



ICI PENSION FUND 2011

Report of the Trustee &
Financial Statements

ICI PENSION FUND

Registration Number 10013256

31 March 2011

REPORT OF THE TRUSTEE AND FINANCIAL STATEMENTS

ICI PENSION FUND

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HIGHLIGHTS OF THE YEAR ENDING 31 MARCH 2011

How the money came in	Total £m
Employer contributions	190
Investment income	82
Group transfers in from other schemes	57
Total income	329

How it was used	£m
Pensions	474
Commutation lump sums	14
Death Benefits	1
Transfers to other funds	6
Total expenditure	495

Change in the Fund	£m
Balance of Income and Expenditure	-166
Change in market value	457
Total change in the Fund	291

The Fund's Assets at 31 March 2011 were £7,707 million

The Fund provides for:

Contributing members	479
Pensioners	51,937
Deferred pensioners	11,627
Total members at 31 March 2011	64,043

ICI PENSION FUND

TRUSTEE DIRECTORS AND PROFESSIONAL ADVISERS AS AT 13 JULY 2011

Trustee:

ICI Pensions Trustee Limited

Directors:

D J Gee (Chairman) Pensioner	SRC
B J Bunt Pensioner	IC
I N Canham (Committee Chairman) Deferred Member	PAC, AC
J H Fitzpatrick Pensioner	PAC, AC
F P Gray Pensioner	IC, AC
K R January ICI Paints	PAC
D J Loose Pensioner	PAC
S A McMahon Deferred Member	SRC
R W T Turner (Committee Chairman) Pensioner	SRC, IC, AC
D W Welch Akzo Nobel UK	IC

The Law Debenture Trust Corporation
p.l.c. (Committee Chairman) **SRC, IC, PAC**

Committee Roles:

- IC** - Investment Committee
- SRC** - Strategic Risk Committee
- PAC** - Policy & Administration Committee
- AC** - Appeals Committee

Secretary:

Pensions Secretariat Services Limited
3rd Floor, 38 Lombard Street
London EC3V 9BS

Membership Secretary:

L Davey
Towers Watson Limited
ICI Pensions Services, PO Box 545
Redhill, Surrey RH1 1YX

Scheme Actuary:**D Donnelly FIA**

(Replacing Robert Hails with effect from
30 September 2010)
Towers Watson Limited
Watson House, London Road
Reigate, Surrey RH2 9PQ

Auditors:**KPMG LLP**

15 Canada Square, London E14 5GL

Investment Managers:**Alinda Capital Partners LLC**

100 West Putnam Avenue, 3rd Floor
Greenwich, CT 06830, USA

Ashmore Management Company Limited

16 Aldwych, London WC2B 4AE

BlackRock Advisors (UK) Limited

33 King William Street, London EC4R 9AS

Genesis Investment Management LLP

21 Knightsbridge, London SW1X 7LY

**Insight Investment Management (Global)
Limited**

160 Queen Victoria Street, London EC4V 4LA

Intermediate Capital Managers Limited

Juxon House, 100 St Paul's Churchyard
London EC4M 8BU

M&G Investment Management Limited

Laurence Pountney Hill, London EC4R 0HH

PIMCO Europe Limited

103 Wigmore Street London W1U 1QS

Rogge Global Partners Plc

Sion Hall, 56 Victoria Embankment
London EC4Y 0DZ

Investment Advisers:**Towers Watson Limited**

Watson House, London Road,
Reigate, Surrey RH2 9PQ

Custodian:**JP Morgan Europe Limited**

60 Victoria Embankment, London EC4Y 0JP

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**TRUSTEE DIRECTORS AND PROFESSIONAL ADVISERS
AS AT 13 JULY 2011**

Solicitors:

Allen & Overy LLP

One Bishops Square, London E1 6AD

DLA Piper UK LLP

1 St Paul's Place
Sheffield S1 2JX

Squire Sanders & Dempsey (UK) LLP

(formerly Hammonds LLP)
7 Devonshire Square, Cutlers Garden,
London EC2M 4YH

Administrators:

Towers Watson Limited

Administration Offices

ICI Pensions Services

PO Box 545,
Redhill,
Surrey RH1 1YX

Bankers:

Barclays Bank PLC

London Corporate Service Centre
1-11 The Broadway
London E15 4BQ

Corporate Finance Advisers:

Ernst & Young LLP

1 More London Place
London SE1 2AF

Penfida Partners LLP

135 Cannon Street
London EC4N 5BP

Communication Advisers:

MHP Communications

(formerly Hogarth Partnership Limited)
60 Great Portland Street
London W1W 7RT

Investment Performance Measurer:

WM Performance Services

525 Ferry Road, Edinburgh EH5 2AW

Medical Advisers:

Dr D Makepeace

Dr J Orlandi

Dr J Reed

Safe Custody Advisers:

Thomas Murray Limited

Horatio House, 77-85 Fulham Palace Road
Hammersmith, London W6 8JC

AVC Providers:

Clerical Medical Investment Group Limited

PO Box 174, Walton Street
Aylesbury
Bucks. HP21 7YP

The Equitable Life Assurance Society

PO Box 177, Walton Street
Aylesbury
Bucks. HP21 7YH

**Marine & General Mutual Life Assurance
Society**

MGM House, Heene Road
Worthing
West Sussex, BN11 3AT

The Prudential Assurance Company

Stirling
FK9 4UE

ICI PENSION FUND

REPORT OF THE TRUSTEE 31 MARCH 2011

The Trustee Board submits the Annual Report on the operations of the Fund, together with the Financial Statements of the Fund for the year ended 31 March 2011.

Status

The ICI Pension Fund is a defined benefit occupational pension scheme. On 1 October 2000 the Fund was closed to new employees of ongoing ICI Businesses and on 30 June 2002 it was closed to all new members, except for readmission, at the request of ICI, of certain former members who previously left the Fund in order to take up employment with a different ICI Group company.

Principal Employer

The Principal Employer is Imperial Chemical Industries Limited ("ICI"), 26th Floor, Portland House, Bressenden Place, London SW1E 5BG (formerly Imperial Chemical Industries PLC).

Guarantor

On 2 January 2008, the Principal Employer was acquired by Akzo Nobel N.V. ("AkzoNobel"), a Company based in the Netherlands. Under a Deed executed on the same date, AkzoNobel guarantees all obligations of ICI to the Fund under legislation and under the Trust Deed and Rules.

The Trustee Company

The ICI Pension Fund has only one trustee -- a Corporate Trustee, a company called ICI Pensions Trustee Limited. This company is owned by The Law Debenture Trust Corporation plc., ("Law Debenture"), a professional trustee company which is entirely independent from ICI and from AkzoNobel.

The trustee board normally has 11 Directors, made up as follows:

- 1 Independent Director -- The Law Debenture Trust Corporation plc
- 5 Member-Nominated Directors (see below)
- 5 Other Directors.

As owner of all the share capital, only Law Debenture has the power to remove directors and to appoint replacements, subject to any Pensions Act regulations. Historically, Law Debenture normally consults ICI on appointments of Other Directors, but is not required to do so.

Member-Nominated Directors ("MNDs")

Under the Pensions Act 2004, the Trustee is responsible for determining the procedure for nomination and selection of MNDs, subject to certain requirements set out in that Act. The Trustee also has regard to guidance issued by the Pensions Regulator.

