

Company Registration No. 07997189 (England and Wales)

AXALTA COATING SYSTEMS WEST BROMWICH UK LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

AXALTA COATING SYSTEMS WEST BROMWICH UK LIMITED

COMPANY INFORMATION

| | |
|--------------------------|-------------------------------------------------------------------------------------|
| Directors | J I Blenkinsopp R Joyce F Dolan |
| Company number | 07997189 |
| Registered office | Whessoe Road Darlington England United Kingdom DL3 0XH |
| Auditor | Johnston Carmichael LLP Bishop's Court 29 Albyn Place Aberdeen AB10 1YL |

AXALTA COATING SYSTEMS WEST BROMWICH UK LIMITED

CONTENTS

| | Page |
|---------------------------------------|---------|
| Directors' report | 1 |
| Directors' responsibilities statement | 2 |
| Independent auditor's report | 3 - 6 |
| Statement of comprehensive income | 7 |
| Balance sheet | 8 |
| Statement of changes in equity | 9 |
| Notes to the financial statements | 10 - 17 |

AXALTA COATING SYSTEMS WEST BROMWICH UK LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2022

The directors present their report and financial statements for the year ended 31 December 2022.

Directors

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

J I Blenkinsopp
R Joyce
F Dolan

Results and dividends

No interim dividends were paid (2021: £nil). The directors do not recommend payment of a final dividend (2021: £nil).

Basis other than going concern

During the preceding year, the trade and certain assets of the company were transferred to a fellow group entity, Axalta Coating Systems Huthwaite UK Limited. The directors intend to wind the company up in the near future, realising any remaining assets and settling any outstanding liabilities, culminating in a return of capital to the shareholder. Therefore, the directors do not consider it appropriate to adopt the going concern basis of accounting in preparing these financial statements and accordingly they have been prepared on a basis other than going concern.

Adopting a basis other than going concern has meant that assets have been written down to their net realisable values, which is reflected in the company's balance sheet at 31 December 2022, with no other impact on the recognition or measurement of the company's assets or liabilities. The financial statements do not include any provision for future costs of terminating the business.

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

On behalf of the board

J I Blenkinsopp
Director

12 September 2023

AXALTA COATING SYSTEMS WEST BROMWICH UK LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2022

The directors are responsible for preparing the directors' 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). 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;
- 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.

AXALTA COATING SYSTEMS WEST BROMWICH UK LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF AXALTA COATING SYSTEMS WEST BROMWICH UK LIMITED

Opinion

We have audited the financial statements of Axalta Coating Systems West Bromwich UK Limited (the 'company') for the year ended 31 December 2022 which comprise the statement of comprehensive income, the balance sheet, the statement of changes in equity and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2022 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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 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 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.

Emphasis of matter - financial statements prepared on a basis other than going concern

We draw attention to note 1.2 to the financial statements which explains that the directors intend to wind-up the company within the next financial year and therefore do not consider it to be appropriate to adopt the going concern basis of accounting in preparing the financial statements. Accordingly, the financial statements have been prepared on a basis other than going concern as described in note 1.2. Our audit opinion is not modified in this respect of this matter.

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

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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 this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

AXALTA COATING SYSTEMS WEST BROMWICH UK LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF AXALTA COATING SYSTEMS WEST BROMWICH UK LIMITED

Matters on which we are required to report by exception

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 material misstatements in the directors' report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you 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 remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the directors' report and from the requirement to prepare a strategic report.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 2, 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 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 Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Extent to which the audit is capable of detecting irregularities, including fraud

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.

We assessed whether the engagement team collectively had the appropriate competence and capabilities to identify or recognise non-compliance with laws and regulations by considering their experience, past performance and support available.

All engagement team members were briefed on relevant identified laws and regulations and potential fraud risks at the planning stage of the audit. Engagement team members were reminded to remain alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

AXALTA COATING SYSTEMS WEST BROMWICH UK LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF AXALTA COATING SYSTEMS WEST BROMWICH UK LIMITED

Extent to which the audit is capable of detecting irregularities, including fraud (continued)

We obtained an understanding of the legal and regulatory frameworks that are applicable to company and the sector in which it operates, focusing on those provisions that had a direct effect on the determination of material amounts and disclosures in the financial statements. The most relevant frameworks we identified include:

- UK Generally Accepted Accounting Practice
- Companies Act 2006
- UK Corporate Tax legislation

We gained an understanding of how the company is complying with these laws and regulations by making enquiries of management and those charged with governance. We corroborated these enquiries through our review of submitted returns and relevant correspondence with regulatory bodies.

