Solvay UK Holding Company Limited

Annual report and financial statements

Registered number: 02767184

For the year ended 31 December 2018

Contents

Strategic report

Business review

Principal activities

The Company's sole activity continues to be that of an investment holding Company. Details of the Company's investments and their activities are given in Note 9 to these financial statements.

Principal risks and uncertainties
The principal risks and uncertainties are those of the underlying investments whose profitability will be influenced by volumes sold, the selling price and the price of energy. This will influence the dividends paid and the holding value of these investments.

Following the impact of the 'Brexit' referendum, we will continue to monitor the risks and opportunities involved with UK leaving the EU and the company will mitigate this through the Solvay group where possible.

Having considered the above risks and uncertainties, the directors have a reasonable expectation that the company has adequate resources to continue operating for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Financial risk management objectives and policies

The Company's activities expose it to credit risk on the Company's principal financial assets, which are trade and other receivables mainly due from other Group entities. The amounts presented in the balance sheet are net of allowances for doubtful receivables. An allowance for impairment is made where there is an identified loss event which, based on previous experience, is evidence of a reduction in the recoverability of the cash flows. The Company has no significant concentration of credit risk, with no historical issues with recoverability.

Key performance indicators
Given that the principal activity of the company is as a holding company the directors do not consider that key performance indicators are applicable.

Future prospects/post balance sheet events

The Company will continue to be a holding Company, for investments in a trading subsidiary in the UK and a dormant subsidiary in the UK.

There were no important or significant events which occurred since the end of the financial year in relation to the Company and its subsidiary undertakings that require disclosure.

Approved by the board of directors and signed on behalf of the Board by

C. Barr

C Barraclough

Director
10th June 2019

Solvay House
Baronet Road
Warrington
Cheshire
WA4 6HA

Directors' report

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

Principal activities and future outlook

The Company's sole activity continues to be that of an investment holding Company. The company will continue with its principal activities for the foreseeable future

Results and dividend

Loss for the year amounted to £16,000 *(2017: £58,000)*. During the year and up to the date of approval of this report, no dividends *(2017: £nil)* were proposed or paid.

Risk management

Details of risk management are discussed in the Strategic Report on page 1 and form part of this report by cross reference.

Directors

The directors who held office during the year and at the date of this report are as follows:

C Barraclough
A Brouhns
M Dawes
A Murphy

Directors' interests

None of the directors held any interests in the share capital of the Company during the year (2017: none).

Employees

There are no persons directly employed by the company.

Going concern

The directors have reviewed the current trading conditions of the Company's subsidiaries and have considered future expectations for these businesses, in the light of the current uncertain economic outlook, and have satisfied themselves that the Company can continue to respond positively to these conditions.

The Company is not directly dependent on external sources of finance, but on accounts held with Group companies. Details of these balances with Group companies are contained within notes 10 and 11.

After making enquiries, the directors have a reasonable expectation that the Company and the Group have adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and financial statements.

There were no post balance sheet events as indicated in the strategic report.

Auditor

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- the director has taken all the steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and Deloitte LLP will therefore continue in office.

Approved by the Board of Directors
and signed on behalf of the Board By

C. Barraclough

C Barraclough
Director

10th June 2019

Solvay House
Baronet Road
Warrington
Cheshire
WA4 6HA

Directors' responsibilities statement

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 101 "Reduced Disclosure Framework".

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the company for that period.

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

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

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

Independent auditor's report to the members of Solvay UK Holding Company Limited

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of Solvay UK Holding Company Limited (the 'company'):

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

We have audited the financial statements which comprise:

- profit and loss account;
- the balance sheet;
- the statement of changes in equity; and
- the related notes 1 to 12

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

Basis for opinion

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

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

Conclusions relating to going concern

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

- the directors' use of the going concern basis of accounting in preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

We have nothing to report in respect of these matters.

Other information

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

Independent auditor's report to the members of Solvay UK Holding Company Limited (continued)

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

We have nothing to report in respect of these matters.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Report on other legal and regulatory requirements

Opinions on other matters prescribed by the Companies Act 2006

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

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

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

Matters on which we are required to report by exception

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

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

Independent auditor's report to the members of Solvay UK Holding Company Limited (continued)

We have nothing to report in respect of these matters.

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.

Peter Gallimore FCA (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Statutory Auditor
Birmingham,
United Kingdom
12 June 2019

Profit and loss account
for the year ended 31 December 2018

	Note	2018 £000	2017 £000
Administrative expenses		(71)	(85)
Operating Loss		(71)	(85)
Interest receivable and similar income	4	326	150
Interest payable and similar expenses	5	(275)	(134)
Loss before taxation	2	(20)	(69)
Tax on loss	6	4	11
Loss for the financial year		(16)	(58)

All of the activities of the company are classed as continuing.