Under the current arrangements:

- any Fund member may be nominated as a MND;
- nominations are valid for a period of three years;
- the Trustee Board decides and publishes the selection criteria and nominates a selection panel, comprising Law Debenture and a cross-section of other Directors who are all members of the Fund at least one of whom must be a MND;
- the final decision on who to appoint is taken by this selection panel;
- detailed regulations for the nomination and selection procedure are determined by the Policy & Administration Committee and notified to members via the annual pensions newsletter ("Pensions News") which is sent to members and published on the Trustee website.

Directors

The Directors held five meetings during the year ended 31 March 2011. A list of the Directors at the date of this report is given on page 3. There have been no changes in the Directors since 1 April 2010.

Secretary

Pensions Secretariat Services Limited, a wholly-owned subsidiary of the Fund, served as Secretary throughout the year, providing all strategic support services to the Fund.

ICI PENSION FUND

REPORT OF THE TRUSTEE 31 MARCH 2011

The Trustee has also appointed a Membership Secretary, Mrs Lorraine Davey of Towers Watson Limited (Administrators) who handles all correspondence with individual members.

Directors' remuneration

Directors who are employees of AkzoNobel (or another company within the AkzoNobel Group (the "Group")) or who otherwise provide services to the Group are not currently remunerated by the Trustee.

Law Debenture is remunerated at its normal fee rates for the professional services it provides to the Trustee. Other Directors are remunerated at rates set independently by Law Debenture at three-yearly intervals. The annual rates applicable at the date of approving this report are as follows:

	£
Chairman	65,000
Committee Chairman (subject to above)	39,000
Trustee Director (subject to above)	22,000

The cost of Directors' remuneration is an administrative expense of the Fund and so, in accordance with the Trust Deed and paragraph 4 of the Schedule of Contributions (see page 16), is borne by the Company.

Committees of the Trustee Board

The Board has appointed four committees to deal with aspects of its activities:

Appeals Committee

The Appeals Committee hears all cases under Stage 2 of the Internal Dispute Resolution Procedure. The Appeals Committee held no meetings during the year.

Investment Committee

The Investment Committee met seven times during the year. Its role is to advise the Board on investment strategy and risks and it has delegated authority to implement changes to strategy; to review, monitor, select and (where necessary) deselect investment managers and the custodian; to determine their remit and terms of appointment; and to act as an audit committee on investment related issues. Further details are contained in the Investment Report.

Policy & Administration Committee

The Policy & Administration Committee met four times during the year. The Committee advises the Board on a variety of issues of policy, monitors the administrators of the ICI Pension Fund, Towers Watson Limited, and deals with discretionary benefits and other administrative issues delegated by the Board. It also acts as an audit committee on those matters not dealt with by the Investment Committee.

Strategic Risk Committee

The Strategic Risk Committee met five times during the year. Its role is to represent the Fund's interests in discussions with the Company about funding issues and the general security of the Fund and to investigate ways of mitigating the principal non-investment risks that may affect the Fund.

Trustee Training

The Trustee Board believes that all Directors should receive appropriate training to enable them to undertake their duties and operates its own in-house training programme, utilising a wide variety of external speakers. Trustee Directors are also required to complete the Pensions Regulator's Trustee Toolkit (an online training programme) within 12 months of appointment, to provide a common foundation training for all.

Investment Principles & Corporate Governance

The Trustee Board has approved statements on the above matters and these are available on the Trustee website, www.icipensionfund.org.uk.

The Holden UK Retirement Benefits Plan (the "Holden Plan")

With effect from 1 December 2010, the assets and liabilities of the Holden Retirement Benefits Plan were transferred into the Fund. The transfer was effected by way of a Transfer Agreement dated 19 November 2010 between the trustees of the Holden Plan and ICI Pensions Trustee Limited.

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REPORT OF THE TRUSTEE 31 MARCH 2011

Statement of Trustee Responsibilities

The audited accounts are the responsibility of the Trustee Board. Pension scheme regulations require the Trustee Board to make available to scheme members, beneficiaries and certain other parties, audited accounts for each scheme year which:

"show a true and fair view of the financial transactions of the scheme during the scheme year and of the amount and disposition at the end of the scheme year of the assets and liabilities, other than liabilities to pay pensions and benefits after the end of the scheme year; and

contain the information specified in the Schedule to the Occupational Pension Schemes (Requirement to obtain Audited Accounts and a Statement from the Auditor) Regulations 1996, including a statement whether the accounts have been prepared in accordance with the Statement of Recommended Practice, 'Financial Reports of Pension Schemes'."

The Trustee Board has arranged for the preparation of the accounts and has agreed suitable accounting policies, to be applied consistently, making estimates and judgements on a reasonable and prudent basis. It is also responsible for making available each year, commonly in the form of an annual report, information about the scheme prescribed by pensions legislation, which the Trustee Board should ensure is consistent with the audited accounts it accompanies.

Under the Pensions Act 1995, the Trustee Board is responsible for ensuring that there is prepared, maintained and from time to time revised a Schedule of Contributions showing the rates of contributions payable towards the Fund by or on behalf of the employer and the active members of the Fund and the dates on or before which such contributions are to be paid. The Trustee Board is also responsible for keeping records of contributions received in respect of any active member of the Fund and for procuring that contributions are made to the Fund in accordance with the Schedule of Contributions.

The Trustee Board also has a general responsibility for ensuring that adequate accounting records are kept and for taking such steps as are reasonably open to it to safeguard the assets of the Fund and to prevent and detect fraud and other irregularities.

Financial Statements

The Annual Financial Statements of the Fund have been prepared and audited in accordance with the requirements of the Pensions Act 1995 and are shown on pages 19 to 27 of this Report.

It must be emphasised that market value is a snapshot at the date of the Financial Statements and that there can be sharp short-term fluctuations in market value. Given the long-term nature of pension funds, too much emphasis should not be given to short-term rises or falls in market value of the Fund's investments. Therefore, it is advised that the Fund's Financial Statements should be read in conjunction with the Actuarial Certificate on page 18.

A Five Years' Statistical Summary to 31 March 2011 is given on page 31 of this Report.

Custodian

The Fund has a single, independent custodian for its direct investments, JP Morgan Europe Limited. Investments in pooled funds use independent custodians appointed by the manager of each Fund.

Additional Voluntary Contributions

AVC arrangements are no longer open to new contributions. However, members who wish to do so are able to continue to maintain existing AVC savings accounts.

Benefit Statements

Benefit Statements are normally sent to contributing members between July and September in each year and to deferred members in November each year. Those not receiving them can request them individually.

Pension Increase

Guaranteed Minimum Pensions ("GMP") are increased as required by government regulations. The Fund's Rules provide for all other pensions to be increased in line with the annual increase in RPI, subject to a limit of 5% and applied to the pension excluding GMP. For pensioners who retired before 6 April 2006, the increase is

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based on the pension value before commutation. Pensions in payment and pensions in deferment were increased by 4.8% with effect from 1 November 2010, reflecting the annual increase in RPI as at 31 July 2010.

Self Investment

The Fund has no direct investments in Imperial Chemical Industries Limited or any other companies within the AkzoNobel group. Indirect investment arises only via indexed pooled investment vehicles (as permitted by the Pensions Act 1995) and represents less than 1% of Fund assets.

