF THE COMPANY

Under section 172(1) of the Companies Act 2006, the Board has a duty to act in good faith and in a way that would be most likely to promote the success of the Company for the benefit of its shareholder whilst having regard to matters set out in S172(1) (a-f) of the Act:

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

To discharge their section 172(1) duties the Board had regard to the factors set out above in making the principal decisions taken by the Company.

The Company is a non-trading entity with profits generated from interest on intercompany balances. The Company has no employees, external customers or suppliers, therefore the Board primarily considers the interests of its sole member and ultimate parent company, Brenntag SE, with regard to performing their duties under S172(1). All Board decisions made during the year were made to promote the long term success of both the Company and its ultimate parent company and were in line with the strategic goals and objectives of the group.

This report was approved by the Board on 3 September 2021 and signed on its behalf.



M Gratton
Director

BRENNTAG COLOURS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2020

The directors present their report and the audited financial statements for the year ended 31 December 2020.

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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies for the Company's financial statements 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;
- 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 to 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.

The directors are responsible for the maintenance and integrity of the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions

RESULTS

The results for the financial year are reviewed in the Strategic Report on page 1. The profit for the financial year, after taxation, amounted to £317,000 (2019 - £269,000). The directors do not recommend the payment of a dividend (2019 - £nil).

DIRECTORS

The directors of the Company who were in office during the year and up to the date of signing the financial statements were:

R Argo
M Gratton

BRENNTAG COLOURS LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020**

FINANCIAL RISK MANAGEMENT

Liquidity risk

Management control liquidity risk through the careful management of all aspects of the Company's cash flows.

Interest risk

Intercompany loan structures are managed at a group level, interest rates are based on external market rates. Interest risks are mainly managed by the Brenntag Group treasury department. The group hedges such risks by using various derivative instruments, this permits a balancing of risks for the Company and throughout the group.

FUTURE DEVELOPMENTS

The directors expect the Company to remain non-trading for the foreseeable future.

QUALIFYING THIRD PARTY INDEMNITY PROVISIONS

Qualifying third party indemnity insurance was in place for the benefit of all the directors of the Company during the year and up to the date of signing the financial statements.

DISCLOSURE OF INFORMATION TO AUDITORS

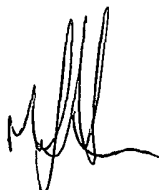
Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

INDEPENDENT AUDITORS

The independent auditors, PricewaterhouseCoopers LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the Board on 3 September 2021 and signed on its behalf.



M Gratten
Director

BRENNTAG COLOURS LIMITED

Independent auditors' report to the members of Brenntag Colours Limited

Report on the audit of the financial statements

Opinion

In our opinion, Brenntag Colours Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2020 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", 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 2020; the Statement of Comprehensive Income and the Statement of Changes in Equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

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

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

BRENNTAG COLOURS LIMITED

Independent auditors' report to the members of Brenntag Colours Limited (continued)

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

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

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

Strategic Report and Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and Directors' Report for the year ended 31 December 2020 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

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

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Directors' Responsibilities Statement, 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.

BRENNTAG COLOURS LIMITED

Independent auditors' report to the members of Brenntag Colours Limited (continued)

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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to compliance with tax legislation, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as the Companies Act 2006. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting entries to manipulate the financial statements. Audit procedures performed by the engagement team included:

- testing financial statement balances to supporting documentation; and
- enquiring with management and those charged with governance to understand the relevant laws and regulations applicable to the company, and their assessment of fraud related risks.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

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.

BRENNTAG COLOURS LIMITED

Independent auditors' report to the members of Brenntag Colours Limited (continued)

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 obtained 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.



Rebecca Gissing (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Leeds
6 September 2021

BRENNTAG COLOURS LIMITED

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2020

	Note	2020 £000	2019 £000
Administrative expenses		(15)	(15)
Operating loss		<u>(15)</u>	<u>(15)</u>
Interest receivable and similar income	5	332	284
Profit before taxation		<u>317</u>	<u>269</u>
Tax on profit	6	-	-
Profit for the financial year		<u><u>317</u></u>	<u><u>269</u></u>

There were no recognised gains and losses for 2020 or 2019 other than those included in the Statement of Comprehensive Income.

The notes on pages 12 to 17 form part of these financial statements.

BRENNTAG COLOURS LIMITED
REGISTERED NUMBER: 04227005

BALANCE SHEET
AS AT 31 DECEMBER 2020

	Note	2020 £000	2019 £000
Current assets			
Debtors: amounts falling due after more than one year	7	11,125	10,808
Total assets less current liabilities		<u>11,125</u>	<u>10,808</u>
Net assets		<u>11,125</u>	<u>10,808</u>
Capital and reserves			
Called up share capital	9	9,911	9,911
Profit and loss account		1,214	897
Total shareholders' funds		<u>11,125</u>	<u>10,808</u>

The financial statements on pages 9 to 17 were approved by the Board on 3 September 2021. and were signed on its behalf by:



M Gratton
Director

The notes on pages 12 to 17 form part of these financial statements.

BRENNTAG COLOURS LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2020**

	Called up share capital £000	Profit and loss account £000	Total shareholders' funds £000
At 1 January 2019	9,911	628	10,539
Comprehensive income for the year			
Profit for the financial year	-	269	269
Total comprehensive income for the year	-	269	269
At 31 December 2019 and 1 January 2020	9,911	897	10,808
Comprehensive income for the year			
Profit for the financial year	-	317	317
Total comprehensive income for the year	-	317	317
At 31 December 2020	9,911	1,214	11,125

The notes on pages 12 to 17 form part of these financial statements.

