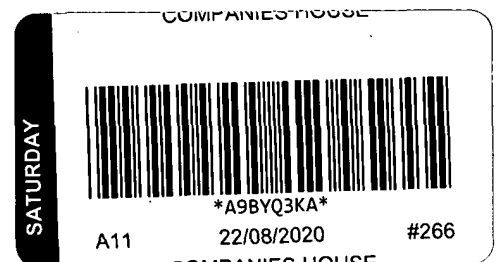


**AXALTA COATING SYSTEMS
TEWKESBURY UK LIMITED**

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019

PAGES FOR FILING WITH REGISTRAR



AXALTA COATING SYSTEMS TEWKESBURY UK LIMITED

COMPANY INFORMATION

Directors	J I Blenkinsopp F Dolan
Company number	05892338
Registered office	Units D1 - D4 Northway Trading Estate Ashchurch TEWKESBURY GL20 8JH
Auditor	Johnston Carmichael LLP Bishop's Court 29 Albyn Place Aberdeen AB10 1YL

AXALTA COATING SYSTEMS TEWKESBURY UK LIMITED

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AXALTA COATING SYSTEMS TEWKESBURY UK LIMITED

BALANCE SHEET

AS AT 31 DECEMBER 2019

	Notes	2019 £	£	2018 £	£
Fixed assets					
Intangible assets	4		-		34,674
Tangible assets	5		75,084		94,433
			<u>75,084</u>		<u>129,107</u>
Current assets					
Stocks		462,533		424,122	
Debtors	6	665,082		821,395	
Cash at bank and in hand		1,860,005		1,004,792	
		<u>2,987,620</u>		<u>2,250,309</u>	
Creditors: amounts falling due within one year	7	<u>(88,751)</u>		<u>(294,126)</u>	
Net current assets			<u>2,898,869</u>		<u>1,956,183</u>
Total assets less current liabilities			<u>2,973,953</u>		<u>2,085,290</u>
Provisions for liabilities	8		<u>(9,641)</u>		<u>(12,726)</u>
Net assets			<u><u>2,964,312</u></u>		<u><u>2,072,564</u></u>
Capital and reserves					
Called up share capital	9		100		100
Profit and loss reserves	10		2,964,212		2,072,464
Total equity			<u><u>2,964,312</u></u>		<u><u>2,072,564</u></u>

The directors of the company have elected not to include a copy of the profit and loss account within the financial statements.

These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the board of directors and authorised for issue on 30/07/2020 and are signed on its behalf by:



J I Blenkinsopp
Director

Company Registration No. 05892338

AXALTA COATING SYSTEMS TEWKESBURY UK LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2019

	Share capital	Profit and loss reserves	Total
	£	£	£
Balance at 1 January 2018	100	1,206,660	1,206,760
Year ended 31 December 2018:			
Profit and total comprehensive income for the year	-	865,804	865,804
	<hr/>	<hr/>	<hr/>
Balance at 31 December 2018	100	2,072,464	2,072,564
Year ended 31 December 2019:			
Profit and total comprehensive income for the year	-	891,748	891,748
	<hr/>	<hr/>	<hr/>
Balance at 31 December 2019	<hr/> 100	<hr/> 2,964,212	<hr/> 2,964,312

AXALTA COATING SYSTEMS TEWKESBURY UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019

1 Accounting policies

Company information

Axalta Coating Systems Tewkesbury UK Limited ("the company") is a private company limited by shares incorporated in England and Wales. The registered office is Units D1 - D4, Northway Trading Estate, Ashchurch, Tewkesbury, GL20 8JH. The company's registered number is 05892338. The company's trading address is that of the registered office.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest pound sterling.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Going concern

The directors have, at the time of approving these financial statements, a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. In reaching this conclusion, they have considered the potential impact on trading from the COVID-19 pandemic on the company's forecasts and have also obtained, from the company's ultimate parent company Axalta Coating Systems Ltd, formal confirmation of its ongoing financial support, for a period of at least 12 months beyond the date of signing these financial statements. As such, the directors consider that the company will continue to have access to sufficient cash resources such, as to withstand any negative effect on trading from COVID-19, for a period of at least 12 months from the date of signing these financial statements. Thus they continue to adopt the going concern basis of accounting in preparing these financial statements.

1.3 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

1.4 Intangible fixed assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Amortisation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Patents

No amortisation charged until patents in use

AXALTA COATING SYSTEMS TEWKESBURY UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

1 Accounting policies

1.5 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost of assets less their residual values over their useful lives on the following bases:

Leasehold improvements	25% straight line
Plant and equipment	10% straight line
Fixtures and fittings	25% straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

1.6 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

1.7 Stocks

Stocks and work in progress are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

1.8 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand and deposits held at call with banks.

1.9 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

AXALTA COATING SYSTEMS TEWKESBURY UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

1 Accounting policies

Basic financial assets

Basic financial assets, which include debtors, amounts due from group undertakings and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. The effective interest rate is the rate that exactly discounts estimated future cash receipts/payments through the expected life of the investment to the net carrying amount on initial recognition. Financial assets classified as receivable within one year are not amortised.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including creditors and amounts due to fellow group companies that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Basic financial instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities.

