

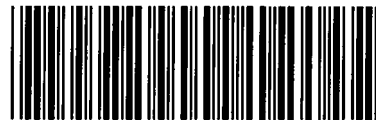
Arch Chemicals Products Limited

Annual report and financial statements

Registered number 978621

31 December 2017

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Directors' report

The directors present their Annual Report and Accounts for the year ended 31 December 2017.

Results and dividend

The company had a loss for the year of £8,489 (2016: £29,849 Profit).

The directors do not propose a final dividend for the year (2016: £nil).

Directors and directors' interests

The directors who served between 1 January 2017 and the date of this report were as follows:

Stephen M Baker (resigned 26.04.2016)
Peter J Kitchen
Nicholas T Carter
Anthony W Kelly (appointed 02.03.2017)

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

Certain directors benefit from qualifying third party indemnity provisions in place during the financial year and at the date of this report.

Employees

It is company policy to keep employees informed of matters affecting their interests through normal management channels and due consideration is given to their interest when making management decisions. The company arranges presentations by directors and managers together with briefing groups at which topical information is discussed with employees. The involvement of employees in the company's performance is encouraged through participation in profit related incentive payment schemes.

The policy of the company for the employment of disabled persons is to give them equal opportunities with other employees to train for and attain any position in the company having regard to the maintenance of a safe working environment and the constraints of their disabilities.

Close attention is given to the welfare of employees with particular regard to the requirements of the health and safety legislation

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 he or she ought to have taken as a director to make himself or herself 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



N Carter
Director

Wheldon Road
Castleford
West Yorkshire
WF10 2JT

28 September 2018

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

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 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), including FRS 101 *Reduced Disclosure Framework*.

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

- select suitable accounting policies and then apply them consistently;
- make judgements and 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;
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

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 responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and 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

1 Sovereign Square
Sovereign Street
Leeds
LS1 4DA
United Kingdom

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 2017 which comprise the Balance Sheet, the Profit and Loss Account, the Statement of Changes in Equity, and related notes, including the accounting policies in note 1.

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 loss for the year then ended;
- have been properly prepared in accordance with International Financial Reporting Standards as adopted by the European Union; 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 are described below. We have fulfilled our ethical responsibilities under, and are independent of the company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least twelve months from the date of approval of the financial statements. We have nothing to report in these respects.

Strategic report and directors' report

The directors are responsible for the directors' report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon.

Our responsibility is to read the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work;

- we have not identified material misstatements in those reports; and
- in our opinion, those reports have been prepared in accordance with the Companies Act 2006.

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

Matters on which we are required to report by exception

Under the Companies Act 2006, we are required 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.

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in their 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; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; 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 they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

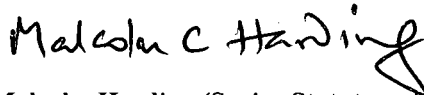
Auditor's responsibilities

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work

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.



Malcolm Harding (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
1 Sovereign Square
Sovereign Street
Leeds
LS1 4DA

Profit and loss account
for the year ended 31 December 2017

	<i>Note</i>	2017 £	2016 £
Administrative expenses		(8,489)	29,849
(Loss)/Profit on ordinary activities before taxation		(8,489)	29,849
Tax on profit on ordinary activities	5	-	-
(Loss)/Profit for the financial year		(8,489)	29,849
Other Comprehensive income/(expense)		-	-
Total Comprehensive (Loss)/Profit for the year		(8,489)	29,849

Notes on pages 9 to 13 form part of the financial statements.

Balance sheet
at 31 December 2017

	<i>Note</i>	2017		2016	
		£	£	£	£
Current assets					
Debtors	6	808,836		817,514	
Cash at bank and in hand		7,363		7,696	
		<u>816,199</u>		<u>825,210</u>	
Creditors: Amounts falling due within one year	7	<u>(15,528)</u>		<u>(16,050)</u>	
Net current assets		<u>800,671</u>		<u>809,160</u>	
Net assets		<u>800,671</u>		<u>809,160</u>	
Capital and reserves					
Called up share capital	9	1,000		1,000	
Profit and loss account		<u>799,671</u>		<u>808,160</u>	
Equity shareholders' funds		<u>800,671</u>		<u>809,160</u>	

Notes on pages 8 to 13 form part of the financial statements.

These financial statements were approved by the board of directors on 28 September 2018 and were signed on its behalf by:



N Carter
Director

Statement of Changes in Equity

	Called up Share capital £	Translation reserve £	Profit and loss account £
Balance at 31 December 2016	1,000	-	808,160
<i>Total Comprehensive income for the period</i>			
(Loss)/profit for the financial year			(8,489)
Balance at 31 December 2017	1,000	-	799,671

Notes on pages 9 to 13 form part of the financial statements.

Notes

(Forming part of the financial statements)

1 Accounting policies

Arch Chemicals Products Limited (the “Company”) is a company incorporated and domiciled in the UK.

