Akcros Chemicals Limited

Directors' report and financial statements

Registered number 995767

31 December 2010

Contents

Company Information

Directors	R Catchpole M Charnock L R Litwinowicz T Engelen
Secretary	M Charnock
Registered office	5 The Courtyard Timothy's Bridge Road Stratford-upon-Avon Warwickshire CV37 9NP
Registered number	995767
Auditors	Grant Thornton UK LLP Enterprise House 115 Edmund Street Birmingham B3 2HJ
Solicitors	HBJ Gateley Wareing LLP One Eleven Edmund Street Birmingham B3 2HJ
Bankers	RBS Invoice Finance Limited 3rd Floor 1 Spinningfields Square Manchester M3 3AP NatWest Bank plc 49 Church Street Eccles Manchester M30 0AF Barclays Bank plc London Service Centre P O Box 46116 London EC4N 8WB

Directors' report

The directors present their annual report and the audited financial statements for the year ended 31 December 2010

Principal activities

The company is engaged in the manufacture and sale of Polymer Additives and other specialty chemicals

Results and dividends

The profit and loss account and balance sheet, together with appropriate notes, are set out on pages 8 to 18 The profit after tax for the year was £1,420,000 (2009 £1,068,000) The directors do not recommend payment of a dividend (2009 £Nil)

Business review

A strong recovery from Akcros is reflected in the 2010 results with improving profitability in the European businesses despite the on-going recessionary backdrop Business has been difficult to manage due to persistent increasing raw material costs However, the increased volumes in 2010 more than compensated for the reduced margins where these costs could not be passed on in full to customers

Business has remained consistent throughout the year and the company has managed to make significant strides in improving customer service during the second half of the year The company has taken on some additional resources in the production areas to ensure that customer's needs are fully satisfied at the higher levels of business activity we have experienced

The company obtained new financing with RBS Invoice Finance Limited ("RBS") in April 2010 to conclude the move away from Landsbanki RBS are supporting the growth plans of the company through an asset backed lending structure The company has opened an office in Hong Kong in 2011 for further penetration into the Far East markets

Strategic investments in the UK have gone well and will bear fruits in 2011, along with the planned expansion in Biocides and Epoxidation capabilities in the coming year

REACH regulatory requirements were met on time and on budget and the reshaping of the product range in Europe in line with REACH has been successful, with positive feedback from customers about the new product range New and exciting products were launched with improved performance, lower cost and reduced emissions to meet growing customer requirements in these areas

In health and safety management the company continued its good safety management practices to achieve 5 continuous years without long term injury globally The company is also working proactively in the process safety management area by introducing process safety performance indicators measurement and management in 2011

The company and its employees are looking forward to further development of the business in 2011 and penetration into the new target markets of crop-based sustainable products and extending its biocide product penetration

Key performance indicators

The directors monitor and manage the performance of the company assisted by the production of detailed monthly management reports containing detailed monthly accounts and a number of key financial and non-financial performance measures The main KPI's include turnover, gross margin and operating costs by business segment

Principal risks and uncertainties

The company operates in a changing economic and competitive environment that presents risks, many of which are driven by factors that we cannot control or predict

Financial instruments

The company's operations expose it to a variety of financial risks including the effects of changes in interest rates on debt, foreign currency exchange rates, credit risk and liquidity risk

Directors' report *(continued)*

The company's principal financial instruments comprise sterling bank balances, debt factoring facilities, other loans and obligations under finance leases together with trade debtors and trade creditors that arise directly from its operations

The main risks arising from the company's financial instruments can be analysed as follows -

Foreign currency risk

The company is exposed in its trading operations to the risk of changes in foreign currency exchange rates The main foreign currencies in which the company operates are the Euro and the US dollar

Management monitor the level of overall exposure and, where possible, the company will create a natural hedge by buying and selling in the same currency

Credit risk

The company's principal financial assets are bank balances and trade debtors The latter represents the company's maximum exposure to credit risk in relation to financial assets