We assessed the susceptibility of the financial statements to material misstatement, including how fraud might occur, by meeting with management and those charged with governance to understand where it was considered there was susceptibility to fraud. This evaluation also considered how management and those charged with governance were remunerated and whether this provided an incentive for fraudulent activity. We considered the overall control environment and how management and those charged with governance oversee the implementation and operation of controls. We identified a heightened fraud risk in relation to:

- Management override of controls

In addition to the above, the following procedures were performed to provide reasonable assurance that the financial statements were free of material fraud or error:

- Discussing with those charged with governance in reference to: breaches of laws and regulation or for any indication of any potential litigation and claims; and events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud;
- Reviewing the level of and reasoning behind the company's procurement of legal and professional services;
- Performing audit work procedures over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing judgements made by management in their calculation of accounting estimates for potential management bias;
- Completion of appropriate checklists and use of our experience to assess the Company's compliance with the Companies Act 2006; and
- Agreement of the financial statement disclosures to supporting documentation.

Our audit procedures were designed to respond to the risk of material misstatements in the financial statements, recognising that 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 intentional concealment, forgery, collusion, omission or misrepresentation. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

AXALTA COATING SYSTEMS WEST BROMWICH UK LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF AXALTA COATING SYSTEMS WEST BROMWICH 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.

Stephen McIlwaine (Senior Statutory Auditor)
For and on behalf of Johnston Carmichael LLP

22 September 2023

Chartered Accountants
Statutory Auditor

Bishop's Court
29 Albyn Place
Aberdeen
AB10 1YL

AXALTA COATING SYSTEMS WEST BROMWICH UK LIMITED

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2022

| | Notes | Discontinued operations 2022 £ | Discontinued operations 2021 £ |
|-------------------------------------------------|----------|-----------------------------------------|-----------------------------------------|
| Turnover | 2 | 10,531 | 8,356,581 |
| Cost of sales | | 1,658 | (7,579,305) |
| Gross profit | | 12,189 | 777,276 |
| Administrative expenses | | (780,546) | (1,643,920) |
| Exceptional items | 3 | - | (788,405) |
| Operating loss | | (768,357) | (1,655,049) |
| Interest receivable and similar income | 2 | 17,089 | - |
| Loss before taxation | | (751,268) | (1,655,049) |
| Tax on loss | 5 | (32,105) | 19,011 |
| Loss for the financial year | | (783,373) | (1,636,038) |
| Other comprehensive income | | | |
| Tax relating to other comprehensive income | | - | 10,981 |
| Total comprehensive expense for the year | | (783,373) | (1,625,057) |

AXALTA COATING SYSTEMS WEST BROMWICH UK LIMITED

BALANCE SHEET

AS AT 31 DECEMBER 2022

| | | 2022 | | 2021 | |
|-------------------------------------------------------|-------|------------------|------------------|------------------|------------------|
| | Notes | £ | £ | £ | £ |
| Fixed assets | | | | | |
| Tangible assets | 7 | | - | | 394,422 |
| Current assets | | | | | |
| Stocks | | - | | 52,243 | |
| Debtors | 8 | 178 | | 2,847,260 | |
| Cash at bank and in hand | | 6,039,377 | | 335,544 | |
| | | <u>6,039,555</u> | | <u>3,235,047</u> | |
| Creditors: amounts falling due within one year | 9 | (3,663,129) | | (469,670) | |
| Net current assets | | | 2,376,426 | | 2,765,377 |
| Net assets | | | <u>2,376,426</u> | | <u>3,159,799</u> |
| Capital and reserves | | | | | |
| Called up share capital | 10 | | 4 | | 4 |
| Revaluation reserve | | | - | | 27,961 |
| Profit and loss reserves | | | 2,376,422 | | 3,131,834 |
| Total equity | | | <u>2,376,426</u> | | <u>3,159,799</u> |

These financial statements have been prepared 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 12 September 2023 and are signed on its behalf by:

J I Blenkinsopp
Director

Company Registration No. 07997189

AXALTA COATING SYSTEMS WEST BROMWICH UK LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2022

| | Share capital | Revaluation reserve | Profit and loss reserves | Total |
|---------------------------------------------------|---------------|---------------------|--------------------------|-------------|
| | £ | £ | £ | £ |
| Balance at 1 January 2021 | 4 | 106,962 | 4,677,890 | 4,784,856 |
| Year ended 31 December 2021: | | | | |
| Loss for the year | - | - | (1,636,038) | (1,636,038) |
| Other comprehensive income: | | | | |
| Tax relating to other comprehensive income | - | 10,981 | - | 10,981 |
| Total comprehensive income for the year | - | 10,981 | (1,636,038) | (1,625,057) |
| Transfers | - | (89,982) | 89,982 | - |
| Balance at 31 December 2021 | 4 | 27,961 | 3,131,834 | 3,159,799 |
| Year ended 31 December 2022: | | | | |
| Loss and total comprehensive expense for the year | - | - | (783,373) | (783,373) |
| Transfers | - | (27,961) | 27,961 | - |
| Balance at 31 December 2022 | 4 | - | 2,376,422 | 2,376,426 |

AXALTA COATING SYSTEMS WEST BROMWICH UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

Company information

Axalta Coating Systems West Bromwich UK Limited ("the company") is a private company limited by shares incorporated and domiciled in England and Wales. The registered office is Whessoe Road, Darlington, England, United Kingdom, DL3 0XH.

