

Newell Rubbermaid UK Limited

Annual report and financial statements
for the year ended 31 December 2017

Registered number : 00104102



Directors

R Dave
T Uner

Registered Office

Halifax Avenue
Tayfun Uner
Lichfield
Staffordshire
WS13 8SS

Registered number

00104102 (England & Wales)

Auditor

Grant Thornton UK LLP
Chartered Accountants
Statutory Auditor
The Colmore Building
20 Colmore Circus
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B4 6AT

	Page
Strategic report	4
Directors' report	5 - 6
Independent Auditor's report	7 - 8
Statement of Comprehensive Income	9
Statement of Financial Position	10
Statement of Changes in Equity	11
Notes to the Financial Statements	12 - 20

Principal activity and business review

The company is a private limited company and is incorporated and domiciled in England. The address of its registered office is Halifax Avenue, Lichfield.

Its principal activity is the sale and related functions of all Newell Brands products in the UK and Ireland on behalf of the European Principal Company. These brands relate to writing instruments and accessories, office products of an electrical nature, high volume consumer products including children's car seats and buggies, household products, beauty and style products and deodorisers and purification products.

The company's turnover represents the service fee received from the European Principal Company for services in respect of the above.

During the year to 31 December 2017 turnover was £104 million representing a 27% decrease on the sales from last year (2016: £143 million). The decrease in sales is driven by the sale of Newell Brands Inc.'s tools business to Stanley Black & Decker. The company's operating profit position was £8 million for the year compared to £2 million in 2016, the increase reflecting the exceptional income from the aforementioned sale. The profitability of the company is mostly determined by the commissionaire agreements that exist with the European Principal Company.

Key performance indicators

The key performance indicators that management use to monitor business performance are turnover and operating margin.

Future developments

The company will continue to operate in the UK and Ireland on behalf of the European Principal Company selling all the brands owned within the group.

Principal risks and uncertainties.

The principal risks and uncertainties within the business relate to financial risk as set out below.

In addition, the directors acknowledge there is a degree of uncertainty in relation to the impact of 'Brexit' on the company. This is an area the directors are continuing to monitor and will take action to mitigate risks arising from any adverse impacts.

Financial risk management objectives and policies

The company's principal financial instruments comprise group loans and cash at bank. The main purpose of these financial instruments is to raise finance for the company's operations. The company has various other financial instruments such as trade debtors and trade creditors, which arise directly from its operations. The company does not enter into derivative transactions.

It is, and has been throughout the period under review, the company's policy that no trading in financial instruments shall be undertaken. The main risks arising from the company's financial instruments are foreign currency risk, liquidity risk and credit risk. The board agrees on and reviews policies for managing each of these risks and they are summarised below.

Currency risk

The company is exposed to translation and transaction foreign exchange risk. In relation to translation risk, as far as possible the assets held in the foreign currency are matched to an appropriate level of borrowings in the same currency. Transaction exposures, including those associated with forecast transactions, are hedged when known at a group level by Newell Europe Sarl, principally using forward currency contracts. Whilst the aim is to achieve an economic hedge the group does not adopt an accounting policy of hedge accounting.

The sales are priced in Sterling but invoiced in the currencies of the customers involved. The group policy is to address all currency exposures on any balance not expected to mature within 30 days through the use of forward currency contracts.

Liquidity risk

The company seeks to manage financial risk by ensuring sufficient liquidity is available to meet foreseeable needs and to invest cash assets prudently and profitably. Flexibility is achieved by group borrowings.

Credit risk

The company's principal financial assets are cash, loan receivables and trade debtors. The credit risk associated with the cash is limited as the counterparties have high credit ratings assigned by international credit rating agencies. The principal credit risk arises therefore from its trade debtors.

In order to manage credit risk from its trade debtors the directors set limits for customers based on a combination of payment history and third party credit references. Credit limits are reviewed by the credit controller on a regular basis in conjunction with debt ageing and collection history.

Approved by the Board and signed on its behalf by



R Dave
Director

25 September 2018

The directors present their annual report on the affairs of the company, together with the financial statements and independent auditor's report for the year ended 31 December 2017.