Credit risk is managed by monitoring the aggregate amount and duration of exposure to any one customer depending upon their credit rating The amounts presented in the balance sheet are net of allowances for doubtful debts, estimated by the company's management based on prior experience and their assessment of the current economic environment

The credit risk on liquid funds is limited because the counterparties are banks with high credit ratings assigned by international credit-rating agencies

Liquidity risk

The company's policy has been to ensure continuity of funding through acquiring an element of its fixed assets under finance and operating leases, and arranging funding for operations via short-term credit facilities with it's principle funder

The directors have reviewed the forecasts for the next 12 months and the facilities available, and consider that these facilities are more than adequate to meet the cash flow needs of the business

Cash flow interest rate risks

The interest rate on the company's borrowings is at market rate and the company's policy is to keep downward pressure on borrowings such that the risk that could arise from a significant change in interest rates would not have a material impact on cash flows The directors monitor the overall level of borrowing and interest costs to limit any adverse effects on the financial performance of the company

Directors and directors' interests

The directors who held office at the date of this report are set out on page 1

All of the other directors served throughout the period

No director had any interests in the shares of the company The interest of the directors in the shares of the parent undertaking are disclosed in the accounts of that company

Employees

The Management Team communicates regularly with employees through team briefings and periodic team meetings chaired by the directors

The company is committed to equality of opportunity and makes every reasonable effort to ensure that there is no harassment or unlawful discrimination in the way that the company treats its employees, contractors, job applicants and visitors

Directors' report *(continued)*

Political and charitable contributions

The company made no political contributions during the year (2009 £Nil) Donations to UK charities amounted to £1,032 (2009 £350)

Auditors

A resolution to reappoint Grant Thornton UK LLP as auditors to the company will be proposed at the forthcoming Annual General Meeting

By order of the Board

M R Charnock
Secretary

5 The Courtyard
Timothy's Bridge Road
Stratford-upon-Avon
Warwickshire CV37 9NP

Date: 28 March 2011

Statement of directors' responsibilities in respect of the directors' report and the financial statements

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 they have elected to prepare the financial statements in accordance with United Kingdom Accounting Standards and applicable law (United Kingdom Generally Accepted Accounting Practice)

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 judgments and estimates that are reasonable and prudent,
- state whether applicable United Kingdom Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that its financial statements comply with the Companies Act 2006 They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities

In so far as each of the directors is aware

- there is no relevant audit information of which the company's auditors are unaware, and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information

GrantThornton

Report of the independent auditor to the members of Akcros Chemicals Limited

We have audited the financial statements of Akcros Chemicals Limited for the year ended 31 December 2010 which comprise the profit and loss account, balance sheet and notes 1 to 22 The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice)

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

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 5, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors

Scope of audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's web-site at www frc org uk/apb/scope/private cfm

Opinion on the financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 December 2010 and of its profit 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

Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements

Report of the independent auditor to the members of Akcros Chemicals Limited

Matters on which we are required to report by exception

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 directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit

Grant Thornton UK LLP

David Munton
Senior Statutory Auditor
For and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
Birmingham
Date: 28 March 2011

Profit and loss account
for the year ended 31 December 2010

	Note	2010 £000	2009 £000
Turnover	2	**46,208**	39,461
Cost of sales		**(39,865)**	(33,534)
Gross profit		**6,343**	5,927
Distribution costs		**(2,409)**	(2,332)
Administrative expenses		**(2,631)**	(2,929)
Other operating income		**64**	212
Operating profit	4	**1,367**	878
Interest receivable and similar income	7	**325**	362
Interest payable and similar charges	8	**(134)**	(172)
Profit on ordinary activities before taxation		**1,558**	1,068
Tax on profit on ordinary activities	9	**(138)**	-
Profit on ordinary activities after taxation	19	**1,420**	1,068