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.

The financial statements have been prepared under the historical cost convention modified to include certain categories of fixed assets at deemed cost at the date of transition to FRS102. The principal accounting policies adopted are set out below.

1.2 Basis other than going concern

During the preceding year, the trade and certain assets of the company were transferred to a fellow group entity, Axalta Coating Systems Hultwaite UK Limited. The directors intend to wind the company up in the near future, realising any remaining assets and settling any outstanding liabilities, culminating in a return of capital to the shareholder. Therefore, the directors do not consider it appropriate to adopt the going concern basis of accounting in preparing these financial statements and accordingly they have been prepared on a basis other than going concern.

Adopting a basis other than going concern has meant that assets have been written down to their net realisable values, which is reflected in the company's balance sheet at 31 December 2022, with no other impact on the recognition or measurement of the company's assets or liabilities. The financial statements do not include any provision for future costs of terminating the business.

1.3 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services 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.

AXALTA COATING SYSTEMS WEST BROMWICH UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

(Continued)

1.4 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:

| | |
|-----------------------|----------------------|
| Plant and equipment | up to 20 years |
| Fixtures and fittings | 10-20% straight line |

Assets under construction are not depreciated until the asset is complete and brought into operational use, at which point it will be transferred to the appropriate asset class and depreciated.

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.

1.5 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible 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) by comparing this to the assets carrying value. The recoverable amount of the asset is the higher of the fair value less costs to sell and value in use. Value in use is defined as the present value of the future cash flows before interest and tax obtained as a result of the asset's continued use.

1.6 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 direct and indirect 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.

1.7 Cash at bank and in hand

Cash and cash equivalents are basic financial assets and relate to cash in hand.

1.8 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 WEST BROMWICH UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

(Continued)

Basic financial assets

Basic financial assets, which include certain debtors, amounts owed by 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.

Impairment of financial assets

Financial assets are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. 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 profit or loss.

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 amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

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 certain creditors and amounts owed to fellow group companies, 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.

Derecognition of financial liabilities

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

1.9 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.

1.10 Taxation

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

AXALTA COATING SYSTEMS WEST BROMWICH UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

(Continued)

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the statement of comprehensive income 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.

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 statement of comprehensive income, 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.

1.11 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.

1.12 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.13 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.

1.14 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 in the period are included in profit or loss.

1.15 Exceptional costs

Exceptional items are identified by the board as transactions through the profit and loss outwith the normal course of business, which are considered material to the financial statements. As such, they require separate identification in order to provide necessary explanation to the results of the company.

AXALTA COATING SYSTEMS WEST BROMWICH UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

2 Turnover and other revenue

An analysis of the company's turnover is as follows:

| | 2022 | 2021 |
|-----------------------------------------------|-------------------|-------------------|
| | £ | £ |
| Turnover analysed by class of business | | |
| Sale of paint products | 10,531 | 8,356,581 |
| | <u> </u> | <u> </u> |
| | 2022 | 2021 |
| | £ | £ |
| Other significant revenue | | |
| Interest income | 17,089 | - |
| | <u> </u> | <u> </u> |

The turnover shown in the statement of comprehensive income represents amounts invoiced under the company's principal activity.

The directors consider that to disclose a geographical analysis of turnover would be seriously prejudicial to the company's interests.

3 Exceptional item

| | 2022 | 2021 |
|----------------------|-------------------|-------------------|
| | £ | £ |
| Expenditure | | |
| Site clearance costs | - | 160,783 |
| Redundancy costs | - | 627,622 |
| | <u> </u> | <u> </u> |
| | - | 788,405 |
| | <u> </u> | <u> </u> |

4 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

| | 2022 | 2021 |
|-------|-------------------|-------------------|
| | Number | Number |
| Total | 3 | 34 |
| | <u> </u> | <u> </u> |

5 Taxation

| | 2022 | 2021 |
|-----------------------------------------|-------------------|-------------------|
| | £ | £ |
| Current tax | | |
| Adjustments in respect of prior periods | 32,105 | (8,159) |
| | <u> </u> | <u> </u> |