Risk Controls

As a result of the European Pensions Directive, regulations require all pension fund trustees to ensure adequate internal financial controls and policies for the control of investment risk. No significant change to Trustee policies or procedures was necessary to comply with these regulations, but the Trustee has expanded its Statement of Investment Principles and documentation of internal controls in order to demonstrate compliance with the new regulations.

Actuarial Valuation and Determination of Contributions

The Actuary carried out a formal valuation of the Fund as at 31 March 2008. This was the first valuation of the Fund to be conducted under the scheme-specific funding regulations established by the Pensions Act 2004. As a result of this valuation, a Recovery Plan and a revised Schedule of Contributions was agreed between the Trustee and the Employer and certified by the Scheme Actuary on 6 March 2009. This was revised following the transfer in from the Holden Plan with effect from 1 December 2010. The Employer made the following contributions during the year to 31 March 2011 in accordance with the Schedules of Contributions applicable during the year:

- (a) From 1 April 2010 to 30 November 2010 inclusive, 34.1% of pensionable pay.
- (b) From 1 December 2010 inclusive, 34.1% of pensionable pay in respect of all members other than former Holden Plan members and 22.0% in respect of Holden Plan members.
- (c) Contributions to fund the costs of early retirements in normal health.
- (d) Additional contributions of £175 million in recognition of the funding deficit at 31 March 2008.

The Fund issued an updated Summary Funding Statement to all members in October 2009, summarising the results of the new scheme-specific funding valuation and of the recovery plan. The latest Summary Funding Statement and Recovery Plan is available on the Trustee website, www.icipensionfund.org.uk.

Change to Scheme Actuary

At their meeting on 29 September 2010, in the light of Robert Hails' forthcoming retirement, the Trustee Directors agreed to a change in Scheme Actuary from Robert Hails to David Donneky. The formal resignation statement from the outgoing Scheme Actuary is shown on page 14.

Arrangements for Payment of Employer Contributions

The following contribution dates are embodied in the Schedule of Contributions:

Type of Payment	Due Date
Members' contributions deducted from salary	Within nineteen days after the end of the month in which the deduction was made
Employer contributions related to salary	As for members' contributions
Deficit Contributions	By January in each Fund year
Other additional contributions (e.g. Early Retirement Top-Ups)	Within three months of being properly demanded by the Trustee

All contributions falling due within the year were received by the due dates.

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Additional Agreements with the Principal Employer

- In addition to the contributions set out above, ICI continues to provide the Trustee with a £250 million asset-backed guarantee.
- Under Clause 14 of the Trust Deed, ICI guarantees the due payment of contributions and other payments to the Fund so as to ensure solvency of the Fund and the due payment of all pensions and benefits.
- On 2 January 2008, ICI was acquired by AkzoNobel, a Company based in the Netherlands. Under a Deed executed on the same date, AkzoNobel guarantees all obligations of ICI to the Fund under legislation and under the Trust Deed and Rules.
- AkzoNobel has also agreed to share information periodically with the Trustee on its financial condition.

The latest Schedule of Contributions and Actuarial Certificate appear on pages 15 to 18.

Transfers

All transfer values paid to other pension schemes were either calculated and verified by the Fund's Actuary, or calculated in accordance with instructions prepared by him, in accordance with statutory regulations. Transfers In from external companies' pension schemes are no longer accepted into the Fund. Existing ICI employees who were required to leave the Fund and transfer into other ICI pension arrangements may still be permitted to rejoin the Fund, subject to the consent of the Company and Trustee.

Equal Treatment

The Directors believe that the ICI Pension Fund has equalised benefits between men and women as required by law except for Guaranteed Minimum Pensions where in common with most other schemes the Directors are awaiting further clarification of the law.

Internal Dispute Procedure

The Fund has instituted a procedure in accordance with the requirements of the Pensions Act. Details and a form can be obtained from ICI Pensions Services.

Contracting Out of S2P (formerly SERPS)

ICI has decided to contract its employees out of the State Second Pension (S2P formerly the State Earnings Related Pension Scheme or SERPS) as it has done since the scheme was introduced in 1978. The basis for contracting out of S2P (formerly SERPS) for the ICI Pension Fund is the Reference Scheme Test.

Appointment of Advisers

The advisers listed on pages 3 and 4 have all been appointed by the Trustee or under authority of the Trustee.

Data Protection Act 1998

The Trustee Board, together with the Administrator and the Scheme Actuary, periodically review the data held and systems used in order to assess actions required to meet the provisions of the Act. The Trustee believes that it complies with all aspects of the legislation.

Tax Status

The Fund is registered with HMRC in accordance with the Finance Act 2004 and the Directors know of no reason why this registration may be prejudiced or withdrawn.

Enquiries

Any enquiry concerning the Trustee's Report, Financial Statements or any provisions of the Fund should be addressed to the Membership Secretary at the address of the Fund's Administration Offices shown on page 3.

BY ORDER OF THE BOARD OF ICI PENSIONS TRUSTEE LIMITED

M Cormican
for and on behalf of Pensions Secretariat Services Limited
Secretary
13 July 2011

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MEMBERSHIP REPORT
31 MARCH 2011

	Contributing Members	Pensions in Payment	Deferred Pensioners	Total
At 1 April 2010	416	53,200	12,095	65,711
Additions	-	1,235	18	1,253
Transfers in from the Holden UK Retirement Benefits Plan	109	237	161	507
Cessations	-46	-2,735	-647	-3,428
At 31 March 2011	479	51,937	11,627	64,043

The additions to Pensions in Payment figure of 1,235 comprises 30 cessations from active members, 647 cessations from deferred, with the balance of 558 being spouses' pensions.

Cessations of Contributing Members

Pensions at normal retirement	9
Pensions at early retirement	18
Pensions on failure of health	3
Deferred pensions	15
	46

Commutation of Pensions

During the year 516 members were eligible to exercise their option to commute part of their pensions and 438 (i.e 84.9%) decided to do so. The total pensions commuted during the period under review amounted to £0.7million.

Dependants' and Spouses' Pensions

Of the 51,937 pensions in payment at 31 March 2011, 16,542 were payable to dependants and spouses.

Additional Voluntary Contributions (AVC) Scheme

AVCs are invested in individual accounts with Clerical Medical and the Equitable Life Assurance Society and in the case of members transferring in from the Holden UK Retirement Benefit Plan, Prudential and Marine & General. The membership statistics reflect the number of individuals with AVCs. AVCs are closed to new contributions.

	Equitable Life	Clerical Medical
AVC Members at 1 April 2010	201	93
Add: Transfers from Holden's	-	-
Less: Leavers	-18	-12
AVC Members at 31 March 2011	183	81

Details of the number of Holden UK Retirement Benefits Plan members with AVCs invested with Prudential and Municipal & General were unavailable at the date of production of this report and have been omitted in accordance with note 2 (b) of the Notes Forming Part Of The Financial Statements.

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INVESTMENT REPORT 31 MARCH 2011

Investment Management Structure

Investments are managed according to remits and control limits laid down by the Directors of ICI Pensions Trustee Limited, after having consulted the Principal Employer in accordance with the Pensions Act 1995. The Directors have established an Investment Committee to whom a number of operational powers are delegated, but key strategic decisions about long-term strategy and governance are taken by the Board of Directors.