All amounts relate to continuing activities

The company had no recognised gains and losses in either the current or prior periods other than the profits and losses shown above As such no Statement of Total Recognised Gains and Losses has been prepared

Balance sheet
at 31 December 2010

	Note	**2010**	**2010**	2009	2009
		£000	**£000**	£000	£000
Fixed assets					
Tangible assets	*10*		**2,831**		2,578
Investments	*11*		**-**		9,600
			2,831		12,178
Current assets					
Stocks	*12*	**5,412**		4,492	
Debtors	*13*	**11,965**		10,283	
Cash at bank and in hand		**383**		1,395	
		17,760		16,170	
Current liabilities					
Creditors amounts falling due within one year	*14*	**(9,808)**		(9,376)	
Net current assets			**7,952**		6,794
Total assets less current liabilities			**10,783**		18,972
Creditors: amounts falling due after more than one year	*15*		**(113)**		(10,176)
Provisions for liabilities and charges	*17*		**(98)**		(144)
Net assets			**10,572**		8,652
Capital and reserves					
Called up share capital	*18&19*		**1,000**		21,100
Capital redemption reserve	*19*		**-**		23,100
Profit and loss account	*19*		**9,572**		(35,548)
Equity shareholders funds	*19*		**10,572**		8,652

The notes on pages 10 to 19 form part of these financial statements

These financial statements were approved by the Board of Directors on 28 March 2011 and were signed on its behalf by

R Catchpole
Director

Company number 995767

Notes
(forming part of the financial statements)

1 Accounting policies

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

Basis of preparation

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

Cash flow statement

The company has taken advantage of the exemption in FRS 1 (revised) and has not prepared a cash flow statement as its ultimate parent undertaking, Akcros Holdings Limited, has prepared, in its consolidated financial statements, a consolidated cash flow statement dealing with the cash flows of Akcros Chemicals Limited

Related party transactions

As a subsidiary undertaking, 90% or more of whose voting rights are controlled by Akcros Holdings Limited, the company has taken advantage of the exemption in FRS 8 not to disclose related party transactions with other members of the group

Fixed assets and depreciation

Depreciation is provided to write off the cost of tangible fixed assets on a straight line basis over their expected useful lives, sufficient to write them down to their residual value Where there is evidence of impairment, fixed assets are written down to their recoverable value No depreciation is provided on payments on account or assets in the course of construction until they are brought into use The principle rates used are

Plant and machinery	-	4% to 33% per annum
Fixtures, fittings and equipment	-	10% to 20% per annum
Improvements to leased assets	-	Over the remaining term of lease or life of asset if shorter

Foreign currencies

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction or, if hedged forward, at the rate of exchange under the related forward currency contract Monetary assets and liabilities denominated in foreign currencies are translated using the rate of exchange ruling at the balance sheet date and the gains or losses on translation are included in the profit and loss account

Leases

Assets acquired under finance leases are capitalised and the outstanding future lease obligations are shown in creditors Interest is charged to the profit and loss account over the term of the lease to produce a constant rate of charge on the balance of capital repayments outstanding Operating lease rentals are charged to the profit and loss account on a straight line basis over the period of the lease

Post-retirement benefits

The company operates a defined contribution scheme for the benefit of its employees, the costs of which have been charged to the profit and loss account as incurred

Stocks

Stocks are stated at the lower of cost and net realisable value In determining the cost of raw materials, consumables and goods purchased for resale, the weighted average purchase price is used For work in progress and finished goods, cost is taken as production cost, which includes an appropriate proportion of attributable overheads

Notes *(continued)*

1 Accounting policies *(continued)*

Investments

Investments in subsidiaries and participating interests are stated at cost less provision for impairment where necessary to reduce book value to recoverable amount Cost is purchase price including acquisition expenses, but excluding any payment for accrued interest or fixed dividend entitlement

Investment income is recognised on a receivable basis Dividend income on UK investments is recorded net of tax credits

Taxation

The charge for taxation is based on the result for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes

Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS 19

Financial instruments

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 entity after deducting all of its financial liabilities

Where the contractual obligations of financial instruments (including share capital) are equivalent to a similar debt instrument, those financial instruments are classed as financial liabilities Financial liabilities are presented as such in the balance sheet Finance costs and gains or losses relating to financial liabilities are included in the profit and loss account Finance costs are calculated so as to produce a constant rate of return on the outstanding liability

Where the contractual terms of share capital do not have any terms meeting the definition of a financial liability then this is classed as an equity instrument Dividends and distributions relating to equity instruments are debited direct to equity

Dividends on shares presented within shareholders' funds

Dividends unpaid at the balance sheet date are only recognised as a liability at that date to the extent that they are appropriately authorised and are no longer payable at the discretion of the Company Unpaid dividends that do not meet these criteria are disclosed in the notes to the financial statements

Turnover

Turnover represents the amounts, net of rebates, (excluding value added tax) derived from the provision of goods and services to customers, and is recognised on the despatch of those goods

Research and development expenditure

Expenditure on research and development is written off against profits in the year in which it is incurred

2 Analysis of turnover

The turnover and result for the year are entirely attributable to the manufacture and sale of PVC stabilisers and other speciality chemicals

	2010	2009
	£000	£000
Analysis of turnover by geographical market (by destination)		
UK	**9,150**	8,145
Rest of EU	**33,118**	27,536
Rest of World	**3,940**	3,780
	46,208	39,461

Notes *(continued)*

3 Exceptional items

There were no exceptional items included within cost of sales and administration expenses (2009 Restructuring costs of £296,000 within administration expenses)

4 Operating profit

	2010 £000	2009 £000
The operating profit is stated after charging/(crediting)		
Auditors' remuneration		
Audit	**38**	31
Other services – fees paid to the auditor and its associates	**3**	38
Depreciation and other amounts written off tangible fixed assets	**412**	416
Profit on disposal of fixed assets	**(10)**	-
Exceptional items (see note 3)		
- Redundancy costs	**-**	296
Rentals payable under operating leases		
- Land and buildings	**621**	840
- Plant and machinery	**41**	40
Research and development expenditure	**186**	148

5 Remuneration of directors

The aggregate emoluments paid to the directors who received remuneration from the company during the year were as follows

	2010 £000	2009 £000
Salary	**409**	262
Benefits	**23**	20
Pension contributions	**24**	12
	456	294

The remuneration of the highest paid director was £215,461 (2009 £113,895)

The value of company pension contributions to a money purchase scheme in respect of the highest paid director was £13,313 (2009 £6,325)

Notes *(continued)*

6 Employee numbers and costs

The average monthly number of persons employed by the company (including directors) during the year, analysed by category, was as follows

	Number of employees	
	2010	2009
Production	**67**	71
Administrative and management	**33**	36
	100	107

The aggregate payroll costs of these persons were as follows

	2010	2009
	£000	£000
Wages and salaries	**3,945**	3,769
Social security costs	**391**	370
Other pension costs	**310**	95
	4,646	4,234

7 Interest receivable and similar income

	2010	2009
	£000	£000
Interest from group companies	**138**	361
Other income receivable	**4**	1
Dividend from subsidiary undertaking	**9,783**	-
Less Return of investment (Note 11)	**(9,600)**	-
	325	362

8 Interest payable and similar charges

	2010	2009
	£000	£000
Interest to group companies	**-**	8
On bank loans and overdrafts	**134**	164
	134	172

Notes *(continued)*

9 Tax on profit on ordinary activities

(a) *Analysis of charge in period*

	2010	2009
	£000	£000
UK corporation tax		
Current tax on income for the period	**40**	-
Adjustments in respect of prior periods	**-**	-
Total current tax	**40**	-
Deferred taxation		
Origination of timing differences	**98**	-
Adjustment in respect of previous years	**-**	-
Total deferred tax	**98**	-
Total tax charge	**138**	-