There were no recognised gains or losses in either the current or preceding year other than those disclosed in the profit and loss account, hence no statement of comprehensive income is required.

Balance sheet
as at 31 December 2018

	Note	2018 £000	2018 £000	2017 £000	2017 £000
Fixed assets					
Investments	7		59,620		59,620
Current assets					
Debtors	8	9,268		61,615	
		9,268		61,615	
Creditors: amounts falling due within one year	9	(2)		(52,333)	
Net current assets			9,266		9,282
Net assets			68,886		68,902
Capital and reserves					
Called up share capital	10		75,000		75,000
Profit and loss account			(6,114)		(6,098)
Shareholders' funds			68,886		68,902

The notes on pages 11 to 20 form part of these financial statements.

These financial statements were approved by the board of directors on 10th June 2019 and were signed on its behalf by:

C.Bay

C Barraclough
Director

Company registered number: 02767184

Statement of changes in equity

for the year ended 31st December 2018

	Called up share capital	Profit and loss account	Total equity
	£000	£000	£000
Balance at 1 January 2017	75,000	(6,040)	68,960
Loss for the financial year	-	(58)	(58)
Total comprehensive loss for the year	-	(58)	(58)
Balance at 31 December 2017	**75,000**	**(6,098)**	**68,902**

	Called up share capital	Profit and loss account	Total equity
	£000	£000	£000
Balance at 1 January 2018	75,000	(6,098)	68,902
Loss for the financial year	-	(16)	(16)
Total comprehensive loss for the year	-	(16)	(16)
Balance at 31 December 2018	**75,000**	**(6,114)**	**68,886**

Notes
(forming part of the financial statements)

1 Accounting policies

Solvay UK Holding Company Limited (the "Company") is a private company limited by shares incorporated and registered in the United Kingdom (England & Wales) under the Companies Act 2006. The address of the registered office is Solvay House, Baronet Road, Warrington, Cheshire, WA4 6HA. The nature of the Company's operations and its principal activities are set out in the strategic report on page 2.

The Company is exempt by virtue of s400 of the Companies Act 2006 from the requirement to prepare group financial statements. These financial statements present information about the Company as an individual undertaking and not about its group.

These financial statements were prepared in accordance with Financial Reporting Standard 101 *Reduced Disclosure Framework ("FRS 101")*.

In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards as adopted by the EU ("Adopted IFRSs"), but makes amendments where necessary in order to comply with the Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions have been taken.

The Company's ultimate parent undertaking, Solvay S.A., includes the Company in its consolidated financial statements. The consolidated financial statements of Solvay S.A. are prepared in accordance with International Financial Reporting Standards and are available to the public and may be obtained from Rue De Ransbeek, 310, 1120 Bruxelles, Belgium.

In these financial statements, the company has applied the exemptions available under FRS 101 in respect of the following disclosures:

- A Cash Flow Statement and related notes;
- Disclosures in respect of transactions with wholly owned subsidiaries;
- Disclosures in respect of capital management;
- The effects of new but not yet effective IFRSs;
- Disclosures in respect of the compensation of Key Management Personnel; and
- Disclosures of transactions with a management entity that provides key management personnel services to the company.

Notes *(continued)*
(forming part of the financial statements)

1 Accounting policies *(continued)*

As the consolidated financial statements of Solvay S.A. include the equivalent disclosures, the Company has also taken the exemptions under FRS 101 available in respect of the following disclosures:

- Certain disclosures required by IFRS 13 *Fair Value Measurement* and the disclosures required by IFRS 7 *Financial Instrument Disclosures*.

The Company proposes to continue to adopt the reduced disclosure framework of FRS 101 in its next financial statements.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

Adoption of new and revised Standards

Amendments to IFRSs that are mandatorily effective for the current year

In the current year, the Company has applied a number of amendments to IFRSs issued by the International Accounting Standards Board (IASB) that are mandatorily effective for an accounting period that begins on or after 1 January 2018. Their adoption has not had any material impact on the disclosures or on the amounts reported in these financial statements.

IFRS 9 *FinancialInstruments* and IFRS 15 *Revenue from Contracts with Customers* are new accounting standards that are effective for the year ended 31 December 2018 and have had no material impact on the company.

Notes *(continued)*
(forming part of the financial statements)

1 Accounting policies *(continued)*

In these financial statements, the company has applied the exemptions available under FRS 101 in respect of the following disclosures:

- A Cash Flow Statement and related notes;
- Disclosures in respect of transactions with wholly owned subsidiaries;
- Disclosures in respect of capital management;
- The effects of new but not yet effective IFRSs;
- Disclosures in respect of the compensation of Key Management Personnel; and
- Disclosures of transactions with a management entity that provides key management personnel services to the company.
- Certain revenue requirements of IFRS 15

1.1. Measurement convention

The financial statements are prepared on the historical cost basis.