Results and dividends

The profit for the year after taxation amounted to £8,691,000 (2016: £2,476,000). The directors do not recommend payment of a dividend.

Directors

The directors who served during the year, and subsequently, were as follows:

	Date appointed	Date resigned
L Whitfield		31/07/2018
MR Peterson		31/03/2017
H Jones		01/04/2017
B Preston	31/03/2017	31/12/2017
RB Dave	31/12/2017	
Tayfun Uner	08/08/2018	

Employment of disabled persons

The policy of the company is to give full consideration to employment applications from disabled persons who have the necessary attributes and abilities to perform the duties of the job. The company seeks to develop the skills and the talents of disabled persons by providing appropriate training. Where an employee becomes disabled whilst employed, arrangements are made wherever practicable to maintain employment by identifying a suitable job and providing any necessary retraining.

Directors' liabilities

Newell Brands Inc. has indemnified one or more directors of the company against liability in respect of proceedings brought by third parties, subject to the conditions set out in the Companies Act 2006. Such qualifying third party indemnity was in force during the year.

Employee consultation

It is the company's policy to involve employees at all levels in the organisation and to inform them of its financial position and activities through briefing meetings, which are held at regular intervals.

Going concern

The directors have a reasonable expectation that the company will continue in operational existence for the foreseeable future and be able to meet its liabilities as they fall due. Accordingly, the financial statements have been prepared on the going concern basis.

The ultimate parent company has agreed to provide financial support to enable the company to continue its business operations as a going concern for the foreseeable future.

Post balance sheet events

There have been no significant events affecting the company since the year end.

Statement of Directors' responsibilities

The directors are responsible for preparing the Strategic report, the Directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare the 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 laws), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs and 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 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.

The directors confirm that:

- so far as each director is aware, there is no relevant audit information of which the company's auditor is unaware; and
- the directors have taken all steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Auditor

Grant Thornton UK LLP, having expressed their willingness to continue in office, will be deemed reappointed for the next financial year in accordance with section 485 of the Companies Act 2006.

Approved by the Board and signed on its behalf by



R Dave
Director

25 September 2018

Independent auditor's report to the members of Newell Rubbermaid UK Limited

Opinion

We have audited the financial statements of Newell Rubbermaid UK Limited (the 'company') for the year ended 31 December 2017 which comprise the statement of comprehensive income, the statement of financial position, the statement of changes in equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 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 2017 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.

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 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.

Who we are reporting to

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.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the 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.

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.

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 this regard.

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 has been prepared in accordance with applicable legal requirements.

Matter on which we are required to report under the Companies Act 2006

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 strategic report or the directors' report.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which 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.

Responsibilities of directors for the financial statements

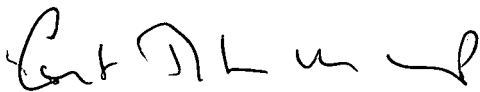
As explained more fully in the directors' responsibilities statement set out on page 6, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable 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 Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.



David White

Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
Birmingham

Date:

27/9/18

Newell Rubbermaid UK Limited - 31 December 2017
Statement of Comprehensive Income

	Notes	2017 £'000	2016 (restated) £'000
Turnover	- 3 -	103,606	142,839
Cost of sales		<u>(93,669)</u>	<u>(132,181)</u>
Gross profit		9,937	10,658
Exceptional income	- 4 -	6,781	-
Exceptional expense	- 4 -	(968)	(169)
Administrative expenses		<u>(7,503)</u>	<u>(8,246)</u>
Operating profit	- 4 -	8,247	2,243
Interest receivable and similar income	- 7 -	453	279
Interest payable and similar charges		(9)	(46)
Profit on ordinary activities before tax		<u>8,691</u>	<u>2,476</u>
Tax on profit on ordinary activities	- 8 -	-	-
Profit for the year		<u>8,691</u>	<u>2,476</u>
Other comprehensive income			
Actuarial loss in respect of defined benefit schemes	- 17 -	(1,006)	(1,020)
Other comprehensive income for the year		<u>(1,006)</u>	<u>(1,020)</u>
Total comprehensive income for the year		<u><u>7,685</u></u>	<u><u>1,456</u></u>


All activities of the company are classed as continuing.