AXALTA COATING SYSTEMS WEST BROMWICH UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

| 5 Taxation | | (Continued) | |
|------------------------------------------------|--------|-------------|--|
| | 2022 | 2021 | |
| | £ | £ | |
| Deferred tax | | | |
| Origination and reversal of timing differences | - | 1,487 | |
| Adjustment in respect of prior periods | - | (12,339) | |
| | | | |
| Total deferred tax | - | (10,852) | |
| | | | |
| Total tax charge/(credit) | 32,105 | (19,011) | |

In addition to the amount charged/(credited) to profit or loss, the following amounts relating to tax have been recognised directly in other comprehensive income:

| | 2022 | 2021 |
|--------------------------|------|----------|
| | £ | £ |
| Deferred tax arising on: | | |
| Revaluation of property | - | (10,981) |

At 31 December 2022 the company had existing trading losses of £7.5m (2021: £6.8m) and decelerated capital allowances available of £0.2m (2021: £0.1m). No deferred tax assets have been provided for these on the basis that the directors consider it appropriate not to do so.

6 Impairments

Impairment tests have been carried out where appropriate and the following impairment losses have been recognised in profit or loss:

| | 2022 | 2021 |
|-------------------------------|------|---------|
| | £ | £ |
| In respect of: | | |
| Property, plant and equipment | - | 325,406 |
| | | |
| Recognised in: | | |
| Administrative expenses | - | 325,406 |

The impairment losses in the prior year were recognised in respect of certain property, plant and equipment which were not transferred to Axalta Coating Systems Huthwaite UK Limited as part of the transfer of the company's trade, assets and operations. These impairment losses were in effect accelerated depreciation in respect of these assets.

AXALTA COATING SYSTEMS WEST BROMWICH UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

7 Tangible fixed assets

| | Land and buildings £ | Plant and machinery £ | Furniture and fittings £ | Total £ |
|------------------------------------|----------------------------|-----------------------------|--------------------------------|-------------|
| Cost | | | | |
| At 1 January 2022 | 51,892 | 1,766,735 | 223,836 | 2,042,463 |
| Disposals | (51,892) | (1,766,735) | (223,836) | (2,042,463) |
| At 31 December 2022 | - | - | - | - |
| Depreciation and impairment | | | | |
| At 1 January 2022 | - | 1,427,016 | 221,025 | 1,648,041 |
| Depreciation charged in the year | - | 18,961 | 258 | 19,219 |
| Eliminated in respect of disposals | - | (1,445,977) | (221,283) | (1,667,260) |
| At 31 December 2022 | - | - | - | - |
| Carrying amount | | | | |
| At 31 December 2022 | - | - | - | - |
| At 31 December 2021 | 51,892 | 342,530 | 2,811 | 394,422 |

During the year, the company transferred its fixed assets to a fellow group company, Axalta Coating Systems Huthwaite UK Limited, at a book value.

8 Debtors

| | 2022 £ | 2021 £ |
|---------------------------------------------|-----------|-----------|
| Amounts falling due within one year: | | |
| Trade debtors | - | 19,110 |
| Corporation tax recoverable | - | 21,739 |
| Amounts owed by group undertakings | - | 2,776,925 |
| Other debtors | 178 | 29,486 |
| | 178 | 2,847,260 |

Amounts owed by group undertakings are interest free, unsecured and there are no fixed repayment terms.

AXALTA COATING SYSTEMS WEST BROMWICH UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

9 Creditors: amounts falling due within one year

| | 2022 £ | 2021 £ |
|------------------------------------|------------------|----------------|
| Trade creditors | - | 154,402 |
| Amounts owed to group undertakings | 3,645,154 | - |
| Taxation and social security | - | 150,962 |
| Other creditors | 17,975 | 164,306 |
| | <u>3,663,129</u> | <u>469,670</u> |

Amounts owed to group undertakings have no fixed repayment terms, unsecured and are interest free.

10 Called up share capital

| | 2022 Number | 2021 Number | 2022 £ | 2021 £ |
|---------------------------------------------------------|----------------|----------------|-----------|-----------|
| Ordinary share capital Issued and fully paid | | | | |
| Ordinary shares of £1 each | 4 | 4 | 4 | 4 |
| | <u>4</u> | <u>4</u> | <u>4</u> | <u>4</u> |

11 Financial commitments, guarantees and contingent liabilities

The company is party to cross fixed and floating charge securities in respect of banking facilities held by Axalta Coating Systems UK Holding Limited (the company's most senior parent in the United Kingdom), together with The Independent Coatings Group Limited and Axalta Coating Systems Tewkesbury UK Limited, which are fellow group undertakings.

12 Related party transactions

The company has taken advantage of the exemption available in accordance with Section 33 of FRS 102 'Related Party Disclosure' not to disclose transactions entered between two or more wholly owned members of the same group.

13 Parent company

The company is a wholly owned subsidiary of The Independent Coatings Group Limited, a company registered in England and Wales. 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 represents 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.axalta.com).

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.