Registered Number: 3459907

DIVERSEY LIMITED

REPORT AND ACCOUNTS 2015

Diversey Limited

Registered Number: 3459907

CONTENTS

Strategic Report

Review of Activities

The company's principal activity is the sale of cleaning and hygiene chemicals and dispensers, together with the sale of cleaning machines and utensils.

The company has a sales agency agreement ("MSA") with Unilever in the UK, whereby the company acts as Unilever's exclusive sales agent for the sale of its consumer brand products to Institutional and Industrial end-users.

In December 2015, Diversey Limited acquired Dry Lube Limited, a company that specialises in the design, installation and servicing of dry lubrication systems.

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

	2015 £'000	2014 £'000	Change %
Turnover	103,911	102,846	1%
Operating profit	3,282	1,989	65%
Profit after tax	2,746	1,466	87%
Equity shareholders' funds	- 927	- 4,957	-81%
Current assets as % of current liabilities	52%	66%	
Average number of employees	284	267	

Turnover of the continuing UK business remained stable during year with sales 1% greater than 2014.

Gross profit increased by 17% due to lower EPC charges in 2015.

Operating profit for the year increased by £1.3m, mainly due to lower pension and commission expenses during 2015.

Strategic Report (continued)

Principal risks and uncertainties

- **Competitive risks**

In the UK, dependency on maintaining the large National Accounts both in the Institutional and Food/Beverage markets remains key as these are subject to periodic competitive tendering processes. Risks also arise as a result of smaller competitive players entering specific niche-markets (e.g. Food Service sectors) with low-cost and low-performance products.

- **Exposure to credit, liquidity and cashflow 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 (debtors and creditors management) in all its operations. In addition, the corporate group manages liquidity risk via revolving credit facilities and long term debt.

- **Pension exposure**

The JohnsonDiversey UK pension scheme position improved in 2015 by £3.2M to an actuarial loss of £3.4M (2014 actuarial loss: £6.6M). The improvement have been driven by an increase in the fair value of scheme assets by £2.2M to £96M.

Future Developments

Going forward the company will continue to be the exclusive distributor of cleaning and sanitising chemical products, utensils and floorcare equipment, machines and any other products for Diversey Europe Operations BV in the United Kingdom. The distribution agreement in place is expected to continue for the foreseeable future.

Given the continuing economic climate it is anticipated that price increases, together with the retention and development of the customer base, will continue to be a key focus in 2016.

Subsequent events

On October 17, 2016 Sealed Air Corporation announced a plan to spin off its Diversey Care division into a new public company. The transaction is expected to be completed in the second half of 2017.

By order of the board

MJ Chapman
Director

Weston Favell Centre
Northampton
NN3 8PD

Directors' report for the year ended 31 December 2015

The Directors present their report and financial statement for the year ended 31 December 2015.

Directors

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

Mr C Stubbs
Mr P Meadows
Mr R Partridge
Mr D Simms (resigned 29 January 2016)
Mr R Kelly
Mr P Redman
Mr J Baldwin
Mr M Chapman

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.

Employment of Disabled Persons

The company recognises its responsibility to employ disabled persons in suitable employment and gives full and fair consideration to applications for employment made by such persons, having regard to their particular aptitudes and abilities.

Any employee who becomes disabled is encouraged to remain in the company's employment, in the same job if this is practicable. If a change of job is necessary, such an employee is considered for any suitable alternative work which is available and any necessary training is arranged.

Disabled employees generally are treated equally with all other employees in respect of their eligibility for training, career development and promotion.

Employee Involvement

The Directors are committed to the belief that practical communication and consultation policies between the company and its employees are essential for smooth running and growth of the business.

Formal arrangements with in-house staff associations feature as key elements of these policies. The company operates a Consultative Council, a forum for two-way communication between the leadership team and a representative body of the employees.

Directors' Report for the year ended 31 December 2015 (continued)

Equal Opportunitics

It is the policy of the company to operate no discrimination in employment or career progression on the basis of sex, race, religion or age.

Environment

It is the policy of the company to protect the environment through proper design and manufacture of products and services. To further this policy the company participates in European environmental initiatives.