The accompanying notes are an integral part of these financial statements.

Newell Rubbermaid UK Limited - 31 December 2017
Statement of Financial Position

		2017 £'000	2016 £'000
	Notes		
Fixed assets			
Intangible assets	- 9 -	-	-
Tangible assets	- 10 -	233	314
Total fixed assets		233	314
Current assets			
Debtors: due within one year	- 11 -	35,881	35,838
Cash at bank and in hand		-	-
Total current assets		35,881	35,838
Bank overdraft		-	(23)
Creditors: amounts falling due within one year	- 12 -	(10,569)	(18,269)
Net current assets		25,312	17,546
Total assets less current liabilities		25,545	17,860
Net assets		25,545	17,860
Called-up share capital	- 13 -	375	375
Capital reserves	- 14 -	18,700	18,700
Other reserves	- 14 -	15	15
Profit and loss account	- 14 -	6,455	(1,230)
Shareholders' funds		25,545	17,860

Approved by the Board, authorised for issue and signed on its behalf by


RB Dave
Director
25 September 2018
Company number: 00104102

The accompanying notes are an integral part of these financial statements.

Newell Rubbermaid UK Limited - 31 December 2017
Statement of Changes in Equity

	Share Capital £'000	Capital Reserves £'000	Other Reserve £'000	Profit and loss account £'000	Total Equity £'000
At 1 January 2017	375	18,700	15	(1,230)	17,860
Comprehensive income for the year					
Profit for the financial year	-	-	-	8,691	8,691
Other comprehensive income for the year					
Actuarial loss in respect of defined benefit schemes	-	-	-	(1,006)	(1,006)
Total comprehensive income for the year	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,685</u>	<u>7,685</u>
At 31 December 2017	<u>375</u>	<u>18,700</u>	<u>15</u>	<u>6,455</u>	<u>25,545</u>
At 1 January 2016	375	18,700	15	(2,686)	16,404
Comprehensive income for the year					
Profit for the financial year (restated (note 17))	-	-	-	2,476	2,476
Other comprehensive income for the year					
Actuarial loss in respect of defined benefit schemes (restated (note 17))	-	-	-	(1,020)	(1,020)
Total comprehensive income for the year	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,456</u>	<u>1,456</u>
At 31 December 2016	<u>375</u>	<u>18,700</u>	<u>15</u>	<u>(1,230)</u>	<u>17,860</u>

The accompanying notes are an integral part of these financial statements.

1 Accounting policies

Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 102 - 'The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland' (FRS 102), and the Companies Act 2006.

The financial statements are presented in Sterling (£).

FRS 102 - Reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by FRS 102:

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);

This information is included in the consolidated financial statements of Newell Brands Inc. as at 31 December 2017 and these financial statements may be obtained from Investor Relations, Newell Brands Inc., 221 River Street, Hoboken, NJ 07030, USA.

Going concern

The directors have a reasonable expectation that the company will continue in operational existence for the foreseeable future and be able to meet its liabilities as they fall due. Accordingly, the financial statements have been prepared on the going concern basis.

The ultimate parent company has agreed to provide financial support to enable the company to continue its business operations as a going concern for the foreseeable future.

Intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed five years.

Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged from the time the asset is ready for use, so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight line method. The estimated useful lives are as follows:

Leasehold building improvements	10 to 20 years
IT equipment	2 to 5 years
Fixtures and fittings	3 to 10 years
Construction in progress	-

Financial instruments

The company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable, loans from banks and other third parties and loans to related parties.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in profit or loss.

Debtors

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

1 Accounting policies (continued)

Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

Pensions

The company operates a defined benefit pension scheme covering a large number of employees, which requires contributions to be made to a separately administered fund.