The Trustee has delegated all day-to-day investment decisions to its investment managers:

Alinda Capital Partners LLC ["Alinda"]
Ashmore Management Company Limited ["Ashmore"]
BlackRock Advisors (UK) Limited ["BlackRock"] (formerly Barclays Global Investors Limited)
Genesis Investment Management LLP ["Genesis"]
Insight Investment Management (Global) Ltd ["Insight"]
Intermediate Capital Managers Limited ["ICG"]
M&G Investment Management Limited ["M&G"]
PIMCO Europe Limited ["PIMCO"]
Rogge Global Partners Plc ["Rogge"]
Southeastern Asset Management Inc ["Southeastern"]

Each remit includes a benchmark against which performance is measured. BlackRock's remit is to manage equities on a passive basis and bonds (or a combination of cash and swaps with similar economic characteristics) so as to match a substantial proportion of the Fund's liabilities. BlackRock also acts as the Fund's principal Transition Manager. Insight's remit is also to manage bonds and derivatives so as to match a proportion of the Fund's liabilities. Ashmore and PIMCO are bond managers, specialising in Emerging Markets Bonds and High Return Bonds respectively. ICG and M&G are specialist Leveraged Loans managers, Alinda is a specialist infrastructure manager. Genesis specialise in emerging market equities and Rogge specialises in emerging market currencies.

The most substantive change in investment during the year was the transfer of part of the liability matching portfolio from BlackRock to Insight. This involved the transfer of £1.1bn of assets. The transfer was designed to reduce manager concentration and diversify manager style.

During the year, the Trustee also terminated the appointment of Southeastern and liquidated this portfolio. Since the year end, the Trustee appointed M&G as a specialist long-leasehold property manager.

Economic & Market Background

The recovery in the global economy, which had been underway since 2009, slowed down during the year. Concerns about a double-dip recession early in the year receded, however. Despite the ongoing sovereign debt crisis in peripheral Europe, global and particularly Emerging Markets inflation concerns, political unrest across the Middle East and North Africa and the tsunami tragedy in Japan, the recovery continued albeit at a slower pace of growth. Emerging markets growth while still strong slowed to a more sustainable rate. Inflation replaced deflation as a concern, driven by food and commodity prices. Oil ended the year at \$110-115 compared to \$75-80 at the start of the year. Inflation in emerging markets driven by commodity and food prices as well as artificially low exchange rates was tackled by tightened monetary policies, with a mixture of interest rates being raised, bank reserve requirements tightened and currency appreciation. In developed markets, inflation was perceived by central banks to be less of a problem and very easy fiscal policy remained in place. The US extended quantitative easing with QE2 and made little effort to address the fiscal deficit. The Euro economy spent the year in the shadow of the sovereign debt problems with bail-outs in Greece, Ireland and (since year end) Portugal as well as down-ratings for Spain. Although the banking sector of the rest of Europe is at some risk the economy has performed well. Euro weakness has contributed to this. The UK has seen modest growth but with inflation persistently well above the Bank of England target.

Investment Strategy

The Fund continued its existing investment strategy of maintaining a substantial proportion of assets in bonds, cash and swaps that directly match expected future cash outflows, in order to minimise volatility of assets

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INVESTMENT REPORT 31 MARCH 2011

relative to liabilities. The Trustee recognises that, in years when equity markets rise strongly, this limits the upside potential performance of the Fund's investments; but, equally, when they fall substantially (as in 2000-2003 and again in 2007-2009), the Fund is correspondingly much better protected against falling markets. The Fund relied (as previously) mainly on income and maturities of its low-risk bond portfolio during the year, together with deficit-reduction contributions from ICI, to meet pension outgoings.

The Trustee's investment committee maintained the increased level of allocation to higher-risk investments (20% rather than 18%) that had been adopted after consultation with the Principal Employer in the previous year. Allocations to PIMCO, Genesis and Rogge were all increased from 1.5% to 2%. Southeastern, having disappointed for some time, showed some outperformance during the year. The Investment Committee decided to terminate the mandate and, following year end, allocated the funds from Southeastern to M&G's Secured Property Income Fund.

As a result of changes to investment managers during the year, the Fund's strategic asset allocation expressed by the benchmarks given to individual managers at 31 March 2011, was as set out below:-

	BLK %	INS	ALI %	PIM %	ASH %	ICG/ M&G %	GEN %	ROG %	Total %
Inflation-linked Securities	55	12							67
Fixed Interest Securities	10	3							13
UK Equities	2								2
Overseas Equities	7						2		9
Emerging Market Bonds				1	2				3
High-Yield & Other Global Bonds				1					1
Leveraged Loans						2			2
Emerging Market Currencies								2	2
Infrastructure*			0						0
Property						1			1
	74	15	0	2	2	3	2	2	100

Subject to rounding differences

* The Fund has entered into future investment commitments in relation to infrastructure, but these do not exceed 0.5% of total investments.

Investment Performance Summary

The Fund subscribes to the independent WM Company service for performance measurement of UK pension funds. Since 1995, the Fund has set a strategic allocation benchmark which takes into account the liability profile. Performance is measured by reference to a weighted benchmark calculated from the benchmark stock market indices appropriate to its asset strategy (see above). The returns against benchmark for the total Fund to 31 March 2011 and for each manager who served throughout the relevant period were as follows:

	Year to 31 March 2011		Last 3 years (Annualised)		Last 10 years (Annualised)	
	Actual %	Benchmark %	Actual %	Benchmark %	Actual %	Benchmark %
BlackRock Equity Portfolio	7.8	7.6	6.8	6.7	5.6	5.6
BlackRock Matching Portfolio	7.5	4.4	7.4	6.6	N/A	N/A
Ashmore	3.8	1.9	11.4	13.3	N/A	N/A
PIMCO	10.6	8.5	10.1	8.7	N/A	N/A
ICG	10.4	0.2	9.0	5.8	N/A	N/A
M&G	6.8	0.7	N/A	N/A	N/A	N/A
Genesis	13.6	12.4	N/A	N/A	N/A	N/A
Rogge	1.9	0.7	N/A	N/A	N/A	N/A
Alinda	1.7	-5.0	N/A	N/A	N/A	N/A
Total Fund Return	7.5	5.1	7.3	7.3	6.2	6.4

Note: The Fund Return for all periods includes the impact of the appointment of Insight and the terminations of Muzinich and Southeastern during the year.

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INVESTMENT REPORT 31 MARCH 2011

Investment management benchmarks are adjusted for changes in remit quarterly as necessary. Where a manager's remit is changed in mid-quarter, this can distort comparison with benchmarks over periods as long as three years.

The absolute level of returns was once again dominated by the stability of the BlackRock Matching portfolio.

Dramatic changes in investment markets, such as those occurring in recent years, emphasise the importance of judging performance of pension fund investments over long periods of time, taking account of the limited tolerance of the Trustee and of the Principal Employer for volatility in the level of funding/solvency of the Fund and the level of deficit contributions required from the Principal Employer. Over the last 10 years, the Fund has delivered a positive return of 6.2%, very slightly lower than its benchmark.

