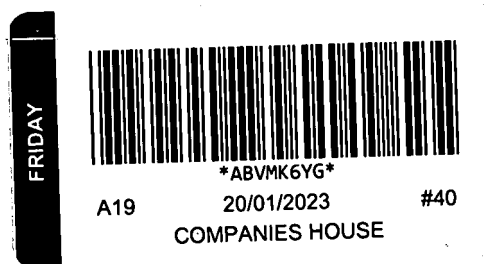


Registered number: 03984684

Arch Chemicals UK Holdings Limited

**Annual report and financial statements
for the year ended 31 December 2021**



Arch Chemicals UK Holdings Limited

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Arch Chemicals UK Holdings Limited

Company information

Directors	A Kelly L Fargas Mas N Carter
Company secretary	N Carter J Wirtz
Registered number	03984684
Registered office	Wheldon Road Castleford West Yorkshire WF10 2JT
Independent auditor	KPMG LLP Chartered Accountants 1 Sovereign Square Sovereign Street Leeds LS1 4DA

Arch Chemicals UK Holdings Limited

Strategic report for the year ended 31 December 2021

Business objectives and strategy

The company's principal activity is that of an investment holding company.

Development and performance during the year

The company did not trade during the year, nor is it expected to trade in the future.

The principal risks and uncertainties facing the business

In its activity as an investment holding company, the principal risks for Arch Chemicals UK Holdings Limited are a fall in the value of its investments and the recoverability of intercompany debt. These risks are reviewed via regular review of performance.

Going Concern

The financial statements have been prepared on a going concern basis which the directors consider to be appropriate for the following reasons.

The company at the end of the year had net current assets of £12,762k (2020: £12,763k) and net assets of £50,423k (2020: £50,424k).

On February 8, 2021, Lonza Group AG announced that the specialty business (LSI, now rebranded Arxada) was sold to Bain Capital and Cinven. The transaction was executed on June 30, 2021. The sale had no influence on the valuation of assets and liabilities or the continuation of business activities. As part of the sale process, intercompany indebtedness with Lonza entities was rationalised such that the company now only has balances with Arxada entities.

The directors have performed a going concern assessment which indicates that, taking account of reasonably possible downsides, the company will have sufficient funds, through funding from its intermediate parent company, Herens Midco S.à.r.l., to meet its liabilities as they fall due during the going concern assessment period.

Herens Midco S.à.r.l. has indicated its intention to continue to make available such funds as are needed by the company during the going concern assessment period. As with any company placing reliance on other group entities for financial support, the directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

Consequently, the directors are confident that the company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

Key performance indicators

Key performance indicators are not used to monitor the performance of this company.

Future developments

The directors expect the company to continue to act as an investment holding company.

Arch Chemicals UK Holdings Limited

**Strategic report (continued)
for the year ended 31 December 2021**

Streamlined Energy and Carbon reporting

The directors have considered the new Streamlined Energy and Carbon reporting requirements and have concluded that the company has nothing to report. This is because the company has no open offices, does not have any vehicles or any other equipment or machinery that emit greenhouse gases and has no other employees besides directors whose services to the company are insignificant in relation to the group as a whole.

This report was approved by the board on 12th January 2023 and signed on its behalf on 19th January 2023 by:

A handwritten signature in black ink, appearing to be 'N Carter', with a stylized flourish at the end.

N Carter
Director

Arch Chemicals UK Holdings Limited

Directors' report for the year ended 31 December 2021

The directors present their annual report together with the financial statements for the year ended 31 December 2021.

The principal activities, the performance and developments during the year, the future developments, the principal risks and uncertainties and the key performance indicators are discussed in detail in the Strategic report.

Review of the business and results

The company's results for the financial year are set out in the profit and loss account on page 9.

The loss for the year, after taxation, amounted to £1,000 (2020: profit £nil).

No dividends were declared in the year (2020: £nil).