1.2. Going concern

The company's business activities, together with the factors likely to affect its future development and position, are set out in the Business Review section of the Strategic Report on page 2.

The Company is expected to continue to generate positive cash flows on its own account for the foreseeable future. The Company participates in the group's centralised treasury arrangements and so shares banking arrangements with its parent and fellow subsidiaries.

The directors have no reason to believe that a material uncertainty exists that may cast significant doubt about the ability of the company to continue as a going concern or its ability to continue with the current banking arrangements.

On the basis of their assessment of the Company's financial position and of the enquiries made of the directors of Solvay SA, the Company's directors have a reasonable expectation that the Company will be able to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Notes *(continued)*
(forming part of the financial statements)

1 Accounting policies *(continued)*

1.3. Foreign currency

Transactions in foreign currencies are translated to the Company's functional currency at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated to the functional currency at the foreign exchange rate ruling at that date. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Foreign exchange differences arising on translation are recognised in the profit and loss account.

1.4. Classification of financial instruments issued by the Company

Following the adoption of IAS 32, financial instruments issued by the Company are treated as equity only to the extent that they meet the following two conditions:

(a) they include no contractual obligations upon the company to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the company; and

(b) where the instrument will or may be settled in the company's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the company's own equity instruments or is a derivative that will be settled by the company's exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability. Where the instrument so classified takes the legal form of the company's own shares, the amounts presented in these financial statements for called up share capital and share premium account exclude amounts in relation to those shares.

1.5. Non-derivative financial instruments

Non-derivative financial instruments comprise investments in equity and debt securities, trade and other debtors, cash and cash equivalents, loans and borrowings, and trade and other creditors.

Trade and other debtors

Trade and other debtors are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses.

Trade and other creditors

Trade and other creditors are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method.

1.6. Intra-group financial instruments

Where the Company enters into financial guarantee contracts to guarantee the indebtedness of other companies within its group, the company considers these to be insurance arrangements and accounts for them as such. In this respect, the company treats the guarantee contract as a contingent liability until such time as it becomes probable that the company will be required to make a payment under the guarantee.

1.7. Investments in subsidiaries

Investments in subsidiaries are accounted for at cost less, where appropriate, provisions for impairment.

Notes *(continued)*
(forming part of the financial statements)

1. Accounting policies *(continued)*

1.8. Impairment

Financial assets (including trade and other debtors)

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. For financial instruments measured at cost less impairment an impairment is calculated as the difference between its carrying amount and the best estimate of the amount that the Company would receive for the asset if it were to be sold at the reporting date. Interest on the impaired asset continues to be recognised through the unwinding of the discount. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

Non-financial assets

The carrying amounts of the Company's non-financial assets, other than stocks, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For goodwill, and intangible assets that have indefinite useful lives or that are not yet available for use, the recoverable amount is estimated each year at the same time.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit"). The goodwill acquired in a business combination, for the purpose of impairment testing, is allocated to cash-generating units, or ("CGUs"). Subject to an operating segment ceiling test, for the purposes of goodwill impairment testing, CGUs to which goodwill has been allocated are aggregated so that the level at which impairment is tested reflects the lowest level at which goodwill is monitored for internal reporting purposes. Goodwill acquired in a business combination is allocated to groups of CGUs that are expected to benefit from the synergies of the combination.

An impairment loss is recognised if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the units, and then to reduce the carrying amounts of the other assets in the unit (group of units) on a *pro rata* basis.

In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Notes *(continued)*
(forming part of the financial statements)

1 Accounting policies *(continued)*

1.9. Dividend and interest revenue

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

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

1.10. Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: the initial recognition of goodwill; the initial recognition of assets or liabilities that affect neither accounting nor taxable profit other than in a business combination, and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised.

The board considered the necessity to provide for deferred taxation on the revaluation reserve but felt that this would not reflect any possible timing difference.

Notes *(continued)*
(forming part of the financial statements)

2. Operating loss before taxation

Included in operating loss are the following:
Auditor's remuneration:

	2018 £000	2017 £000
Audit of these financial statements	2	2

No non-audit services were provided in the current or prior year.

3. Directors' remuneration

Directors' emoluments have been borne by another group company. The directors of the company are also directors or officers of a number of the companies within the group. The directors' services to the company do not occupy a significant amount of their time. As such the directors do not consider that they have received any remuneration for their incidental services to the company for the years ended 31 December 2018 or 31 December 2017.