(b) *Factors affecting the tax charge for the current period*

	2010	2009
	£000	£000
Current tax reconciliation		
Profit on ordinary activities before taxation	**1,558**	1,068
Current tax at 28% (*2008 28%*)	**436**	299
Effects of		
Expenses not deductible for tax purposes	**4**	11
Movement in unprovided deferred tax asset	**(312)**	(209)
Group relief received without payment	**-**	(101)
Income not taxable for tax purposes	**(22)**	-
Marginal relief	**(6)**	-
Capital allowances in excess of depreciation	**(60)**	-
Total current tax charge	**40**	-

Notes *(continued)*

10 Tangible fixed assets

	Improvement to leased assets £000	Plant and machinery £000	Fixtures, fittings, tools and equipment £000	Payments on account and assets in course of construction £000	Total £000
Cost					
At beginning of year	-	25,496	919	56	26,471
Additions	311	343	-	22	676
Disposals	-	(23)	-	-	(23)
Transfers	15	41	-	(56)	-
At end of year	326	25,857	919	22	27,124
Depreciation					
At beginning of year	-	22,985	908	-	23,893
Disposals	-	(12)	-	-	(12)
Charge for year	9	403	-	-	412
At end of year	9	23,376	908	-	24,293
Net book value					
At 31 December 2010	**317**	**2,481**	**11**	**22**	**2,831**
At 31 December 2009	-	2,511	11	56	2,578

The net book value of assets held under finance leases at the year ended was £1,087,119 (2009 £1,169,615) Depreciation totalling £133,894 was charged on these assets during the year (2009 98,360)

11 Investments in subsidiary

At the prior year end the company held more than a 20% interest in the following undertakings

Subsidiary undertaking	Country of incorporation	Principal activity	Class and percentage of shares held
Akcros Chemicals (O) Limited	England	Non trading	100% of ordinary shares

During 2010, Akcros Chemicals (O) Limited paid a dividend to Akcros Chemicals Limited equating to 100% of its distributable reserves, totalling £9,783,000 That company was then struck off so amounts included within the dividend totalling £9,600,000 representing the cost of investment in Akcros Chemicals (O) Limited were treated as a return of the investment in that subsidiary

The company has no investments in subsidiary undertakings at 31 December 2010

Notes *(continued)*

12 Stocks

	2010 £000	2009 £000
Raw materials and consumables	**1,638**	1,372
Finished goods and goods for resale	**3,774**	3,120
	5,412	4,492

13 Debtors

	2010 £000	2009 £000
Trade debtors	**6,378**	5,620
Other debtors	**221**	254
Amounts owed by fellow subsidiaries	**770**	71
Amounts owed by parent undertaking	**4,596**	4,338
	11,965	10,283

14 Creditors: amounts falling due within one year

	2010 £000	2009 £000
Bank overdraft	**2,822**	2,367
Obligations under hire purchase agreements (note 16)	**292**	286
Shares classified as liabilities	**-**	500
Trade creditors	**4,998**	4,739
Amounts owed to fellow subsidiaries	**114**	-
Accruals and deferred income	**1,406**	1,369
Tax and social security	**136**	115
Corporation tax	**40**	-
	9,808	9,376

The bank overdraft relates to debt factoring facilities secured by a fixed charge over trade debtors

15 Creditors: amounts falling due after more than one year

	2010 £000	2009 £000
Amounts owed to subsidiary undertaking (note 11)	**-**	9,783
Obligations under hire purchase agreements (note 16)	**113**	393
	113	10,176

The finance leases are secured on the assets concerned

Notes (continued)

16 Obligations under hire purchase agreements

	2010 £000	2009 £000
Repayable as follows		
Due within one year	**292**	286
Between one and two years	**102**	393
Between two and five years	**11**	-
	405	679