Change in market value of investments including futures (Note 8(a) to the Financial Statements)

In accordance with accounting standards, investment purchases and sales in Note 8(a) include the gross value of all currency hedging contracts entered into at any time during the year. Such contracts -- which are used to reduce the volatility of overseas investments relative to the sterling-denominated liabilities of the Fund -- are normally entered into for very short periods and renewed ("rolled over") many times during the year. Consequently, whilst the gross value of all such transactions during the year was some £13.6 billion of purchases and sales, the net value outstanding was only £12 million (see Note 9). Similarly, Note 8 (a) shows some £18 billion worth of purchases and sales of units in funds investing in short term cash instruments. This is similar to placing funds on deposit for very short periods; the total invested at year end was just £26 million.

Disclosure of Information

Further information concerning investments is detailed in Notes 8 and 9 of the Financial Statements on pages 24 to 26.

Myners' Report - Trustee Compliance Statement

In 2008, the government published an updated version of its Myners' Principles, a voluntary code of practice, on the governance of pension fund investment processes.

The Trustee supports Myners' Principles and believes that, in general, they coincide with the interests of the Fund. The Trustee conducts an annual assessment to confirm that the Trustee complies with all the Principles.

ICI PENSION FUND

**CHANGE TO SCHEME ACTUARY
RESIGNATION, ACCEPTANCE AND NOTICE**

Notice of resignation

I hereby resign as Scheme Actuary to the Fund with effect from 30 September 2010.

I confirm that I am not aware of any circumstances connected with my resignation which, in my opinion, significantly affect the interests of members or prospective members of, or beneficiaries under, the Fund. Please note that this statement is based on my personal knowledge of the Fund and I have not made any enquiries in relation to this statement.

Name: Robert Hails

Date: 17 September 2010

Acceptance of appointment

Subject to the Trustee of the Fund confirming the appointment (as indicated below), I hereby accept my appointment as Scheme Actuary effective from the date given by the Trustee below.

In the event that I am appointed, I confirm that I will notify the Trustee immediately I become aware of any conflict of interest to which I become subject in relation to the Fund.

Name: David Donneky

Date: 17 September 2010

Notice of appointment of Scheme Actuary

The Trustee of the Fund hereby appoints David Donneky to act as Scheme Actuary to the Fund with effect from 30 September 2010.

The Trustee confirms its agreement to this letter and the terms it incorporates.

Name: The Law Debenture Trust Corporation p.l.c.

Authorised for and on behalf of the Fund

Date: 29 September 2010

ICI PENSION FUND

SCHEDULE OF CONTRIBUTIONS 1 DECEMBER 2010

Schedule of contributions dated 1 December 2010

Name of Principal Employer: Imperial Chemical Industries Limited

Period covered by schedule: From 1 April 2008 to 31 January 2017 inclusive.

This schedule of contributions has been prepared by ICI Pensions Trustee Limited, the Trustee of the ICI Pension Fund ("ICIPF") after obtaining the advice of David Donnelly FIA, the Scheme Actuary.

The total contributions are the sum of the normal future service contributions, deficit contributions and any additional contributions as set out below.

This schedule of contributions sets out the contributions payable from 1 December 2010, it revokes and replaces the schedule of contributions signed on behalf of the Trustees on 6 March 2009 and certified by the Scheme Actuary on 6 March 2009, which shall be of no further effect.

The contributions payable from 6 March 2009 to 30 November 2010 are set out in the schedule of contributions dated 6 March 2009. The contributions payable from 1 April 2008 to 5 March 2009 are set out in the schedule of contributions dated 1 August 2007.

Terms used in this schedule have the meanings given to them in the Definitive Deed and Rules dated 6 April 2006 governing the ICI Pension Fund, unless the context requires otherwise.

The term "salary sacrifice member" refers to a Contributing Member or Employed Member who participates in the Contributing Companies' salary sacrifice arrangement, penSAVE, communicated to Contributing Members and Employed Members in February 2006.

1 Rates of contribution – normal future service contributions:

by Contributing Members or Employed Members:

Salary sacrifice members:	Nil
Other members:	The rates set out in the Rules and for former Holden Plan members at the level of 6% of Pensionable Salary

by Contributing Companies:

In respect of all members other than former Holden Plan members:	34.1% of members' total Pensionable Pay (as defined in the 1967 Rules or the Senior Executive Rules (1996), as applicable)
In respect of former Holden Plan members:	22.0% of Pensionable Salaries
Additional amounts in respect of salary sacrifice members:	The amount of any member contributions which are not required to be paid because the member concerned participates in penSAVE

2 Rates of contribution – deficit contributions:

by the Principal Employer:

In 2011:	Contributions of £175 million in January.
From 2012 to 2017 inclusive:	Contributions of £195 million in January each year.

ICI PENSION FUND

SCHEDULE OF CONTRIBUTIONS 1 DECEMBER 2010

by AkzoNobel Packaging Coatings Limited:

From 1 December 2010 to 31 January 2016 inclusive:

Contributions of at least £2.5 million per annum, no less frequently than monthly (at the rate of £208,500 per month).

3 Rates of contribution - additional contributions:

by Contributing Members or Employed Members:

Any additional voluntary contributions

by the Contributing Companies:

Additional contributions as may be determined from time to time by the Actuary to be necessary to meet the estimated cost of all early retirements in normal health arising under the Trust Deed and Rules

Additional contributions as may be determined from time to time by the Actuary to be necessary to meet the estimated cost of benefit augmentations granted under the Trust Deed and Rules

Any sum due under Section 75 of the Pensions Act 1995 as a result of a Contributing Company's cessation of participation in the Fund

In the event that a sum becomes due under Section 75 of the Pensions Act 1995, the Trustee and contributing companies may agree to a corresponding reduction in the normal future service contributions of deficit contributions that would otherwise be payable

Additional amounts as may, from time to time, be agreed between the Trustee and the Principal Employer

4 Expenses and Pension Protection Fund levies

The Contributing Companies will reimburse the ICIPF for all costs and expenses relating to the Fund (other than such costs and expenses directly related to investment as the Trustee determines) and Pension Protection Fund (PPF) levies that have been met out of the ICIPF's assets.

Alternatively, the Contributing Companies may pay these expenses and PPF levies directly.

Calculation errors:

The Contributing Companies may contribute smaller amounts than those described in the previous paragraphs provided that this results from calculation errors and that, at any time, the cumulative amounts paid are no more than £50,000 lower than the cumulative amounts due in accordance with the previous paragraphs. The Contributing Companies shall make good the shortfall as soon as reasonably practicable after they become aware of any such calculation error.

ICI PENSION FUND

SCHEDULE OF CONTRIBUTIONS 1 DECEMBER 2010

Due dates of payment (where not already shown):

Contributions by Contributing Members or Employed Members:	To be received by the Trustee no later than the 19th day of the month following the calendar month in which contributions are deducted from earnings.
Contributions by Contributing Companies under 1 above:	To be received by the Trustee no later than the 19th day of the month following the calendar month to which they relate.
Additional contributions by Contributing Companies under 3 above and the expenses and PPF levies under 4 above:	To be received by the Trustee within three months of being properly demanded by the Trustee.

Former Holden Plan Members:

In this Schedule "former Holden Plan members" refers to Contributing Members or Employed Members who transferred to the ICIPF with effect from 1 December 2010 from the Holden UK Retirement Benefits Plan (the "Holden Plan").