Directors

The directors of the company who served during the year and up to the date of signing the financial statements, unless otherwise stated, were:

A Kelly

C Hauser (appointed 18 March 2021, resigned 21 February 2022)

J Stewart (appointed 21 February 2022, resigned 2 November 2022)

L Fargas Mas (appointed 2 November 2022)

N Carter

Political and charitable contributions

The company made no political or charitable donations 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. 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.

This report was approved by the board on 12th January 2023 and signed on its behalf on 19th January 2023 by:



N Carter
Director

Arch Chemicals UK Holdings Limited

Directors' responsibilities statement for the year ended 31 December 2021

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 the 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 accounting estimates that are reasonable and prudent;
- state whether applicable United Kingdom 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.

Independent auditor's report to the members of Arch Chemicals UK Holdings Limited

Opinion

We have audited the financial statements of Arch Chemicals UK Holdings Limited ("the company") for the year ended 31 December 2021 which comprise the Profit and loss account, the Balance sheet, the Statement of changes in equity, and related notes, including the accounting policies in note 2.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2021 and of its loss for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 101 *Reduced Disclosure Framework*; 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

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the company or to cease its operations, and as they have concluded that the company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

In our evaluation of the directors' conclusions, we considered the inherent risks to the company's business model and analysed how those risks might affect the company's financial resources or ability to continue operations over the going concern period.

Our conclusions based on this work:

- we consider that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- we have not identified, and concur with the directors' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for the going concern period.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the company will continue in operation.

Fraud and breaches of laws and regulations – ability to detect

Identifying and responding to risks of material misstatement due to fraud

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included enquiring of directors and inspection of policy documentation as to the company's policies and procedures to prevent and detect fraud as well as enquiring whether the directors have knowledge of any actual, suspected or alleged fraud.

As required by auditing standards, we perform procedures to address the risk of management override of controls, in particular the risk that management may be in a position to make inappropriate accounting entries. On this audit we do not believe there is a fraud risk related to revenue recognition because there are no revenue transactions.

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

Fraud and breaches of laws and regulations – ability to detect (continued)

Identifying and responding to risks of material misstatement due to fraud (continued)

We did not identify any additional fraud risks.

We performed procedures including agreeing all accounting entries in the period to supporting documentation

Identifying and responding to risks of material misstatement related to compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience and through discussion with the directors (as required by auditing standards), and discussed with the directors the policies and procedures regarding compliance with laws and regulations.

The company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies legislation), distributable profits legislation and taxation legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

This company, as a holding company, is not subject to other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements.

Context of the ability of the audit to detect fraud or breaches of law or regulation

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

Strategic report and directors' report

The directors are responsible for the strategic report and 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 strategic report and 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 the strategic report and the directors' report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; 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 UK Holdings 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 5, 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.

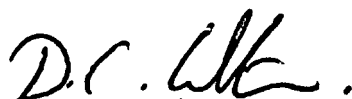
Auditor's responsibilities

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 and to whom we owe our responsibilities

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.



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

Dated: 19 January 2023

Arch Chemicals UK Holdings Limited

**Profit and loss account
for the year ended 31 December 2021**

	2021 £000	2020 £000
Administrative expenses	(1)	-
Operating loss before taxation	(1)	-
Tax on loss	-	-
Loss for the financial year	(1)	-

There are no recognised gains and losses for the current and preceding year other than the loss shown above. Consequently, no statement of other comprehensive income is presented.

The notes on pages 12 to 21 form part of these financial statements.

Arch Chemicals UK Holdings Limited
Registered number: 03984684

Balance sheet
as at 31 December 2021

	Note	2021 £000	2021 £000	2020 £000	2020 £000
Fixed assets					
Investments	7		37,661		37,661
			<u>37,661</u>		<u>37,661</u>
Current assets					
Debtors	8	12,762		12,763	
Net current assets		<u>12,762</u>		<u>12,763</u>	
Total assets			<u>50,423</u>		<u>50,424</u>
Net assets			<u>50,423</u>		<u>50,424</u>
Capital and reserves					
Called up share capital	9		239,053		239,053
Profit and loss account			(188,630)		(188,629)
Total shareholder's funds			<u>50,423</u>		<u>50,424</u>



N Carter
Director
19 January 2023

The notes on pages 12 to 21 form an integral part of these financial statements.

