

Arch Chemicals Products Limited

**Directors' report and financial
statements**

Registered number 978621

31 December 2012



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Directors' report

The directors present their annual report and the audited financial statements for the year ended 31 December 2012

Principal activities / Business review

On 1 January 2006 the company set up an office in India to manage the marketing and sales of chemical products, and search out sourcing opportunities, on behalf of affiliates of the Arch Chemicals Inc group. These activities were ceased in 2012 and the company no longer operates but remains for reasons of compliance in India.

Results and dividend

The retained profit for the year is £81,369 (2011 £126,975)

The directors do not propose a final dividend for the year (2011 £nil)

Directors and directors' interests

The directors who held office during the year and to the date of this report were as follows

Stephen M Baker
Peter J Kitchen
Scott B Waldman

None of the directors who held office at the end of the financial year had any interest in the shares of the company

Political and charitable contributions

The Company did not make any political or charitable donations or incur any political expenditure during the year

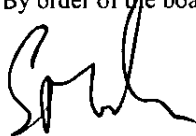
Disclosure of information to auditor

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the company's auditor is unaware, and each director has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Auditor

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

By order of the board



S Baker
Director

Wheldon Road
Castleford
West Yorkshire
WF10 2JT

27 September 2013

Statement of directors' responsibilities in respect of the Directors' Report and the financial statements

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

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice).

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

- select suitable accounting policies and then apply them consistently,
- make judgments and estimates that are reasonable and prudent,
- state whether applicable 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. As explained in note 1, the Directors do not believe that it is appropriate to prepare these financial statements on a going concern basis.

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 have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.



KPMG LLP

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Neville Street
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Independent auditor's report to the members of Arch Chemicals Products Limited

We have audited the financial statements of Arch Chemicals Products Limited for the year ended 31 December 2012 set out on pages 5 to 11. 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 company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit, and express an opinion on, the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's 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 Financial Reporting Council's web-site at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 December 2012 and of its profit for the year then ended,
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

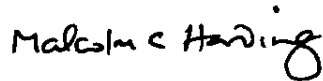
In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Independent auditor's report to the members of Arch Chemicals Products Limited *(continued)*

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

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



Malcolm Harding (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
1 The Embankment
Neville Street
Leeds
LS1 4DW

27 September 2013

Profit and loss account
for the year ended 31 December 2012

	<i>Note</i>	2012 £	2011 £
Turnover	2	228,733	264,413
Administrative expenses		(147,364)	(137,438)
Profit on ordinary activities before taxation	3	81,369	126,975
Tax on profit on ordinary activities	6	-	-
Retained profit for the financial year	12	81,369	126,975

A reconciliation of movements in shareholders' funds is shown in note 13

There are no other recognised gains or losses during the year

Notes on pages 7 to 11 form part of the financial statements

Balance sheet
at 31 December 2012

	<i>Note</i>	2012	2011
		£	£
Fixed assets			
Tangible assets	7	-	166
Current assets			
Debtors	8	645,572	575,854
Cash at bank and in hand		22,294	7,679
		<u>667,866</u>	<u>583,533</u>
Creditors Amounts falling due within one year	9	(18,534)	(15,736)
Net current assets		<u>649,332</u>	<u>567,797</u>
Net assets		<u>649,332</u>	<u>567,963</u>
Capital and reserves			
Called up share capital	11	1,000	1,000
Profit and loss account	12	648,332	566,963
Equity shareholders' funds	13	<u>649,332</u>	<u>567,963</u>

Notes on pages 7 to 11 form part of the financial statements

These financial statements were approved by the board of directors on 27 September 2013 and were signed on its behalf by



S Baker
Director

Notes

(forming part of the financial statements)

1 Accounting policies

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

Basis of preparation

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost convention. These accounts have been prepared on a going concern basis having considered the outlook for the company and the indication of ongoing support provided by Lonza Group AG.

During the year the company's operations were curtailed and the intention is to liquidate the company. As a result these accounts have not been prepared on a going concern basis. No significant adjustments were necessary to the accounts of which the assets and liabilities were carried on these financial statements.

The group accounts of the ultimate parent undertaking, Lonza Group AG include a group cash flow statement and accordingly no cash flow statement is included as part of these financial statements.

The company is exempt from the requirements of FRS 8 (related party disclosures) to disclose transactions with other group undertakings or transactions with investees of the group, as it is a wholly owned subsidiary and its financial statements are included in the consolidated financial statements of the ultimate parent company and those financial statements are publicly available.