Creditor Payment Policy

It is the company's policy that payments to suppliers are made in accordance with those terms and conditions agreed between the company and its suppliers, provided that all trading terms and conditions have been complied with.

The ratio, expressed in days, between the amounts invoiced to the company by its suppliers in the period and the amounts owed to its trade creditors at the end of the period was 44 days (2014: 44 days).

Distribution Agreement

On 3 May 2012, Diversey Limited entered into a distribution agreement with the European Principal Company (EPC), whereby Diversey Limited would have the rights to sell cleaning and sanitising chemical products, utensils and floorcare equipment, machines and any other products provided by the EPC, in the United Kingdom.

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

KPMG, Chartered Accountants, resigned as auditor and Ernst & Young, Chartered Accountant, were appointed in their place. Ernst & Young, Chartered Accountants, have indicated their willingness to continue in office.

On Behalf of the Board

MJ Chapman
Director
20 December 2016

Diversey Limited
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.

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DIVERSEY LIMITED

We have audited the financial statements of Diversey Limited for the year ended 31 December 2015 which comprise the Income Statement, the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity and the related notes 1 to 24. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard FRS 102 *The Financial Reporting Framework applicable in the UK and Republic of Ireland.*

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 6, 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

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Strategic Report and Directors' Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

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 2015 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 *The Financial Reporting Framework applicable in the UK and Republic of Ireland*; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DIVERSEY LIMITED (Continued)

Opinion on other matter prescribed by the Companies Act 2006
In our opinion the information given in the Strategic Report and 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.

Ernst & Young

Justin Sherwood (Senior statutory auditor)
for and on behalf of Ernst & Young, Statutory Auditor
Dublin

20 December 2016

Diversey Limited

Registered Number: 3459907

Income statement for the year ended 31 December 2015

	Notcs	2015 £'000	2014 £'000
Turnover	(2)	103,911	102,846
Cost of sales		(76,622)	(79,599)
Gross profit		27,289	23,247
Selling and Distribution costs		(645)	(924)
Administrative expenses		(24,535)	(24,934)
Other operating income		1,173	4,600
Operating profit		3,282	1,989
Interest payable and similar charges	(6)	(679)	(472)
Other finance charges	(7)	(256)	(658)
Profit on ordinary activities before taxation		2,347	859
Tax on profit on ordinary activities	(8)	399	607
Profit for the financial year		2,746	1,466

The notes on pages 13 to 38 form a part of the financial statements.

Diversey Limited

Registered Number: 3459907

Statement of comprehensive income for the year ended 31 December 2015

	Notes	2015 £'000	2014 £'000
Profit for the financial year		2,746	1,466
Remeasurement gain recognised on defined benefit pension schemes	(19)	1,284	5,282
Movement on deferred tax relating to pension plan liability		-	-
Total comprehensive income for the year		4,030	6,748

The notes on pages 13 to 38 form a part of the financial statements.

Diversey Limited

Registered Number: 3459907

Statement of financial position at 31 December 2015

	Notes	2015 £'000	2014 £'000
Fixed assets			
Intangible assets	(9)	411	507
Tangible assets	(10)	2,328	3,219
Investments	(11)	30,273	25,257
		33,012	28,983
Current assets			
Debtors	(12)	27,811	26,063
Cash at bank and in hand	(18)	(0)	8,065
		27,811	34,128
Creditors: amounts falling due within one year	(13)	(53,807)	(51,940)
Net current liabilities		(25,996)	(17,812)
Total assets less current liabilities		7,015	11,171
Creditors: amounts falling due after more than one year	(13)	(11,165)	(8,977)
Provisions for liabilities	(14)	(126)	(519)
Net assets excluding pension liability		(4,276)	1,675
Pension liability	(19)	(3,399)	(6,632)
Net liabilities		(7,675)	(4,957)
Capital and reserves			
Called up share capital	(16)	340	340
Share premium account		33,188	33,188
Capital contribution		8,168	8,168
Profit and loss account		(42,623)	(46,653)
Shareholders' deficit		(927)	(4,957)

The notes on pages 13 to 38 form a part of the financial statements.

