Registered Number: 1585827

DIVERSEY UK PRODUCTION LIMITED

(Formerly Diversey (UK) Limited)

REPORT AND ACCOUNTS 2013

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Diversey UK Production Limited (Formerly Diversey (UK) Limited)
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Strategic Report

Principal activity

The principal activities of Diversey UK Production Limited is the production of cleaning and sanitising chemical products, utensils and floorcare equipment, machines and any other products requested by the EPC. In 2012 the Company entered into a toll manufacturing agreement with Diversey Europe Operations BV (the "EPC") under which the company agrees to provide toll manufacturing service to the EPC in respect of any products manufactured.

Business review and future developments

The company's key financial and other performance indicators for the year were as follows:

	2013 £'000	2012 £'000
Company Turnover	9,635	5,316
Operating profit	685	398
Operating margin	7.1%	7.5%
Profit after tax	480	285
Average number of employees	81	83

Turnover increased during the year by £4.3m, which is counteracted by an increase of cost of sales of £3.9m. Overall, this provided an improvement of £.5m in gross profit which was due to improving efficiencies. There was a decrease in operating margins of 0.4% mostly due to an increase in corporate recharges for administration costs that are centralised such as IT.

The directors consider that given the conditions prevailing during the year, the development of the company's business and its financial position at the end of the year were satisfactory.

Principal risks and uncertainties

- Competitive risks

Risk arises due to our dependency on the regional Diversey Group operating companies for continued support as our principal customers.

- Legislative risks

Our manufacturing facility continues to maintain compliance with all current EU and UK standards although these are subject to change. Whilst compliance to legislative standards remains critical to the company's success, there is a cost consequence for compliance.

- Exposure to credit, liquidity and cash flow risk

Within the company, debtor management is carefully targeted to ensure adequate provisions are in place for any doubtful debtors and that credit-worthiness of potential customers is always assessed before agreeing any form of credit terms.

The company aims to mitigate liquidity risk by targeting cash generation in all its operations. In addition, the corporate group manages liquidity risk via revolving credit facilities and long term debt.

On Behalf of the Board

D White
Director
15 December 2014

Weston Favell Centre
Northampton
NN3 8PD

Directors' Report for the year ended 31 December 2013

The Directors present their report and financial statement for the year ended 31 December 2013

Directors

The Directors of the company during the year were as follows:-

Mr D White
Mrs I Cook
Mr B Stout (resigned 31 July 2013)

Future Developments

The directors do not expect any developments in the company's business in 2014 significantly different from the present activities.

Directors' qualifying third party indemnity provisions

The company has granted an indemnity to one or more of its directors against liability in respect of proceedings brought by third parties, subject to the conditions set out in section 234 of the Companies Act 2006. Such a qualifying third party indemnity provision remains in force at the date of approving the directors' report.

Disclosure of information to the 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 of Section 487 of the Companies Act 2006, the auditor will be deemed to be re-appointed and KPMG LLP will, therefore, continue in office.

On Behalf of the Board

D White
Director
15 December 2014

Weston Favell Centre
Northampton
NN3 8PD

Statement of Directors' Responsibilities in respect of the financial statements

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (United Kingdom 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 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DIVERSEY UK PRODUCTION LIMITED (Formerly Diversey (UK) Limited)

We have audited the financial statements of Diversey UK Production Limited for the year ended 31 December 2013 set out on pages 7 to 17. 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 4, 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 (APB's) Ethical Standards for Auditor's.

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 website 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 2013 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DIVERSEY UK PRODUCTION LIMITED (Formerly Diversey (UK) Limited) (Continued)

Opinion on other matter prescribed by the Companies Act 2006

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

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.

S Purkess

Simon Purkess (Senior Statutory Auditor)
For and on behalf of KPMG LLP (Statutory Auditor)
Chartered Accountants
Birmingham

18 December 2014

One Snowhill,
Snow Hill Queensway,
Birmingham,
B4 6GH

Diversey UK Production Limited (Formerly Diversey (UK) Limited)

Registered Number: 1585827

Profit and loss account for the year ended 31 December 2013

	Notes	2013 £'000	2012 £'000
Turnover	(2)	9,635	5,316
Cost of sales		(8,396)	(4,544)
Gross profit		1,239	772
Administrative expenses		(554)	(374)
Operating profit	(3)	685	398
Profit on ordinary activities before taxation		685	398
Tax on profit on ordinary activities	(6)	(205)	(113)
Profit for the financial year	(11)	480	285

There are no recognised gains or losses other than the profit attributable to the members of the company of £480,000 in the year ended 31 December 2013.