1.10 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.11 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 reporting end date.

AXALTA COATING SYSTEMS TEWKESBURY UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

1 Accounting policies

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end 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. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.12 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.13 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments on the balance sheet.

1.14 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leases asset are consumed.

1.15 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation are included in the profit and loss account for the period.

AXALTA COATING SYSTEMS TEWKESBURY UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount 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 where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

The following are considered to be either judgements that have had the most significant effect on the amounts recognised in the financial statements, or estimates that are dependent upon assumptions which could change in the next financial year and have a material effect on the carrying amounts of assets and liabilities recognised at the balance sheet date:

- Allocation of overheads included in stock is a judgement made by management. Directors assess the overheads to be included in stock and calculate these in accordance with their judgements.
- Recoverability of trade debtors and associated bad debt provisions are judgements made by management (note 6). The directors assess whether debtors are recoverable and provide accordingly.
- As part of the tax provisioning for the financial statements, the directors consider the surrender of UK trading losses received from other UK Axalta Coating Systems Ltd group companies and their appropriateness for reducing the company's current tax liabilities.

3 Employees

The average monthly number of persons (including directors) employed by the company during the year was 10 (2018 - 9).

4 Intangible fixed assets

	Other £
Cost	
At 1 January 2019 and 31 December 2019	34,674
Amortisation and impairment	
At 1 January 2019	-
Impairment losses	34,674
At 31 December 2019	34,674
Carrying amount	
At 31 December 2019	-
At 31 December 2018	34,674

AXALTA COATING SYSTEMS TEWKESBURY UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

5 Tangible fixed assets

	Leasehold improvements	Plant and machinery etc	Total
	£	£	£
Cost			
At 1 January 2019	4,018	324,437	328,455
Additions	-	7,230	7,230
At 31 December 2019	4,018	331,667	335,685
Depreciation and impairment			
At 1 January 2019	4,018	230,005	234,023
Depreciation charged in the year	-	26,578	26,578
At 31 December 2019	4,018	256,583	260,601
Carrying amount			
At 31 December 2019	-	75,084	75,084
At 31 December 2018	-	94,433	94,433

AXALTA COATING SYSTEMS TEWKESBURY UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

6 Debtors

	2019	2018
	£	£
Amounts falling due within one year:		
Trade debtors	262,111	481,807
Corporation tax recoverable	56,285	-
Amounts due from group undertakings	326,391	326,391
Other debtors	20,295	13,197
	<u>665,082</u>	<u>821,395</u>

Amounts due from group undertakings have no fixed repayment terms and are interest free.

7 Creditors: amounts falling due within one year

	2019	2018
	£	£
Trade creditors	39,669	95,052
Amounts owed to group undertakings	4,088	85,576
Corporation tax	-	51,415
Other taxation and social security	10,242	24,313
Other creditors	34,752	37,770
	<u>88,751</u>	<u>294,126</u>

Amounts due to group undertakings have no fixed repayment terms and are interest free.

8 Deferred taxation

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:

	Liabilities 2019	Liabilities 2018
	£	£
Balances:		
Accelerated capital allowances	<u>9,641</u>	<u>12,726</u>
Movements in the year:		2019
		£
Liability at 1 January 2019		12,726
Credit to profit or loss		(3,085)
		<u>9,641</u>
Liability at 31 December 2019		

AXALTA COATING SYSTEMS TEWKESBURY UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

9 Called up share capital

	2019	2018
	£	£
Ordinary share capital Issued and fully paid 100 Ordinary of £1 each	100	100

10 Profit and loss reserves

The profit and loss account represents cumulative realisable profits and losses.

11 Audit report information

As the income statement has been omitted from the filing copy of the financial statements, the following information in relation to the audit report on the statutory financial statements is provided in accordance with s444(5B) of the Companies Act 2006:

The auditor's report was unqualified.

The senior statutory auditor was Stephen McIlwaine.

The auditor was Johnston Carmichael LLP.

12 Financial commitments, guarantees and contingent liabilities

The company is party to a cross charge security in respect of facilities held by Axalta Coating Systems UK Holding Limited, together with The Independent Coatings Group Limited and Axalta Coating Systems West Bromwich UK Limited, which are fellow group undertakings.

13 Operating lease commitments

Lessee

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, as follows:

2019	2018
£	£
137,500	187,500

14 Related party transactions

The company has taken advantage of the exemption available in accordance with section 33 of FRS 102 'Related party disclosures' not to disclose transactions entered into between two or more members of a group, as the company is a wholly owned subsidiary undertaking of the group to which it is party to the transactions.

AXALTA COATING SYSTEMS TEWKESBURY UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

15 Parent company

The company is a wholly owned subsidiary of Spencer Coatings Group Limited, a company registered in Scotland. Its ultimate parent company is Axalta Coating Systems Ltd, a company incorporated in Bermuda, which the directors consider to be the controlling party. Axalta Coating Systems Ltd represent the largest and smallest group which prepares consolidated financial statements. A copy of the Axalta Coating Systems Ltd group financial statements are available from the group's website (www.axaltacs.com).