Offset for Employer pension payments	From the monthly amount of contributions set out in the schedule, the employer shall offset the amount of pensions paid directly by the employer in respect of former pensioners of the Holden Plan for that month. This may result in a nil contribution to the ICIPF in any month. The difference between the monthly contribution amount and the amount of pensions paid would be reimbursed to the employer as soon as possible after the Administrator has been notified of and agreed the amount due.
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Pensionable Salaries	For the purposes of this schedule, Pensionable Salaries for former Holden Plan Members are defined as basic salary plus a proportion of fixed commission where appropriate less one-half of basic State pension for a single person, determined on each 1 October. The monthly contributions are calculated using monthly Pensionable Salaries determined as one-twelfth of the annual amounts. Basic salary is deemed to be paid at the rate applicable at the commencement of maternity, paternity or sick leave, during such leave, (but increased in line with any salary increases awarded to the member during such leave) irrespective of actual amounts paid to the member.
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Arrangements for other parties to make payments to the ICIPF	Payments towards the ICIPF may be paid by AkzoNobel, or any subsidiary company thereof, in lieu of contributions otherwise due from AkzoNobel Packaging Coatings Limited. Nothing in this schedule shall preclude the payment of higher contributions as may from time to time be agreed between the Trustee and the Contributing Companies.
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ICI PENSION FUND
ACTUARIAL CERTIFICATE

Actuary's certification of the schedule of contributions

Name of scheme: ICI Pension Fund

Adequacy of rates of contributions

I certify that, in my opinion, the rates of the contributions shown in this schedule of contributions are such that the statutory funding objective could have been expected on 31 March 2008 to be met by the end of the period specified in the recovery plan.

Adherence to statement of funding principles

I hereby certify that, in my opinion, this schedule of contributions is consistent with the Statement of Funding Principles dated 6 March 2009.

This certification of the adequacy of the rates of contributions for the purpose of securing that the statutory funding objective can be expected to be met is not a certification of their adequacy for the purpose of securing the scheme's liabilities by the purchase of annuities, if the scheme were wound up.

David Donnelly
Fellow of the Institute and Faculty of Actuaries

2 December 2010

Towers Watson Limited
Watson House
London Road
Reigate
Surrey
RH2 9PQ

ICI PENSION FUND

**FUND ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2011**

		Year to 31 Mar 11 £m's	Year to 31 Mar 10 £m's
Contributions and Benefits	Note		
Contributions receivable	3	190	197
Transfers in	4	57	-
		<u>247</u>	<u>197</u>
Benefits payable	5	-489	-497
Payments to and on account of leavers	6	-6	-10
		<u>-495</u>	<u>-507</u>
Net withdrawals from dealings with members and employers		<u>-248</u>	<u>-310</u>
Returns on Investments			
Investment income	7	82	110
Change in market value of investments	8	457	952
Net returns on investments		<u>539</u>	<u>1,062</u>
Net increase in the Fund during the year		<u>291</u>	<u>752</u>
Net assets of the Fund at start of the year		<u>7,416</u>	<u>6,664</u>
Net assets of the Fund at end of the year		<u>7,707</u>	<u>7,416</u>

ICI PENSION FUND
NET ASSETS STATEMENT
AS AT 31 MARCH 2011

	Note	Year to 31 Mar 11 £m's	Year to 31 Mar 10 £m's
Investment assets	8		
Fixed interest securities		392	661
Index-linked securities		1,133	1,449
Equities		-	74
Pooled investment vehicles		6,170	5,175
Amounts receivable under forward currency contracts	9	1	4
Cash deposits and other investment balances		26	60
AVC Investments		3	3
		7,725	7,426
Investment liabilities			
Amounts payable under forward currency contracts	9	-13	-6
Total Investments		7,712	7,420
Current assets and liabilities	10	-5	-4
Net assets of the Fund at end of the year		7,707	7,416

The notes on pages 21-27 form part of the financial statements

The financial statements summarise the transactions of the Fund and deal with the net assets at the disposal of the Trustee. They do not take account of obligations to pay pensions and other benefits in the future. The actuarial position of the Fund, which does take account of such obligations, is dealt with in the Actuarial Certificate on page 18 of the annual report and these financial statements should be read in conjunction with it and with the Summary Funding Statement which is available on the Fund's website www.icipensionfund.org.uk.

These financial statements were approved by the board of the Trustee Company on 13 July 2011

and were signed on its behalf by:

D.J.Gee Director

M.Cormican Secretary
for and on behalf of Pensions Secretariat Services Limited

ICI PENSION FUND

NOTES FORMING PART OF THE FINANCIAL STATEMENTS 31 MARCH 2011

1. Basis of Preparation

The Financial Statements have been prepared in accordance with the Occupational Pension Schemes (Requirement to Obtain Audited Accounts and a Statement from the Auditor) Regulations 1996 with the guidelines set out in the Statement of Recommended Practice (revised May 2007), Financial Reports of Pension Schemes, (the "Revised SORP").

2. Accounting Policies

(a) Accruals Basis

The Financial Statements have been prepared on an accruals basis, except where noted.

(b) Additional Voluntary Contributions (AVCs)

All investments and transactions in AVCs are included in these accounts under the relevant heading. Investment gains and losses notified later than six weeks after the year-end are included in the following year's accounts, on the grounds that the amounts involved are immaterial and that this is necessary to avoid inordinate delay to the production of the Financial Statements.

(c) Contribution Income

Ordinary contributions relating to wages and salaries earned in the financial year were calculated at rates determined in accordance with the revised Schedule of Contributions agreed with the Company as a result of the Fund's first scheme-specific funding valuation as at 31 March 2008, subsequently updated as a result of the merger of the Holden UK Retirement Benefit Plan on 1st December 2010. Contributions for existing members were accounted for in the month when the corresponding wages and salaries were paid. Additional contributions determined by the Scheme Actuary and AVCs are accounted for when due in accordance with the agreed timetable.

(d) Investment Income

Investment income is accounted for on an accruals basis. Interest income is accrued for on a daily basis whereas dividends are accrued for on the basis of the date when the corresponding share price becomes quoted on an ex-dividend basis. Dividends and interest are grossed up for the effects of overseas taxation if any and any irrecoverable withholding taxes shown separately.

(e) Benefits Payable

Benefits payable represent all material valid benefit claims in respect of the scheme year. Where a member has a choice in connection with his benefits (e.g. to commute part of the pension), the benefit choice is accounted for in the month of receipt by the trustees of a notification from the member.

(f) Administration Expenses

All the Fund's administration expenses and investment management fees are borne by Imperial Chemical Industries Limited, with the exception of some investment-related expenses. Charges in relation to specific transactions are deducted from the relevant category of investment income or capital return.

(g) Foreign Currency Conversion

All assets and liabilities stated in foreign currencies are converted at rates of exchange ruling at the year end date. Exchange adjustments arising are then incorporated in the Fund Account, included in the change in market value of investments.

ICI PENSION FUND

NOTES FORMING PART OF THE FINANCIAL STATEMENTS 31 MARCH 2011

(h) Valuation of Investments

The Fund's investments are reported in the Financial Statements on the basis of market values. Market values at the year end are assessed as follows:

- Listed ordinary shares, government, fixed interest and index linked securities are valued at bid price or last traded price, depending on the convention of the stock exchange on which they are quoted. Government, fixed interest and index linked securities are valued on a clean basis, excluding accrued income. Any excluded accrued income is accounted for in investment income.
- Financial futures are stated at the market value of their full economic effect.
- Cash backing open futures contracts has been classified with pooled cash funds within unitised funds as futures contracts are undertaken to gain market exposure against assets held in these funds.
- Pooled investment vehicles are valued at bid price for funds with a bid/offer spread, or single price where there are no bid/offer spreads provided by the investment manager.