The accompanying notes on pages 9 to 17 form part of the financial statements

Diversey UK Production Limited (Formerly Diversey (UK) Limited)

Registered Number: 1585827

Balance Sheet at 31 December 2013

	Notes	2013 £'000	2012 £'000
Fixed assets			
Tangible assets	(7)	8,931	9,842
Current assets			
Debtors	(8)	3,653	3,668
		3,653	3,668
Creditors : amounts falling due within one year	(9)	(1,352)	(2,758)
Net current assets		2,301	910
Total assets less current liabilities		11,232	10,752
Net assets		11,232	10,752
Capital and reserves			
Called up share capital	(10)	200	200
Share premium account	(11)	10,267	10,267
Profit and loss account	(11)	765	285
Shareholders' funds		11,232	10,752

The notes on pages 9 to 17 form a part of the financial statements

The financial statements on pages 7 to 17 were approved by the Board of Directors and were signed on its behalf by:

D White
Director
15 December 2014

Diversey UK Production Limited (Formerly Diversey (UK) Limited)

Notes to the financial statements as at 31 December 2013

(1) Principal 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 under the historical cost convention and in accordance with applicable Accounting Standards.

Going Concern: The Company's business activities, together with the factors likely to affect its future development, performance and position, are set out in the directors' report. The directors believe that the Company is well-placed to manage its business risks successfully, despite the current uncertain economic outlook.

The directors have a reasonable expectation that the Company has adequate resources to continue in existence for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Taxation: The charge for taxation is based on the result for the year 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.

Tangible Fixed Assets: Tangible fixed assets are stated at their purchase cost together with any incidental cost of acquisition less accumulated depreciation.

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:

Freehold buildings	- 40 years
Plant and machinery	- 3-14 years
Fixtures and fittings	- 3-14 years

Assets held under finance leases are depreciated over the shorter of the lease term and their useful lives. Freehold land is not depreciated.

The carrying values of tangible fixed assets are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

(1) Principal Accounting Policies (continued)

Turnover: Turnover comprises the amount receivable for goods and services supplied, excluding VAT. In the opinion of the directors, there is only one class of business.

Revenue Recognition: Revenue is recognised to the extent that the company obtains the right to consideration in exchange for its performance. Revenue is measured at the fair value

Notes to the financial statements as at 31 December 2013

of the consideration received, excluding discounts, rebates, VAT and other sales taxes or duty.

Leasing commitments : Rentals payable under operating leases are charged in the profit and loss account on a straight line basis over the lease term.

Post-Retirement Benefits: In the UK the company participates in the JohnsonDiversey UK Pension Scheme ('the JDPS'). The scheme is partly a defined benefit arrangement and partly a defined contribution arrangement. With Effect from 1 April 2010, contributions ceased to the defined contribution arrangement of the JohnsonDiversey UK Pension Scheme and the group contributed to the Diversey Stakeholder Pension Scheme, another defined contribution arrangement.

The JohnsonDiversey UK Pension Scheme is funded by company contributions. The assets of the scheme are held separately from those of the company in separate trustee administered funds. Company contributions are determined on an actuarial basis. The level of contributions is assessed on the advice of independent professionally qualified actuaries.

The employer is unable to identify the company's share of the underlying assets and liabilities of the scheme and accordingly the company have accounted for the scheme as if it were a defined contribution scheme as permitted by FRS17 'Accounting for retirement benefits'. At 31 December 2013 the deficit in the UK pension schemes to which the company contributes was £nil (2012: £nil).

The pension charge for the year ended 31 December 2013 was £192,000 (2012: £90,000).

Full details of the latest actuarial valuations are included in the financial statements of Diversey Limited.

Dividends on shares presented within shareholder's funds: Dividends unpaid at the balance sheet date are only recognised as a liability at that date to the extent that they are appropriately authorised and are no longer at the discretion of the Company. Unpaid dividends that do not meet these criteria are disclosed in the notes to the financial statements.

(2) Turnover

The geographical analysis of turnover, based on country of customer, is as follows:

	2013	2012
	£'000	£'000
Continental Europe	9,635	5,316

(3) Operating profit

The operating profit is arrived at after charging the following amounts:

	2013	2012
	£'000	£'000
Depreciation		
- on owned tangible fixed assets	1,050	660
Operating lease expenditure		
- plant and machinery	79	23
- other	58	10

The remuneration of the auditor is borne by the parent company.

(4) Directors' Emoluments

	2013	2012
	£'000	£'000
Aggregate emoluments in respect of qualifying services	153	95
Company pension contributions to money purchase schemes	16	11
	169	106

All directors are accruing retirement benefits under money purchase schemes.

Notes to the financial statements as at 31 December 2013

(5) Employee Information

The average monthly number of persons employed by the company during the period is analysed below:

	2013	2012
Production and development	81	83

	2013 £'000	2012 £'000
Staff costs		
Wages and salaries	2,357	1,558
Social security costs	246	163
Pension costs	467	90
	3,070	1,811

Included in pension costs are £nil in respect of the defined benefit schemes and £275,000 (2012: £90,000) in respect of the defined contribution schemes.