These financial statements were prepared in accordance with Financial Reporting Standard 101 *Reduced Disclosure Framework* (“FRS 101”). The amendments to FRS 101 (2013/14 Cycle) issued in July 2014 and effective immediately have been applied.

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

The Company’s ultimate parent undertaking, Lonza Group AG includes the Company in its consolidated financial statements. The consolidated financial statements of Lonza Group AG are prepared in accordance with International Financial Reporting Standards and are available to the public and may be obtained from www.lonza.com, or alternatively from Lonza Group AG, Muenchensteinerstrasse 38, CH-4002, Basel.–

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

- a Cash Flow Statement and related notes;
- Comparative period reconciliations for share capital
- Disclosures in respect of transactions with wholly owned subsidiaries ;
- Disclosures in respect of capital management;
- The effects of new but not yet effective IFRSs;

As the consolidated financial statements of Lonza AG include the equivalent disclosures, the Company has also taken the exemptions under FRS 101 available in respect of the following disclosures:

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

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements and in preparing an opening FRS 101 balance sheet at 1 January 2013 for the purposes of the transition to FRS 101.

1.1 *Measurement convention*

The financial statements are prepared on the historical cost basis.

1.2 *Going concern*

These financial statements have been prepared on the Going Concern basis, having considered the outlook for the company.

1.3 *Foreign currency*

Transactions in foreign currencies are translated to the Company’s functional currencies at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated to the functional currency at the foreign exchange rate ruling at that date. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

Notes (continued)

1 Accounting policies (continued)

1.4 Non-derivative financial instruments

Non-derivative financial instruments comprise other debtors, and other creditors.

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

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

Investments in subsidiaries are carried at cost less impairment.

1.5 Impairment excluding stocks and deferred tax assets

An impairment loss is recognised if the carrying amount of an asset exceeds its estimated recoverable amount. Impairment losses are recognised in profit or loss.

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

1.6 Taxation

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

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

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

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

Notes (continued)

2 Expenses and auditor's remuneration

	2017 £	2016 £
Included in profit/loss are the following:		
Auditor's remuneration:		
Audit of these financial statements	5,000	5,000

The company's audit fee has been borne by a fellow group company.

3 Staff numbers and costs

The company has no employees.

4 Directors remuneration

None of the directors has received any remuneration from the company.

The directors working within this company may also work in other companies within the Lonza Group and are remunerated by another fellow group company; they may have retirement benefits accruing under the defined benefit pension scheme. The highest paid director company received remuneration of £170,444 (2016: £181,373) and the company paid contributions on their behalf to the relevant pension scheme of £22,660 (2016: £29,516). The directors' remuneration is apportioned between the companies for whom they perform duties.

	2017 £	2016 £
Directors' emoluments	9,000	12,000

Notes (continued)

5 Taxation

	2017 £000	2016 £000
UK corporation tax	-	-

Reconciliation of effective tax rate is lower than the standard rate of corporation tax in the United Kingdom of 19.25% (2016: 20%). The difference is analysed below:

	2017 £	2016 £
(Loss)/Profit on ordinary activities	(8,489)	29,849
Tax on loss at standard UK tax rate of 19.25% (2016: 20 %)	(1,634)	5,970
Effects of group relief/other relief	1,634	(5,970)
	-	-

At 31 December 2017, the company has tax losses of £30,189 (2016: £30,189) that are available indefinitely for offset against certain future taxable profits of the company. Deferred tax assets have not been recognised in respect of these losses as there is uncertainty whether suitable profits will arise in future periods against which the deferred tax asset would reverse.

The Finance (No. 2) Act 2015 obtained Royal Assent on 18 November 2015 and enacted a reduction in the UK corporation tax rate from 20% to 19% with effect from 1 April 2017 and a further reduction to 18% from 1 April 2020.

The Finance Act 2016 which received Royal Assent on 15 September 2016 enacted a further reduction in the tax rate to 17% effective from 1 April 2020.

6 Debtors

	2017 £	2016 £
Amounts owed by group undertakings	808,836	817,514

7 Creditors: amounts falling due within one year

	2017 £	2016 £
Accruals and deferred income	15,528	16,050

Notes (continued)

8 Deferred tax assets and liabilities

There were no recognised deferred tax assets or liabilities at 31 December 2017 or 2016.

9 Capital

Share capital

	Ordinary shares	
	2017	2016
On issue at 1 January 2017	1,000	1,000
On issue at 31 December 2017 – fully paid	1,000	1,000
	2017	2016
	£	£
<i>Allotted, called up and fully paid</i>		
Ordinary shares of £ 1 each	1,000	1,000
	1,000	1,000

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company.

10 Related parties

	Receivables outstanding	
	2017	2016
	£000	£000
Subsidiaries	402	402
Other related parties	407	416
	809	818

11 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.