4. Investment revenue

	2018 £'000	2017 £'000
Interest receivable from Group undertakings	326	150
	326	150

5. Finance costs

	2018 £'000	2017 £'000
Interest payable to group undertakings	275	134
	275	134

6. Taxation

Recognised in the profit and loss account

	2018 £'000	2017 £'000
Current tax credit	4	11

Corporation tax is calculated at 19% (2017: 19.25%) of the estimated taxable loss for the year.

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

	2018 £'000	2017 £'000
Loss on ordinary activities before tax	(20)	(69)
Tax at 19% (2017: 19.25%) thereon	4	13
Expenses not deductible for tax purposes	-	(2)
Tax credit for the year	4	11

Notes *(continued)*
(forming part of the financial statements)

A reduction in the UK corporation tax rate from 20% to 19% took effect from 1 April 2017. Finance (No.2) Act 2015. Finance Act 2016 included a further reduction to the corporation tax rate to 17% from 1 April 2020 and therefore these rates have been applied in calculating the tax position for the company.

There has been no further changes to the corporation tax main rate in the subsequent finance Bills, including finance (No.3) Bill 2017-19, which received Royal Assent on 12th February 2019. Deferred taxes at the balance sheet date have been measured using these expected rates.

7. Investments

Fixed assets comprise investments in wholly owned subsidiaries.

	2018 £'000	2017 £'000
Cost		
At 1 January	59,620	59,620
Disposals	-	-
At 31 December	59,620	59,620
Impairment		
At 1 January	-	-
Impairment charge for the year	-	-
Eliminated in disposals	-	-
At 31 December	-	-
Net book value		
At 31 December	59,620	59,620

Investments where the holding value is greater than the net assets of the Company are subject to an annual impairment review.

The future cash flows of the business are assessed over a 5 year horizon, using the current budgeted results and a discount rate of 6.7% (2017: 8.1%). Allowance may be made for benefits derived to the Group from the business of the subsidiary.

The growth rates are based on management estimates taking into account current trading performance and expected future conditions.

The investments in Group undertakings comprise:

(a) 30,000,000 ordinary shares of £1 each, at a cost of £59,620,000 being 100% of the issued share capital in Solvay Interox Ltd, a Company operating in Great Britain. The principal activity of the Company is the manufacture and sale of peroxygen chemical products.

(b) 1 ordinary share of £1 being 100% of the issued share capital of Solvay Specialty Polymers UK Limited, a Company incorporated in England. On 31st December 2016 the trade and assets of this company were divested to Solvay Interox Limited for £1,000,000. Following this transaction the company became dormant.

The registered office for these entities is: Solvay House, Baronet Road, Warrington, Cheshire, WA4 6HAIn the opinion of the directors, the value of the investment in Group undertakings is not less than the aggregate amount at which they are shown in the Company's balance sheet.

Notes *(continued)*
(forming part of the financial statements)

8. Debtors

	2018 £000	2017 £000
Amounts owed by parent company	-	61,596
Amounts owed by fellow group undertakings	9,264	13
Other debtors	4	6
	9,268	61,615
Due within one year	9,268	61,615

The amounts owed to and by fellow group undertakings and owed to and by parent company are unsecured, repayable on demand and are interest free.

9. Creditors: amounts falling due within one year

	2018 £000	2017 £000
Amounts owed to parent undertakings	-	133
Loans from subsidiary undertakings	-	52,191
Accruals and deferred income	2	9
	2	52,333

Amounts due by and to group undertakings are unsecured, have no fixed date of repayment and are repayable on demand.

10. Capital and reserves

Share capital

	2018 £000	2017 £000
Authorised		
100,000,000 ordinary shares of £1 each	100,000	100,000
Called up, allotted and fully paid		
75,000,000 ordinary shares of £1 each	75,000	75,000

Notes *(continued)*
(forming part of the financial statements)

11. Controlling party

The Company is a wholly owned subsidiary of Solvay S.A., a Company registered in Belgium and listed NYSE Euronext Stock Exchange in Brussels and Paris, which represents the largest and smallest Group that consolidates these financial statements and the ultimate controlling party. Copies of these financial statements can be obtained from the registered office of Solvay S.A. at 310 Rue de Ransbeek, 1120 Brussels, Belgium.

12. Accounting estimates and judgements

Key sources of estimation uncertainty

The preparation of the financial statements requires the Company to make estimates and assumptions that affect the application of policies and reported amounts. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are considered to be reasonable under the circumstances. Actual results may differ from these estimates. The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are:

Critical accounting judgements in applying the Company's accounting policies

The directors do not consider that there are any critical accounting judgements or sources of estimation uncertainty in applying the Company's accounting policies.