Arch Chemicals UK Holdings Limited

**Statement of changes in equity
for the year ended 31 December 2021**

	Called up share capital £000	Profit and loss account £000	Total shareholder's funds £000
At 1 January 2020	239,053	(188,629)	50,424
Comprehensive income for the year			
Results for the financial year	-	-	-
At 31 December 2020	239,053	(188,629)	50,424
Comprehensive expense for the year			
Loss for the financial year	-	(1)	(1)
At 31 December 2021	239,053	(188,630)	50,423

The notes on pages 12 to 21 form an integral part of these financial statements.

Arch Chemicals UK Holdings Limited

Notes to the financial statements for the year ended 31 December 2021

1. General information

Arch Chemicals UK Holdings Limited (the 'company') is a private company limited by shares, incorporated and domiciled in England. The registered office address is at Wheldon Road, Castleford, West Yorkshire, WF10 2JT.

The company's principal activity and nature of its operations are disclosed in the Strategic report.

2. Accounting policies

2.1 Basis of preparation of financial statements

These financial statements were prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework ("FRS 101").

In preparing these financial statements, the company applies the recognition, measurement and disclosure requirements of UK adopted international accounting standards 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.

On February 8, 2021, Lonza Group AG announced that the specialty business will be sold to Bain Capital and Cinven. The transaction was executed on June 30, 2021. The sale has no influence on the valuation of assets and liabilities or the continuation of business activities.

As a result of the above mentioned transaction, the company is jointly owned. The ultimate parent undertakings are Bain Capital Private Equity LP and Cinven Capital Management Limited, which are both incorporated in Luxembourg and have their principal office in Luxembourg.

The financial statements are presented in pounds sterling rounded to the nearest £1,000.

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; and
- disclosures in respect of the compensation of Key Management Personnel.

As the consolidated financial statements of Herens Midco S.à.r.l. (see note 11) include the equivalent disclosures, the company has also taken the exemptions under FRS 101 available in respect of the following disclosures:

- IFRS 2 Share Based Payments in respect of group settled share based payments;
- Certain disclosures required by IAS 36 Impairment of assets in respect of the impairment of goodwill and indefinite life intangible assets;
- Disclosures required by IFRS 5 Non-current Assets Held for Sale and Discontinued Operations in respect of the cash flows of discontinued operations;
- Certain disclosures required by IFRS 3 Business Combinations in respect of business combinations undertaken by the company in the current and prior periods including the comparative period reconciliations for goodwill;
- Certain disclosures required by IFRS 13 Fair Value Measurement and the disclosures required by IFRS 7 Financial Instrument Disclosures;
- The disclosures required by IFRS 7 and IFRS 13 regarding financial instrument disclosures have not been provided apart from those which are relevant for the financial instruments which are held at fair value and are not either held as part of trading portfolio or derivatives.

**Notes to the financial statements
for the year ended 31 December 2021**

2. Accounting policies (continued)

2.1 Basis of preparation of financial statements (continued)

The company has taken advantage of the exemption under Section 400 of the Companies Act 2006 not to prepare consolidated financial statements. The financial statements present information about the company as an individual entity and not about its group.

The following principal accounting policies have been applied consistently for all years presented, unless otherwise stated.

2.2 Going concern

The financial statements have been prepared on a going concern basis which the directors consider to be appropriate for the following reasons.

The company at the end of the year had net current assets of £12,762k (2020: £12,763k) and net assets of £50,423k (2020: £50,424k).