Tangible fixed assets

Depreciation is provided to write off the cost less the estimated residual value of tangible fixed assets by equal instalments over their estimated useful economic lives as follows:

Office furniture and equipment - 4 years

Foreign currencies

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated using the rate of exchange ruling at the balance sheet date and the gains or losses on translation are included in the profit and loss account.

Operating leases

All existing leases are accounted for as 'operating leases' and the rental charges are charged to the profit and loss account on a straight line basis over the life of the lease.

Taxation

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

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

Post-retirement benefits

The Company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The amount charged to the profit and loss account represents the contributions payable to the scheme in respect of the accounting period.

Notes (continued)

2 Turnover

Turnover represents the amounts (excluding value added tax) derived from managing the marketing and sales of chemical products on behalf of fellow subsidiary undertakings of the Arch Chemicals Inc group

3 Profit on ordinary activities before taxation

	2012 £	2011 £
<i>Profit on ordinary activities before taxation is stated after charging</i>		
Depreciation	166	248
Operating lease rentals	-	23,851
	<u> </u>	<u> </u>

The company's audit fee of £6,000 (2011 £6,000) has been paid by another group company

4 Directors' emoluments

No directors in office during the years ended 31 December 2011 and 31 December 2012 received any emoluments for services provided to the company

5 Staff numbers and costs

The average number of persons employed by the company during the period, analysed by category, was as follows

	Number of employees	
	2012	2011
Sales and administration	-	1
	<u> </u>	<u> </u>

The aggregate payroll costs of these persons were as follows

	£	£
Wages and salaries	-	10 365
Social security costs	-	1,060
Other pension costs	-	782
	<u> </u>	<u> </u>
	-	12 207
	<u> </u>	<u> </u>

6 Taxation

	2012 £000	2011 £000
UK corporation tax	-	-
	<u> </u>	<u> </u>

Notes (continued)

6 Taxation (continued)

The current tax charge for the year is lower than the standard rate of corporation tax in the United Kingdom of 24.5% (2011: 26.5%). The difference is analysed below

	2012 £	2011 £
Profit on ordinary activities	81,369	126,975
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 24.5% (2011: 26.5%)	19,935	33,648
Losses surrendered by fellow group undertakings for no cost	(21,201)	(33,714)
Expenses not deductible for tax purposes	1,225	-
Movement in unprovided deferred tax	41	66
	-	-

The Finance Act 2012 announced a number of changes to the main corporation tax rate. These included a reduction in the UK corporation tax rate from 26% to 24% effective from 1 April 2012 and a further reduction in the UK corporation tax rate to 23% effective from 1 April 2013.

Proposed further changes to reduce the rate of UK corporation tax to 20% by 2015 have since been announced but none of these changes had been substantively enacted by the balance sheet date.

7 Tangible fixed assets

	Office furniture and equipment £
Cost	
At beginning of year	3,129
Depreciation	
At beginning of year	2,963
Charge for year	166
At end of year	3,129
Net book value	
At 31 December 2012	-
At 31 December 2011	166

Notes (continued)

8 Debtors

	2012 £	2011 £
Amounts owed by group undertakings	645,572	574,638
Other debtors	-	1,216
	<u>645,572</u>	<u>575,854</u>

9 Creditors: amounts falling due within one year

	2012 £	2011 £
Amounts owed to group undertakings	-	-
Accruals and deferred income	18,534	15,736
	<u>18,534</u>	<u>15,736</u>

10 Provisions for liabilities and charges

Deferred tax

There were no deferred tax assets or liabilities at 31 December 2011 or 2012

11 Called up share capital

	2012 £	2011 £
<i>Allotted, called up and fully paid</i>		
1,000 ordinary shares of £1 each	1,000	1,000
	<u>1,000</u>	<u>1,000</u>

12 Profit and loss account

	£
At beginning of year	566,963
Profit for the year	81,369
	<u>648,332</u>
At end of year	

Notes (continued)

13 Reconciliation of movement in equity shareholders' funds

	2012 £	2011 £
Profit on ordinary activities after taxation	81,369	126,975
Shareholders' funds at beginning of year	81,369 567,963	126,975 440,988
Shareholders' funds at end of year	649,332	567,963

14 Ultimate parent company

The company is an immediate subsidiary undertaking of Arch Chemicals Limited which is registered in England. Copies of this company's financial statements are available from Wheldon Road, Castleford, West Yorkshire, WF10 2JT.

The ultimate parent undertaking is Lonza Group AG, which is incorporated in Switzerland and has its principal office in Basel, Switzerland. The accounts and annual report of Lonza Group AG incorporate the results of the company and can be obtained from the website www.lonza.com, or alternatively from Lonza Group AG, Muenchensteinerstrasse 38, CH-4002 Basel, Switzerland.