The net liabilities or the recoverable assets of the pension schemes are included in the statement of financial position, current service costs and net financial returns in the profit or loss account and actuarial gains and losses in other comprehensive income. Under FRS 102 the surplus recognised in the Statement of Financial Position cannot exceed the amount which could be recovered either through reduced contributions in the future or by an agreed refund of the surplus. Further information on the pension schemes is provided in note 17.

The company also operates a defined contribution plan for its employees.

Contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. The assets of the plan are held separately from the company in independently administered funds. Once the contributions have been paid the company has no further payments obligations.

Current and deferred taxation

Tax is recognised in profit or loss, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company operates and generates income.

Deferred balances are recognised in respect of all timing differences that have originated but not reversed by reporting date, except that:

- * The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and

- * Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Revenue recognition

Turnover is measured at the fair value of the consideration received or receivable net of discounts and value added taxes. Turnover comprises only revenue from the sale of goods.

Turnover from the sale of goods is recognised when the significant risks and rewards of ownership of the goods has transferred to the buyer. This is usually at the point that the goods are dispatched to the customer.

Operating leases

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the period of the lease.

Foreign currency translation

Functional and presentation currency

The company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

2 Judgments in applying accounting policies and key sources of estimation uncertainty

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

Critical judgements in applying the entity's accounting policies

No material judgements were made in applying accounting policies and no material estimation uncertainties exists for the year under review.

Key accounting estimates and assumptions

The only material area of estimation relates to the assumptions used in the valuation and recognition of the defined benefit pension assets and liabilities, the details of which are included in note 17.

Judgement is involved on the part of the directors in considering the recognition of deferred tax assets in respect of taxable losses. Deferred tax assets are not recognised on the basis that the timing of their future recovery is uncertain.

Additionally, there is a pension surplus on an actuarial basis (see note 17) which is not recognised. The directors have applied judgement in forming the conclusion that recovery is not reasonably certain in line with FRS 102 based on a review of the Scheme Rules and discussions with the Trustee.

3 Turnover

The analysis of turnover by geographical market is given below:

	2017 £'000	2016 £'000
United Kingdom	98,426	135,413
Republic of Ireland	5,180	7,426
	<u>103,606</u>	<u>142,839</u>

All turnover arose from the company's principal activity.

4 Operating profit

This is stated after charging/(crediting):

	2017 £'000	2016 £'000
Auditor's remuneration - audit services	26	26
Depreciation of owned fixed assets (note 10)	101	66
Operating lease rentals - vehicles	309	544
Exceptional income	6,781	-
Exceptional expense	(968)	169
Net debit/(credit) on foreign currency translation	<u>257</u>	<u>(588)</u>

Exceptional income relates to the profit arising from the agreement with Stanley Black & Decker.

Exceptional expense relates to the write off of intercompany invoices to recharge the cost of expatriate employees.

5 Staff costs

The average monthly number of employees (including executive directors) was:

	2017 Number	2016 Number
Sales and distribution	54	69
Administration	2	2
	<u>56</u>	<u>71</u>

Their aggregate remuneration comprised:

	2017 £'000	2016 £'000
Wages and salaries	2,484	3,865
Social security costs	333	638
Pension costs	<u>1,497</u>	<u>1,343</u>
	<u>4,314</u>	<u>5,846</u>

Pension cost is comprised of contributions made to the defined contribution scheme of the Newell Rubbermaid UK pension scheme of £98,000 (2016: £157,000) plus the current service cost for the defined benefit section of the same scheme. For more details on the defined benefit scheme refer to note 17.

6 Directors' emoluments

	2017 £'000	2016 £'000
Emoluments	174	386
Pension contributions	19	28

The emoluments of the highest paid director were £174,000 (2016: £298,000). The highest paid director is a member of a defined contribution scheme, under which the total company pension contribution for the year was £19,000 (2016: £9,837).

The number of directors who accrued benefits under company pension schemes was as follows:

	2017 Number	2016 Number
Members of defined benefit pension schemes	1	1
Members of defined contribution pension schemes	1	1

The remuneration above is representative of two directors who served during the year. The remaining director is also a director of certain other companies within the group. It is not practical to determine the proportion of his emoluments that are attributable to his services as director of this company.