BRENNTAG COLOURS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

1. ACCOUNTING POLICIES

1.1 General information

The Company is non-trading. Income is generated via interest receipts on intercompany balances.

The Company is a private company limited by shares and is incorporated in England & Wales. The Company's registered office address is Alpha House, Lawnswood Business Park, Redvers Close, Leeds, LS16 6QY.

1.2 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland' and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies (see note 2).

The following principal accounting policies have been consistently applied:

1.3 Going concern

The Company has access to considerable financial resources and has rigorous procedures for identifying, quantifying and mitigating all aspects of risk relevant to the business.

The directors have carried out a robust assessment of the risks facing both the Company and the UK Group of Companies of which it forms part of. The directors have prepared sensitivity analysis to assess the UK Group's cash flows based on different scenarios including a severe downturn in the UK economy. The cashflows cover the period to 31 December 2022 and in each scenario both the Company and the UK Group of Companies maintains substantial liquidity.

Having considered the sensitivity analysis the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

1.4 Cash flow

The Company has taken advantage of the exemption, under FRS 102 paragraph 1.12(b), from preparing a statement of cash flows, on the basis that it is a qualifying entity and its ultimate parent company, Brenntag SE, includes the Company's cash flows in its own consolidated financial statements.

1.5 Debtors

Debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

BRENNTAG COLOURS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

1. ACCOUNTING POLICIES (CONTINUED)

1.6 Financial instruments

The Company has adopted Sections 11 and 12 of FRS 102 in respect of financial instruments.

Basic financial assets, including debtors, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at the market rate of interest. Such assets are subsequently carried at amortised cost using the effective interest method.

At the end of each reporting period, financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in the Statement of Comprehensive Income.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying value would have been had the impairment not previously been recognised. The impairment reversal is recognised in the Statement of Comprehensive Income.

Financial assets are derecognised when (a) the contractual rights to the cash flow from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or (c) despite having retained some significant risks and rewards of ownership, control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

1.7 Interest income

Interest income is recognised in the Statement of Comprehensive Income using the effective interest method.

1.8 Taxation

Tax is recognised in the Statement of Comprehensive Income. The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the Balance Sheet date in the countries where the Company operates and generates income.

1.9 Related parties

The Company discloses transactions with related parties which are not wholly owned within the same group. It does not disclose transactions with members of the same group that are wholly owned, as permitted under FRS 102.

BRENNTAG COLOURS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

2. JUDGEMENTS IN APPLYING ACCOUNTING POLICIES AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Company's accounting policies, which are described in note 1, 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 continually evaluated and are based on historical experience and other factors that are considered to be relevant.

The directors believe that none of the judgements, estimates or assumptions applied, would have a significant risk of causing a material adjustment to the carrying value of assets and liabilities within the next financial year.

3. EMPLOYEES

The Company has no employees other than the directors, who did not receive any remuneration for their services to Brenntag Colours Limited (2019 - £nil).

All directors are wholly remunerated through Brenntag UK Ltd and no recharge is made to the Company.

4. AUDITORS' REMUNERATION

	2020 £000	2019 £000
Fees payable to the Company's auditor and its associates for the audit of the Company's annual accounts	5	5
	<u>5</u>	<u>5</u>
	<u>-</u>	<u>-</u>

5. INTEREST RECEIVABLE AND SIMILAR INCOME

	2020 £000	2019 £000
Interest receivable from group undertakings	332	284
	<u>332</u>	<u>284</u>

BRENNTAG COLOURS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

6. TAX ON PROFIT

	2020 £000	2019 £000
Current tax on profit for the year	-	-

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2019 - lower than) the standard rate of corporation tax in the UK of 19% (2019 - 19%). The differences are explained below:

	2020 £000	2019 £000
Profit before taxation	317	269
Profit before taxation multiplied by standard rate of corporation tax in the UK of 19% (2019 - 19%)	60	51
Effects of:		
Group relief	(60)	(51)
Total tax charge for the year	-	-

7. DEBTORS: Amounts falling due after more than one year

	2020 £000	2019 £000
Amounts owed by group undertakings	11,125	10,808

Amounts owed by group undertakings are unsecured, interest is charged at market rate and repayment terms are as stated in the respective loan agreements, at fixed dates after one year.

BRENNTAG COLOURS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

8. FINANCIAL INSTRUMENTS

	2020 £000	2019 £000
Financial assets		
Financial assets that are debt instruments measured at amortised cost	<u>11,125</u>	<u>10,808</u>

Financial assets that are debt instruments measured at amortised cost comprise amounts owed by group undertakings.

BRENNTAG COLOURS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

9. CALLED UP SHARE CAPITAL

	2020 £000	2019 £000
Allotted, called up and fully paid		
9,911,413 (2019 - 9,911,413) ordinary shares of £1 each	9,911	9,911

10. COMMITMENTS UNDER OPERATING LEASES

At 31 December the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2020 £000	2019 £000
Not later than 1 year	-	30
Later than 1 year and not later than 5 years	-	120
Later than 5 years	-	30
	-	180

The lease commitment shown in the prior year was surrendered during the year.

11. RELATED PARTY TRANSACTIONS

The Company is exempt under FRS 102 from disclosing related party transactions with members of the same group that are wholly owned. There have been no other related party transactions.

12. CONTROLLING PARTY

The Company's immediate parent company is Brenntag UK Holding Limited which is registered in the United Kingdom.

The Company's ultimate parent company and controlling entity is Brenntag SE which is incorporated in Germany.

Brenntag SE is the parent undertaking of the smallest and largest group to consolidate these financial statements at 31 December 2020. The consolidated financial statements of Brenntag SE are available from their registered office, at Messeallee 11, D-45131 Essen, Germany.