17 Provisions for liabilities and charges

	Deferred Taxation £000	Onerous contract provision £000	Other £'000	£000
At beginning of year	-	106	38	144
Additions	98	-	-	98
Released during the year	-	-	(38)	(38)
Utilised during year	-	(106)	-	(106)
At end of year	**98**	-	-	**98**

The deferred taxation provision comprises the following

	2010 £000	2009 £000
Accelerated capital allowances	**103**	-
Short term timing differences	**(5)**	-
As at 31 December	**98**	-

There is no unprovided deferred taxation at 31 December 2010 (2009 unprovided deferred tax debtor of £270,000)

Notes *(continued)*

18 Called up share capital

	2010 £000	2009 £000
Authorised		
Equity ordinary shares of £1 each	**1,000**	25,000
Non equity 4% redeemable preference shares of £1 each	-	500
	1,000	25,500
Allotted, called up and fully paid		
Equity ordinary shares of £1 each	**1,000**	21,100
Non equity 4% redeemable preference shares of £1 each	-	500
	1,000	21,600
Shares classified as liabilities (note14)	-	500
Shares classified in shareholders' funds as equity	**1,000**	21,100
	1,000	21,600

On 15 June 2010 the company completed a Capital Reduction by the cancellation of 20,600,000 ordinary shares of £1 each and by reducing the amount standing to the credit of the capital redemption reserve to £Nil

On 20 July 2010 the company passed a resolution reclassifying 500,000 preference shares of £1 each into 500,000 ordinary shares of £1 each, the new shares ranking pari passu with existing shares

19 Equity shareholders' funds

	Share capital £'000	Profit and loss account £'000	Capital redemption reserve £'000	Total equity shareholders' funds £'000
At beginning of year	21,100	(35,548)	23,100	8,652
Reduction in share capital	(20,600)	43,700	(23,100)	-
Reclassification of preference shares	500	-	-	500
Profit for year	-	1,420	-	1,420
At end of year	**1,000**	**9,572**	-	**10,572**

20 Commitments

(a) Capital commitments at the end of the financial year for which no provision has been made were £245,234 (*2009* £349,000)

(b) Annual commitments under operating leases are as follows

	2010 Property £000	2009 Property £000	2010 Other £000	2009 Other £000
Operating leases which expire				
Within one year	-	-	**18**	12
In the second to fifth years inclusive	-	-	**202**	245
After more than five years	**515**	631	-	-
	515	631	**220**	257

Notes *(continued)*

21 Pension scheme

Prior to the sale of the company on 4 April 2007 to Akcros Holdings Limited , the company was a member of the group-wide Akzo Nobel (UK) Pension Scheme providing benefits based on final pensionable salary

At the point of sale, a Deed of Withdrawal was signed between the company, Akzo Nobel NV as Guarantor and Akzo Nobel (UK) Pension Trustee Limited as the Trustee of the Scheme, to deal with the liabilities which would arise under Section 75 of the Pension Act 1995 in connection with the company's cessation of participation in the scheme Employees pension benefits built up within the Akzo Nobel UK Pension Scheme stayed in deferment with the Scheme

Post sale, the company has established a Group Stakeholder Pension Plan provided by Halifax Life Ltd The company's contributions into this scheme are based on the employee's contributions as follows

Employee %	Employer %
2	7 1
3	8 1
4	9 1

The company have also established insurance policies to replace other benefits enjoyed by employees as members of the Akzo Nobel (UK) Pension Trustee Limited, which were benefits self funded through the scheme These policies are

Group Income Protection Plan with Unum Limited - to provide a replacement income for employees unable to work through illness or injury
Group Life Insurance with Norwich Union - providing a salary based lump sum payment to an employee s dependent s on death whilst in service
Death In Service Pension with Norwich Union – providing a salary based pension to an individual's surviving partner on death whilst in service

22 Ultimate parent company

The company is a wholly owned subsidiary undertaking of Akcros Holdings Limited, a company incorporated in the UK The ultimate holding party is D R Grove who holds the beneficial interest in 50% of the share capital of Akcros Holdings Limited