On February 8, 2021, Lonza Group AG announced that the specialty business (LSI, now rebranded Arxada) was sold to Bain Capital and Cinven. The transaction was executed on June 30, 2021. The sale had no influence on the valuation of assets and liabilities or the continuation of business activities. As part of the sale process, intercompany indebtedness with Lonza entities was rationalised such that the company now only has balances with Arxada entities.

The directors have performed a going concern assessment which indicates that, taking account of reasonably possible downsides, the company will have sufficient funds, through funding from its intermediate parent company, Herens Midco S.à.r.l., to meet its liabilities as they fall due during the going concern assessment period.

Herens Midco S.à.r.l. has indicated its intention to continue to make available such funds as are needed by the company during the going concern assessment period. As with any company placing reliance on other group entities for financial support, the directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

Consequently, the directors are confident that the company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

2.3 Foreign currency

Functional and presentation currency

The company's functional and presentational currency is pounds sterling.

Transaction and balances

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 historic cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are retranslated to the functional currency at foreign exchange rates ruling at the dates the fair value was determined. Foreign exchange differences arising on translation are recognised in the profit and loss account.

**Notes to the financial statements
for the year ended 31 December 2021**

2. Accounting policies (continued)

2.4 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.

2.5 Classification of financial instruments issued by the company

Following the adoption of IAS 32, financial instruments issued by the company are treated as equity only to the extent that they meet the following two conditions: –

- a) they include no contractual obligations upon the company to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the company; and
- b) where the instrument will or may be settled in the company's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the company's own equity instruments or is a derivative that will be settled by the company's exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability. Where the instrument so classified takes the legal form of the company's own shares, the amounts presented in these financial statements for called up share capital and share premium account exclude amounts in relation to those shares.

2.6 Non-derivative financial instruments

Non-derivative financial instruments comprise investments in equity and debt securities, trade and other debtors, cash and cash equivalents, loans and borrowings, and trade and other creditors.

Trade and other debtors

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

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.

**Notes to the financial statements
for the year ended 31 December 2021**

2. Accounting policies (continued)

Investments in debt and equity securities

Other investments in debt and equity securities held by the company are classified as being available-for-sale and are stated at fair value, with any resultant gain or loss being recognised directly in equity (in the fair value reserve), except for impairment losses and, in the case of monetary items such as debt securities, foreign exchange gains and losses. When these investments are derecognised, the cumulative gain or loss previously recognised directly in equity is recognised in profit or loss. Where these investments are interest-bearing, interest calculated using the effective interest method is recognised in profit or loss.

Investments in subsidiaries are carried at cost less impairment.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the company's cash management are included as a component of cash and cash equivalents for the purpose only of the cash flow statement.

Interest-bearing borrowings

Interest-bearing borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method, less any impairment losses.

2.7 Intra-group financial instruments

Where the company enters into financial guarantee contracts to guarantee the indebtedness of other companies within its group, the company considers these to be insurance arrangements and accounts for them as such. In this respect, the company treats the guarantee contract as a contingent liability until such time as it becomes probable that the company will be required to make a payment under the guarantee.

3. Auditor's remuneration

Auditor's remuneration of £1,000 (2020: £1,000) for the statutory audit of these financial statements pursuant to legislation was borne in the current and preceding year by a fellow group company.

4. Employees

The company had no employees (2020: nil) and no direct staff costs in the current or preceding year.

Arch Chemicals UK Holdings Limited

Notes to the financial statements for the year ended 31 December 2021

5. Directors' remuneration

	2021 £000	2020 £000
Directors' emoluments	3	4

The directors working within this company also work in other companies within the Group and are remunerated by another fellow group company. The amount disclosed is based on allocation of cost determined based on services rendered by the directors in respect of this company.

	2021 No.	2020 No.
Number of directors in group defined benefit pension schemes (1)	3	3

(1) The sponsoring employer of the defined benefit pension scheme, which the three directors are members of, is another fellow group company. The defined benefit scheme is closed to further accruals.