7 Interest receivable and similar income

	2017 £'000	2016 £'000
Interest receivable from group undertakings	10	5
Net finance income in respect of defined benefit pension scheme (note 17)	443	274
	453	279

8 Tax on profit on ordinary activities

a) Analysis of charge in the year

There was no tax charge or credit in either year.

b) Factors affecting tax charge

The tax assessed on the profit on ordinary activities for the year is lower than (2016: 20%) the standard rate of corporation tax in the UK of 19.25% (2016: 20%). The differences are reconciled below:

	2017 £'000	2016 £'000
Profit on ordinary activities before taxation	8,691	2,476
Tax at 19.25% (2016: 20%) thereon	1,673	87
Disallowed expenses and non taxable income	149	149
Tax losses utilised	(1,822)	(236)
Total tax charge for the year	-	-

Following substantive enactment during the year, the main rate of corporation tax will reduce from 20% to 19% (effective 1 April 2017) then 17% (effective 1 April 2020). This will impact the company's future tax charges accordingly.

c) Factors that may affect future tax charges

The company has tax losses carried forward of £4,362,000 (2016: £6,203,000) which can be relieved against future profits of the same trade. No deferred tax asset is recognised due to uncertainty surrounding the timing of recovery of this amount.

Newell Rubbermaid UK Limited - 31 December 2017
Notes to the Financial Statements (continued)

9 Intangible fixed assets

	£'000
Cost:	
	<u>3,435</u>
Amortisation:	
At 1 January 2017 and 31 December 2017	<u>3,435</u>
Net book value:	
At 1 January 2017 and 31 December 2017	<u>-</u>

10 Tangible fixed assets

	Land and leasehold Improvements	IT equipment	Fixtures and fittings	Construction in progress	Total
	£'000	£'000	£'000	£'000	£'000
Cost					
At 1 January 2017	126	178	521	34	859
Additions	-	-	20	-	20
Group transfers in/(out)	-	-	34	(34)	-
At 31 December 2017	<u>126</u>	<u>178</u>	<u>575</u>	<u>-</u>	<u>879</u>
Depreciation					
At 1 January 2017	18	35	492	-	545
Charge owned for the year	8	36	57	-	101
At 31 December 2017	<u>26</u>	<u>71</u>	<u>549</u>	<u>-</u>	<u>646</u>
Net book value at 31 December 2017	<u>100</u>	<u>107</u>	<u>26</u>	<u>-</u>	<u>233</u>
Net book value at 31 December 2016	<u>115</u>	<u>143</u>	<u>80</u>	<u>34</u>	<u>314</u>

The book amount of long leasehold land, which is not depreciated, at 31 December 2017 is £80,000 (2016: £80,000).

11 Debtors

	2017 £'000	2016 £'000
Trade debtors	24,762	31,477
Amounts owed by group undertakings	11,109	4,315
Other debtors	10	46
	<u>35,881</u>	<u>35,838</u>

Amounts due to group undertakings are unsecured, do not attract any interest and are repayable on demand.

12 Creditors: amounts falling due within one year

	2017 £'000	2016 £'000
Trade creditors	1,062	3,784
Amounts owed to group undertakings	8,339	12,828
Other taxes and social security costs	449	839
Accruals and deferred income	719	818
	<u>10,569</u>	<u>18,269</u>

Amounts include loans totalling £4,165,000 (2016: £9,700,000) which are repayable on demand. Interest is payable at a rate of 0.375% per annum. All other amounts do not attract interest. All loans are unsecured.

Newell Rubbermaid UK Limited - 31 December 2017
Notes to the Financial Statements (continued)

	2017 £'000	2016 £'000
13 Called-up share capital		
<u>Allotted, called-up and fully-paid</u>		
1,500,000 ordinary shares (2016: 1,500,000) of £0.25 each	<u>375</u>	<u>375</u>

14 Reserves

Profit and loss - the profit and loss account represents accumulated comprehensive income of the year and prior periods less any dividends.

Capital contribution - comprises a capital contributions from the shareholder in order to retain liquidity and solvency.