ICI PENSION FUND

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS
31 MARCH 2011**

3. Contributions receivable

	Year to 31 Mar 11 £m's	Year to 31 Mar 10 £m's
Employers		
normal payroll based	7	8
normal early retirement based	4	13
deficit funding*	176	175
receipts from employer in respect of group transfers	3	1
	190	197
	190	197

* The deficit funding includes £175million in respect of ICI and £0.6million in respect of AkzoNobel Packaging Coatings Ltd.

4. Transfers in

	31 Mar 11 £m's	31 Mar 10 £m's
Group transfers in from other schemes*	57	-
	57	-
	57	-

* Group transfers in comprise a transfer of Holden scheme assets to the Fund.

5. Benefits payable

	31 Mar 11 £m's	31 Mar 10 £m's
On or during retirement		
Pensions	474	475
Commutation and lump sum retirement benefits	14	22
Death benefits	1	-
	489	497
	489	497

6. Payments to and on account of leavers

	31 Mar 11 £m's	31 Mar 10 £m's
Group transfers to other schemes	-	2
Individual transfers to other schemes	6	8
	6	10
	6	10

ICI PENSION FUND

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS
31 MARCH 2011**

7. Investment income	31 Mar 11	31 Mar 10
	£m's	£m's
Income from fixed interest securities	28	46
Income from index-linked securities	34	35
Dividends from equities	-	1
Income from pooled investment vehicles	20	28
 Total investment income	 82	 110

8. Investments

(a) Change in market value of investments

	Market Value at 31 Mar 10	Purchases at cost and derivative payments	Sales proceeds and derivative receipts	Change in market value	Net change in cash position	Market Value at 31 Mar 11
	£m's	£m's	£m's	£m's	£m's	£m's
Fixed interest securities	661	23	-395	103		392
Index-linked securities	1,449	462	-729	-49		1,133
Equities	74	95	-169	-		-
Pooled investment vehicles	5,175	3,963	-3,367	399		6,170
	<hr/> 7,359	4,543	-4,660	453		<hr/> 7,695
Forward currency contracts	-2	13,641	-13,653	2		-12
Cash deposits and other investment balances	60	-18,184	18,313	2	-165	26
AVC Investments	3	-	-	-	-	3
	<hr/> 7,420	-	-	457	-165	<hr/> 7,712

The change in market value of investments during the year comprises all increases and decreases in the market value of investments held at any time during the year, including profits and losses realised on sales of investments during the year.

The net change in cash position represents:-

	£m's
Movement in contributions due (note 10)	1
Investment Income (note 7)	82
Net withdrawals from dealings with members (as per Fund Account)	-248
 Net change in cash position	 <hr/> -165

ICI PENSION FUND

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS
31 MARCH 2011**

(b) Summary of investments by asset type

	31 Mar 11	31 Mar 10
	£m's	£m's
Fixed interest securities-directly held		
UK government bonds	169	202
UK non government bonds	223	333
Overseas non government bonds	-	126
	392	661
Index-linked securities-directly held		
UK government bonds	-	4
UK non government bonds	1,133	1,445
	1,133	1,449
Equities-directly held		
UK quoted	-	5
Overseas quoted	-	69
	-	74
Pooled investment vehicles		
UK non government bonds	90	84
Overseas non government bonds	458	434
Liability linked funds	4,479	3,764
Equity funds	960	717
Infrastructure	14	9
Emerging markets currency fund	156	107
Short term investment funds	13	60
	6,170	5,175
Investment assets & liabilities		
Amounts receivable under forward currency contracts	1	4
Amounts payable under forward currency contracts	-13	-6
	-12	-2
Deposits and other Investment Balances		
Cash balances	14	39
Accrued income and other investment debtors	12	21
	26	60
AVC Investments		
	3	3
Total Investments	7,712	7,420

All pooled investment vehicles are managed by UK registered companies. Of the total of £6,170million, £4,118million is invested in unitised without profits insurance policies.

ICI PENSION FUND

NOTES FORMING PART OF THE FINANCIAL STATEMENTS 31 MARCH 2011

(c) Transaction costs

The cost of purchases and proceeds of sales figures in the change in market value of investments table include direct transaction costs of less than £0.1million relating to equity securities. Transaction costs of bonds and pooled funds are included in the price charged by counterparties and so cannot be separately identified.

(d) The Fund has the following investments which represent more than 5% of the assets of the Fund.

	Market Value 31 Mar 11 £m's	% of total assets
BlackRock LDI 500 Fund	3,317	43.0
Insight LDI Active 17 Fund	1,162	15.1

(e) BlackRock & Insight Liability Linked Funds

The Fund holds units in bespoke life funds managed by BlackRock & Insight in which the Fund is the sole investor. The underlying investments of the fund comprise:-

	BlackRock		Insight	
	31 Mar 11 £m's	31 Mar 10 £m's	31 Mar 11 £m's	31 Mar 10 £m's
Interest rate swaps	279	295	-14	-
Inflation swaps	126	85	8	-
Total return swaps	2	-	-	-
UK fixed interest gilts	190	184	84	-
UK index-linked gilts	1,010	1,394	341	-
Network Rail index-linked	428	403	103	-
Corporate fixed interest bonds	-	-	124	-
Corporate index-linked bonds	-	-	422	-
Pooled collateral funds *	1,273	1,395	98	-
Cash & receivables/payables	9	8	-4	-
	3,317	3,764	1,162	-

* The pooled collateral funds comprise mainly floating rate notes, asset backed securities, cash, commercial paper and certificates of deposit admissible as collateral under swap agreements.

9. Forward foreign exchange

In order to maintain appropriate diversification of investments within the portfolio and take advantage of overseas investment returns, a proportion of the underlying investment portfolios are invested overseas. To balance the risk of investing in foreign currencies whilst having an obligation to settle benefits in Sterling, a currency hedging programme, using forward foreign exchange contracts, has been put in place to reduce the currency exposure of these overseas investments to the targeted level.

The Fund had open foreign exchange contracts at the year-end as detailed on the following page:

ICI PENSION FUND

NOTES FORMING PART OF THE FINANCIAL STATEMENTS 31 MARCH 2011

	Buy	m	Sell	m	Asset £m	Liability £m
Three contracts maturing between one and three months from year-end	USD	890.0	GBP	547.8	-	-8.0
Two contracts maturing between one and three months from year-end	GBP	14.5	USD	23.5	0.2	-
One contract maturing between one and three months from year-end	JPY	9,773.7	USD	119.6	1.0	-
One contract maturing between one and three months from year-end	JPY	58.4	GBP	0.4	0.0	-
One contract maturing between one and three months from year-end	EUR	274.1	USD	380.0	-	-5.3
One contract maturing between one and three months from year-end	GBP	5.3	EUR	6.1	0.1	-
					1.3	-13.3

10. Current assets and liabilities

	31 Mar 11 £m's	31 Mar 10 £m's
Contributions due from Employer & outstanding group transfers-in	1	2
Unpaid benefits	-6	-6
	-5	-4

11. Related Party Transactions

(a) Directors of the Trustee Company

The Fund has received contributions in respect of directors of the Trustee company who are also Contributing members of the Fund. The Fund has also paid benefits to directors of the Trustee company who are also beneficiaries of the Fund. All of the above transactions are in accordance with the rules of the Fund and on the same terms as other members.