6. Taxation

	2021 £000	2020 £000
UK corporation tax	-	-

Factors affecting tax charge for the year

The tax assessed for the year is the same as (2020: the same as) the standard rate of corporation tax in the UK of 19% (2020: 19%) as set out below:

	2021 £000	2020 £000
Loss on ordinary activities before tax	(1)	-
Tax on loss at standard UK tax rate of 19%	-	-
Effects of:		
Expenses not deductible	-	-
Total tax charge for the year	-	-

Factors that may affect future tax charges

In the Spring Budget 2021, the UK Government announced that from 1 April 2023 the corporation tax rate would increase to 25% (rather than remaining at 19%, as previously enacted). This new law was substantively enacted on 24 May 2021.

Arch Chemicals UK Holdings Limited

Notes to the financial statements for the year ended 31 December 2021

7. Fixed asset investments

	Investments in group undertakings £000
Cost	
At 1 January 2021 and 31 December 2021	208,419
Impairment	
At 1 January 2021 and 31 December 2021	(170,758)
Net book value	
At 31 December 2021	37,661
At 31 December 2020	37,661

A review of the carrying value of the company's investments resulted in an increase in the provision against those investments from £84,517,000 to £162,775,000 being recorded in 2011 with a further provision of £7,983,000 in 2013.

Subsidiary undertakings

The following are subsidiary undertakings of the company:

Name	Country of incorporation	Principal activity	Registered address
Hickson International Limited	United Kingdom	Holding company	Wheldon Road, Castleford WF10 2JT
Arch Chemicals UK Finance	United Kingdom	Finance	Wheldon Road, Castleford WF10 2JT
Arch UK Biocides Limited	United Kingdom	Biocides	Wheldon Road, Castleford WF10 2JT

The above principal undertakings in which the company's interest at the year end is more than 20%.

Arch Chemicals UK Holdings Limited

Notes to the financial statements for the year ended 31 December 2021

7. Fixed asset investments (continued)

*Indirect holdings**

Name	Country of incorporation	Holding	Principal activity	Registered address
WLSK Pasadena LLC	United States of America	100%	Dormant	5444 Westheimer 100, Houston, Texas, 77056
Arch Wood Protection Inc	United States of America	100%	Active	3411 Silverside Road Tatnall, Building 104, Wilmington, New Castle County, Delaware, 19810
The Applied Research Group Inc	United States of America	100%	Dormant	15720 Brixham Hill Avenue 300, Charlotte, Mecklenburg County, North Carolina
Arch Wood Protection Canada	Canada	100%	Active	2000 Argentia Road, Plaza 4, Suite 306, Corp Mississauga, Ontario, L5N 1V9
Hickson Limited	United Kingdom	100%	Coatings and lacquers and timber protection chemicals	Wheldon Road, Castleford WF10 2JT
Hickson USA Corp.	United States of America	100%	Timber protection chemicals	3411 Silverside, Road Tatnall Building 104, Wilmington, New Castle County, Delaware, 19810
Hickson Pension Trustees Limited	United Kingdom	100%	Dormant	Wheldon Road, Castleford WF10 2JT
Arch Biocides Trustee Limited	United Kingdom	100%	Dormant	Wheldon Road, Castleford WF10 2JT
Hickson Chemical Supplies Limited	United Kingdom	100%	Dormant	Wheldon Road, Castleford, WF10 2JT
Arch Protection Chemicals Private Limited	India	98%	Active	Unit no 501,502 & 514, 5th Floor, ATL Corporate Park, Saki Vihar Road, Powai, Opp. L&T Gate No.7, Mumbai MH 400072
Ach Chemicals Products Limited	United Kingdom	98%	Active	Wheldon Road, Castleford WF10 2JT
Hickson Timber Products Limited	United Kingdom	100%	Dormant	Wheldon Road, Castleford WF10 2JT
Arch Timber Protection Limited	United Kingdom	100%	Dormant	Wheldon Road, Castleford WF10 2JT