(6) Tax on profit on ordinary activities

	2013 £'000	2012 £'000
Based on the profit for the period:		
UK Corporation tax at 23.25% (2012: 24.0%)	236	119
Adjustment in respect of prior periods	-	-
Total current tax charge	236	119
Deferred tax		
Origination and reversal of timing differences	(37)	(6)
Effect of law changes	6	-
Tax charge on profit on ordinary activities	205	113

(6) Tax on profit on ordinary activities (continued)

The tax assessed on the profit for the period is different to the standard rate of corporation tax for the following reasons:

	2013 £'000	2012 £'000
Profit on ordinary activities multiplied by standard rate in the UK 23.25% (2012:24%)	159	95
Effects of:		
Expenses not deductible for tax purposes	40	28
Depreciation in excess of/(less than) capital allowances	37	(4)
Current tax charge for the period	236	119

Factors that may affect future tax charges:

Reductions in the UK corporation tax rate from 26% to 24% (effective from 1 April 2012) and to 23% (effective 1 April 2013) were substantively enacted on 26 March 2012 and 3 July 2012 respectively. Further reductions to 21% (effective from 1 April 2014) and 20% (effective from 1 April 2015) were substantively enacted on 2 July 2013. This will reduce the company's future current tax charge accordingly. The deferred tax asset at 31 December 2013 has been calculated based on the rate of 20% substantively enacted at the balance sheet date.

Deferred tax

Deferred taxation provided at 20% in the accounts is as follows:

	2013 £'000	2012 £'000
Depreciation in advance of capital allowances included within debtors	(37)	(6)

(7) Tangible Fixed Assets

	Freehold Land and Buildings £'000	Plant and Machinery £'000	Fixtures and Fittings £'000	Assets in Course of Construction £'000	Total £'000
Cost					
At 1 January 2013	6,129	4,252	101	20	10,502
Additions	-	-	-	139	139
Reclassification	-	-	32	(32)	-
At 31 December 2013	6,129	4,252	133	127	10,641
Depreciation					
At 1 January 2013	115	532	13	-	660
Charge for the year	173	856	21	-	1,050
At 31 December 2013	288	1,388	34	-	1,710
Net book value					
At 31 December 2013	5,841	2,864	99	127	8,931
At 31 December 2012	6,014	3,720	88	20	9,842

Included in land and buildings is land with a value of £1,920,000 (2012: £1,920,000) that is not subject to depreciation.

(8) Debtors

	2013 £'000	2012 £'000
Amounts falling due within one year:		
Amounts owed by group undertakings	3,410	3,545
Other debtors	9	16
Deferred tax asset (note 6)	37	6
Prepayments and accrued income	197	101
	3,653	3,668

(9) Creditors

	2013 £'000	2012 £'000
Amounts due within one year:		
Trade Creditors	753	891
Amounts owed to group undertakings	167	1,596
Corporation Tax	236	119
Social security and other taxes	63	66
Accruals and deferred income	133	86
	1,352	2,758

(10) Called Up Share Capital

	2013 £'000	2012 £'000
Allotted, called up and fully paid		
200,000 (2012: 200,000) ordinary shares of £1each	200	200

During the prior year the authorised share capital was increased by £100,000 by the creation of 100,000 Ordinary Shares of £1 each. All 100,000 shares with nominal value of £100,000 were allotted fully paid for £10,367,000.

(11) Reconciliation of Movements in Shareholders' Funds

	2013 £'000	2012 £'000
Profit for the financial year	480	285
Proceeds from issue of shares	-	10,367
Net addition to shareholders' funds	480	10,652
Opening shareholders' funds	10,752	100
Closing shareholders' funds	11,232	10,752

Reserves

	Share premium £'000	Profit and loss account £'000	Total £'000
At 1 January 2013	10,267	285	10,552
Profit for the year	-	480	480
At 31 December 2013	10,267	765	11,032

(12) Contingent liabilities

The company participates with other Diversey subsidiaries in a group banking arrangement under which each group company guarantees and is jointly and severally liable for the borrowings of the other participants. This is not expected to give rise to any material loss.

(13) Financial commitments

Operating leases

The company had annual commitments under non-cancellable operating leases expiring as follows:

	Other	
	2013	2012
	£'000	£'000
Within one year	7	4
Within two to five years	9	6
	16	10

(14) Related parties

The company has taken advantage of the exemptions laid out in Financial Reporting Standard 8 'Related party disclosures' and hence has not presented and disclosed details of transactions with other wholly owned companies belonging to the group headed by Sealed Air Corporation.

(15) Ultimate parent company

The company's immediate parent undertaking is Diversey Limited.

The company's ultimate parent undertaking is Sealed Air Corporation incorporated in the United States of America.

The smallest and largest group in which the results of the company are consolidated is Sealed Air Corporation, whose principal place of business is Elmwood Park, New Jersey, USA. The consolidated accounts of this company are available from 200 Riverfront Boulevard, Elmwood Park, New Jersey, 07407-1033, USA.