Other reserves - funds reserved for specific use.

	2017 £'000	2016 £'000
15 Financial Instruments		
<u>Financial assets</u>		
Financial assets that are debt instruments measured at amortised cost	35,881	35,838
<u>Financial liabilities</u>		
Financial liabilities measured at amortised cost	10,120	17,431

Financial assets measured at amortised cost comprise amounts due from group undertakings and trade debtors.

Financial liabilities measured at amortised cost comprise trade creditors, amounts owed to group undertakings and accruals.

16 Financial commitments

a) *Capital commitments* : there were no amounts contracted but not provided for at 31 December 2017 or 31 December 2016.

b) *Lease commitments* : future minimum commitments under non-cancellable operating leases are as follows:

	2017 £'000	2016 £'000
<u>Expiry date :</u>		
- within 1 year	192	241
- between 2 and 5 years	188	372
Total	<u>380</u>	<u>613</u>

17 Pension commitments

The company, along with fellow group undertakings Newell Rubbermaid UK Services Limited and Newell Rubbermaid UK Production, operates the defined benefit sections of the Newell Rubbermaid UK Pension Scheme. This provides benefits based on a pensionable salary. The assets of the scheme are administered by Trustee and are entirely separate from the company's finances. With effect from 26 October 2001, the scheme was closed to new members and with effect from 31 March 2018, the scheme was closed to future accrual. The company accounts for its share of the assets and liabilities of the scheme within these financial statements.

The contributions made by the employer over the year are disclosed within this note and future contributions will be in line with the schedule agreed by the scheme Trustee.

The last funding valuation of the Combined Newell Record Section of the Scheme was carried out by a qualified actuary as at 5 April 2016. The results of the latest funding valuation at 5 April 2016 have been adjusted to the balance sheet date taking account of experience over the period since 5 April 2016, changes in market conditions and differences in financial and demographic assumptions.

The last funding valuation of the Combined Parker Sanford Section of the Scheme was carried out by a qualified actuary as at 5 April 2013. The results of the latest funding valuation at 5 April 2013 have been adjusted to the balance sheet date taking account of experience over the period since 5 April 2013, changes in market conditions and differences in financial and demographic assumptions.

The company also makes contributions to the defined contribution sections of the Newell Rubbermaid UK pension scheme. In the year, these amounted to £98,000 (2016 - £157,000) and these were charged to profit or loss.

Notes to the Financial Statements (continued)

17 Pension commitments (continued)

Reconciliation of the present value of the defined benefit obligation

	2017 £'000	2016 £'000
Present value of defined benefit obligation at the beginning of the year	76,132	71,537
Service cost	188	232
Interest cost	1,826	2,412
Members' contributions	16	19
Actuarial loss on scheme liabilities	191	10,185
Benefits paid	(1,961)	(2,191)
Curtailments and settlements	(2,093)	(6,042)
Present value of defined benefit obligation at the end of the year	<u>74,299</u>	<u>76,132</u>

Analysis of the defined benefit obligation

	2017 £'000	2016 £'000
Present value of funded defined benefit obligation	<u>74,299</u>	<u>76,132</u>

Reconciliation of the fair value of scheme assets

	2017 £'000	2016 £'000
Fair value of scheme assets at the beginning of the year	93,308	78,459
Expected return on pension scheme assets	2,269	2,686
Actuarial gain on scheme assets	2,063	19,399
Contributions by the company	1,940	2,089
Contributions by members	16	19
Benefits paid	(1,961)	(2,191)
Expenses paid	(855)	(829)
Settlements	(2,427)	(6,324)
Fair value of scheme assets at the end of the year	<u>94,353</u>	<u>93,308</u>

Amounts to be recognised in the statement of financial position

	2017 £'000	2016 £'000
Present value of funded obligation	74,299	76,132
Fair value of scheme assets	<u>(94,353)</u>	<u>(93,308)</u>
Surplus not recognised on the statement of financial position	<u>(20,054)</u>	<u>(17,176)</u>
Surplus recognised on the statement of financial position	<u>(20,054)</u>	<u>(17,176)</u>