Arch Chemicals UK Holdings Limited

Notes to the financial statements for the year ended 31 December 2021

7. Fixed asset investments (continued)

Indirect holdings (continued)*

Name	Country of incorporation	Holding	Principal activity	Registered address
Hickson Investments Limited	United Kingdom	100%	Active	Wheldon Road, Castleford WF10 2JT
Hickson WA Chemicals Limited	United Kingdom	100%	Dormant	Wheldon Road, Castleford WF10 2JT
Inversiones Hickson Chile SA	Chile	100%	Active	Av Andres Bello 2711 301 SANTIAGO, Santiago, 7550000
Arch Timber Protection AB	Sweden	100%	Active	Grev Turegatan 70, 11438, Stockholm
Diacon Technologies Ltd	Canada	100%	Active	135-11960 Hammersmith Way, Richmond, British Columbia, V7A5C9
Diacon Technologies WA Inc	United States of America	100%	Active	West 505 Riverside Avenue #500, Spokane, Spokane Country, WA, 99201

Associated undertakings

Name	Country of incorporation	Holding activity	Principal	Registered address
Hemel Emprenye Sanayi ve Ticaret AS	Turkey	33%	Timber protection chemicals	Kore Sehitleri Caddesi No. 20/1 Zincirlikuyu Sisli, Instabul, 34394
Proteccion de Madera Ltda	Chile	50%	Timber protection chemicals	Los Yacimientos 1301, community of Maipù, Santiago de Chile
Arch Wood Protection (Fiji) Ltd	Fiji	10%	Active	Nava Street, PO Box 4735, Lavtaka
Arch Wood Protection (NZ) Limited	New Zealand	0.16%	Active	256 James Fletcher Drive, Otahuhu, Auckland
Arxada Argentina SA	Argentina	0.05%	Active	Avenida de Libertador 792, Piso tercero, Departamento B, Ciudad de Buenos Aires

Arch Chemicals UK Holdings Limited

Notes to the financial statements for the year ended 31 December 2021

7. Fixed asset investments (continued)

**Indirect interest*

Except where described these are wholly owned and operate in the country of incorporation or registration shown. The businesses, assets and liabilities of Arch Chemicals UK Supplies Ltd and Arch Timber Protection Limited are held by Hickson Limited and these companies act as agents for Hickson Limited.

8. Debtors

	2021 £000	2020 £000
Amounts owed by group undertakings	9,062	9,063
Group loan to parent company	3,700	3,700
	<u>12,762</u>	<u>12,763</u>

All intercompany loans are payable on demand. The group loan is interest free.

9. Share capital

	2021 £000	2020 £000
Allotted, called up and fully paid		
239,052,785 (2020: 239,052,785) ordinary shares of £1 each	<u>239,053</u>	<u>239,053</u>

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. Commitments and guarantees

In the prior year, the company had guaranteed the overdrafts of certain of its subsidiaries up to a maximum amount of £100,000; the amount outstanding at the year-end was £nil.

Arch Chemicals UK Holdings Limited

Notes to the financial statements for the year ended 31 December 2021

11. Immediate parent and ultimate parent company

The company is an immediate subsidiary undertaking of Arch Chemicals Holdings, Inc. which is registered in the United States of America.

The smallest and largest group to consolidate the company's financial statements is Herens Midco S.à.r.l.. Copies of Herens Midco S.à.r.l.'s consolidated financial statements can be obtained from 4, rue Albert Borschette, Luxembourg, L-1246, Luxembourg.

At the reporting date, the ultimate parent undertakings are Bain Capital Private Equity LP and Cinven Capital Management Limited, which are both incorporated in Luxembourg and have their principal office in Luxembourg.

At the previous reporting date, the ultimate parent undertaking was Lonza Group AG, which is incorporated in Switzerland.