(b) Owners of the Trustee Company

The Law Debenture Trust Corporation p.l.c ("Law Debenture") owns and is also a director of the corporate trustee of the Fund. Law Debenture earned fees during the year, which were borne by the Principal Employer.

12. Investment Management expenses

Charges in relation to specific transactions are deducted from the relevant category of investment income or capital return. As explained in note 2(f) general investment management expenses are normally paid by the Principal Employer unless otherwise determined by the Trustee.

13. Employer Related Investment

The Trust Deed permits aggregate investment of up to 1% of the Fund in securities of the sponsoring employer. As at 31 March 2011 there were no direct investments in securities of Akzo Nobel N.V. or ICI Limited and indirect investments by pooled fund securities were less than 1%.

ICI PENSION FUND

AUDITORS' REPORT

Independent Auditors' report to the Trustee of the ICI Pension Fund

We have audited the financial statements of ICI Pension Fund for the year ended 31 March 2011 set out on pages 19 to 27. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice).

This report is made solely to the scheme Trustee, as a body, in accordance with the Pensions Act 1995 and Regulations made thereunder. Our audit work has been undertaken so that we might state to the scheme Trustee those matters we are required to state to it 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 scheme trustee for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Trustee and Auditor

As explained more fully in the Statement of Trustee responsibilities set out on page 6, the scheme Trustee is responsible for the preparation of financial statements which give a true and fair view. Our responsibility is to audit, and express an opinion on, the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). These standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

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

Opinion on financial statements

In our opinion the financial statements:

- show a true and fair view of the financial transactions of the scheme during the scheme year ended 31 March 2011 and of the amount and disposition at that date of its assets and liabilities, other than liabilities to pay pensions and benefits after the end of the scheme year;
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice; and
- contain the information specified in Regulation 3 of, and the Schedule to, the Occupational Pension Schemes (Requirement to obtain Audited Accounts and a Statement from the Auditor) Regulations 1996, made under the Pensions Act 1995.

Kevin Clark (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
15 Canada Square
London
E14 5GL

13 July 2011

ICI PENSION FUND

AUDITORS' REPORT

Independent Auditors' Statement about Contributions, made under Regulation 4 of The Occupational Pension Schemes (Requirement to obtain Audited Accounts and a Statement from the Auditor) Regulations 1996, to the Trustee of the ICI Pension Fund

We have examined the summary of contributions payable under the schedule of contributions to the ICI Pension Fund in respect of the Fund year ended 31 March 2011 which is set out on page 30.

This statement is made solely to the Fund's Trustee in accordance with the Pensions Act 2004 and Regulations made thereunder. Our work has been undertaken so that we might state to the Fund's Trustee those matters we are required to state to it in an auditors' statement about contributions and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Fund's Trustee, for our work, for this statement, or for the opinions we have formed.

Respective responsibilities of Trustee and Auditors

As described on page 30, the Fund's Trustee is responsible, under the Pensions Act 2004, for ensuring that there is prepared, maintained and from time to time revised a schedule of contributions which sets out the rates and due dates of certain contributions payable towards the Fund by or on behalf of the employer and the active members of the Fund. The Trustee has a general responsibility for procuring that contributions are made to the Fund in accordance with the schedule of contributions.

It is our responsibility to provide a statement about contributions paid to the Fund under the schedule of contributions and to report our opinion to you.

We read the Trustee's report and other information in the annual report and consider whether it is consistent with the summary of contributions. We consider the implications for our statement if we become aware of any apparent misstatements or material inconsistencies with the summary of contributions.

Basis of statement about contributions

We planned and performed our work so as to obtain all the information and explanations which we considered necessary in order to give reasonable assurance that contributions reported in the summary of contributions have been paid in accordance with the relevant requirements. For this purpose, the work that we carried out included examination, on a test basis, of evidence relevant to the amounts of contributions payable to the Fund and the timing of those payments. Our statement about contributions is required to refer to those breaches of the schedule which come to our attention in the course of our work.

Modified statement about contributions payable under the schedule

In our opinion contributions for the Fund year ended 31 March 2011, as reported in the summary of contributions and payable under the schedule, have in all material respects been paid, at least for the period 1 April 2010 to 1 December 2010, in accordance with the schedule of contributions certified by the actuary on 6 March 2009 and subsequently in accordance with the schedule of contributions certified by the actuary on 2 December 2010.

Kevin Clark (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
15 Canada Square
London E14 5GL
13 July 2011

ICI PENSION FUND

STATEMENT OF TRUSTEE'S RESPONSIBILITIES IN RESPECT OF CONTRIBUTIONS

The Fund's Trustee is responsible under pensions legislation for ensuring that there is prepared, maintained and from time to time revised a schedule of contributions showing the rates of contributions payable towards the Fund by or on behalf of the employer and the active members of the Fund and the dates on or before which such contributions are to be paid. The Fund's Trustee is also responsible for keeping records of contributions received in respect of any active member of the Fund and for procuring that contributions are made to the Fund in accordance with the schedule.

Trustee's Summary of Contributions payable under the schedule in respect of the Fund year ended 31 March 2011

This Summary of Contributions has been prepared by, or on behalf of, and is the responsibility of the Trustee. It sets out the employer and member contributions payable to the Fund under the schedules of contributions applicable in respect of the Fund year ended 31 March 2011. The Fund auditor reports on contributions payable under the schedule in the Auditors' Statement about Contributions.

Contributions payable under the schedule in respect of the Fund year	£'000s
Employer:	
normal payroll based contributions	7,219
normal early retirement based contributions	3,416
deficit funding contributions	175,834
company augmentation	3,243
Member:	
normal payroll based contributions	159
Contributions payable under the Schedule (as reported on by the Fund auditor)	189,871

Reconciliation of contributions

Reconciliation of contributions payable under the schedule to contributions reported in the accounts in respect of the Fund year ended 31 March 2011.

Contributions payable under the Schedule (as above)	189,871
Contributions payable in addition to those due under the Schedule (and not reported on by the Fund auditor):	
None	Nil
Total contributions reported in the accounts	189,871

Approved on behalf of the Trustee on 13 July 2011

M Cormican
for and on behalf of Pensions Secretariat Services Limited
Secretary

ICI PENSION FUND**FIVE YEARS' STATISTICAL SUMMARY
31 MARCH 2011**

	2007	2008	2009	2010	2011
Deferred Pensioners	14,016	13,179	12,642	12,095	11,627
Pensioners-Dependants	17,738	17,434	17,130	16,943	16,542
Pensioners-Members	39,292	38,120	37,061	36,257	35,395
Contributing Members	794	683	579	416	479
Total	71,840	69,416	67,412	65,711	64,043
	£m	£m	£m	£m	£m
Contributions	296	190	196	197	190
Investment Income	106	106	108	110	82
Pensions & Commutations	474	476	490	497	488
Net Assets (Market Value)	7,131	7,120	6,664	7,416	7,707