Amounts to be recognised in profit or loss

	2017 £'000	2016 £'000
Current service cost	188	232
Total administrative expense recognised in profit and loss	855	829
Net interest on net defined benefit asset	(443)	(274)
Losses on curtailment/settlements	334	282
Total expense	<u>934</u>	<u>1,069</u>

17 Pension commitments (continued)

Total amount recognised in other comprehensive income

	2017 £'000	2016 £'000
Increase in irrecoverable surplus	2,878	10,254
Actuarial gain	(1,872)	(9,234)
Actuarial loss recognised in other comprehensive income	<u>1,006</u>	<u>1,020</u>

Prior period error

During the year, an error was identified relating to the classification of actuarial movements in the prior year. Instead of an actuarial loss of £1,020,000, an actuarial gain of £1,020,000 was recognised. This resulted in administrative expenses being overstated and other comprehensive income being understated by £2,040,000. As a result, the comparative figures in the statement of comprehensive income have been marked as 'restated'. There was no impact on the reported net assets of the company at 31 December 2016.

Scheme assets at year end

	%	2017 £'000	%	2016 £'000
Equities	13.20%	12,483	20%	18,870
Gilts and bonds	71.20%	67,173	58%	54,316
Property	1.40%	1,355	2%	1,466
Alternative	-1.20%	(1,131)	0%	-
Cash and cash instruments	4.30%	4,018	9%	8,289
Insurance contracts	11.10%	10,455	11%	10,367
Total scheme assets		<u>94,353</u>		<u>93,308</u>

Amount of company related investments included in fair value of assets

There were no company related investments included in the fair value of assets in either year.

Actual return on assets

	2017 £'000	2016 £'000
Actual return on scheme assets	<u>4,332</u>	<u>22,085</u>

Principal actuarial assumptions at year end

	2017 %	2016 %
Discount rate for liabilities	2.48	2.68
Discount rate for interest cost	2.27	2.68
Discount rate for service cost	2.50	2.72
Rate of increase in salaries	3.90	3.97
Price inflation	3.40	3.47
Pension increases:		
GMP accrued before 6 April 1988	0.00	0.00
GMP accrued post 5 April 1988	3.00	3.00
Pension accrued (in excess of GMP) before 6 April 1997	3.00	3.00
Pension accrued on or after 6 April 1997	3.40	3.47
Mortality	110% S2PXA, CMI 2016 Core Model, Sk=7.5 and long term future improvements of (1.25%) BY	

The assumed life expectancy on retirement at age 65 is:

		2017	2016
Retiring today	Male	86.3	86.7
	Female	88.2	88.8
Retiring in 20 years	Male	87.7	88.0
	Female	89.7	90.2

17 Pension commitments (continued)

Estimated contributions

The employer's best estimate of contributions to be paid to the scheme by the company next year is £1,637,000.

18 Contingent liabilities

The company is part of a cross guarantee for Barclays Bank PLC between Fine Writing Pens of London Limited, Newell (1995), Newell Europe Sarl, Newell Luxembourg Finance Sarl, Newell Poland SA, Newell Brands Inc., Newell Rubbermaid UK Production, Newell Rubbermaid UK Services Limited and Newell Rubbermaid Global Limited limited to a value of £3.5m. No loss is expected to arise from this arrangement.

19 Ultimate parent company and controlling party

The immediate parent is Polihedron Holdings Limited, a company incorporated in England and Wales.

The ultimate parent company and controlling party is Newell Brands Inc., a company incorporated in the State of Delaware, United States of America. The largest and smallest group in which the results of the company are consolidated is that headed by Newell Brands Inc. The financial statements of this company are publicly available and can be obtained from Investor Relations, Newell Brands Inc., 221 River Street, Hoboken, NJ 07030, USA.

20 Related party transactions

The company has taken advantage of the exemption conferred by Financial Reporting Standard 102 not to disclose transactions with other group companies where 100% of the company's voting rights are controlled within the group.

The directors are the only members of key management. Refer to note 6 for details on remuneration paid to key members of management.