The financial statements on pages 9 to 38 were approved by the Board of Directors and were signed on its behalf by:

MJ Chapman
Director
20 December 2016

Diversey Limited

Registered Number: 3459907

Statement of changes in equity
for the year ended 31 December 2015

	Called-up share capital presented as equity	Share premium account	Capital contribution	Profit and loss account	Total equity
	£'000	£'000	£'000	£'000	£'000
At 1 January 2014	340	33,188	8,168	(53,402)	(11,706)
Profit for the year	-	-	-	1,466	1,466
Other comprehensive income	-	-	-	5,282	5,282
Total comprehensive income for the year	-	-	-	6,748	6,748
At 31 December 2014	340	33,188	8,168	(46,653)	(4,957)
Profit for the year	-	-	-	2,746	2,746
Other comprehensive income	-	-	-	1,284	1,284
Total comprehensive income for the year	-	-	-	4,030	4,030
At 31 December 2015	340	33,188	8,168	(42,623)	(927)

Diversey Limited

Notes to the financial statements as at 31 December 2015

(1) Accounting Policies

(1.1) Statement of compliance

Diversey Limited is a company incorporated in the United Kingdom. The registered office is Weston Favell Centre, Northampton, NN3 8PD.

The company's financial statements have been prepared in accordance with applicable accounting standards issued by the Financial Reporting council and promulgated by the Institute of Chartered Accountants in the UK, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (Generally Accepted Accounting Practice in Ireland).

The company transitioned from previously extant UK GAAP to FRS 102 as at 1 January 2014. An explanation of how transition to FRS 102 has affected the reported financial position and financial performance is given in note 24.

(1.2) Basis of preparation and change in accounting policy

The financial statements of Diversey Limited were authorised for issue by the Board of Directors on 20 December 2016.

The financial statements are prepared in Sterling which is the presentational currency of the company.

Diversey Limited is availing of the reduced disclosure framework under FRS 102 as it is a qualifying entity, being a member of a group that prepare publicly available financial statements which give a true and fair view, and in which Diversey Limited is consolidated. The company financial statements are consolidated up to Sealed Air Corporation and whose consolidated financial statements are available from Sealed Air Corporation, Charlotte, North Carolina, USA.

Consolidation: The Company is exempt by virtue of S400 of the Companies Act 2006 from the requirement to prepare Group financial statements. These financial statements present information about the Company as an individual undertaking and not about its Group.

The Company and all of its subsidiaries are included in the consolidated accounts of Sealed Air Corporation drawn up to the 31 December 2015.

(1) Accounting Policies (continued)

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, as well as receiving group support. Thus, they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Balances payable to the group undertakings of £8,666,000 previously presented as non-current liabilities in prior year have been presented as current liabilities in the current year as the balances are payable on demand.

The company has taken advantage of the following disclosure exemptions under FRS 102 for qualifying entities:

- The requirements of Section 4 Statement of Financial Position paragraph 4.12(1)(iv).
- The requirements of Section 7 Statement of Cash Flows and Section 3 Financial Statement Presentation paragraph 3.17(d).
- The requirements of Section 11 Financial Instruments paragraphs 11.39 to 11.48A and Section 12 Other Financial Instruments paragraphs 12.26 to 12.29.
- In line with section 33.1A of FRS 102, disclosures are not given of transactions with fellow wholly owned group companies.
- The requirements of Section 33 Related Party Disclosures paragraph 33.7

(1.3) Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the statement of financial position date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates. The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

(a) Pension and other post-employment benefits

The costs of defined benefit pension and superannuation scheme are determined using actuarial valuations. The actuarial valuation involved making assumptions about discount rates, future salary increases, mortality rates and future pension increases. Due to the complexity of the valuation, the underlying assumptions and the long term nature of these plans, such estimates are subject to significant uncertainty. In determining the appropriate discount rate, management considers the interest rates of corporate bonds in the respective currency with at least AA rating, with extrapolated maturities corresponding to the expected duration of the defined benefit obligation. The underlying bonds are further reviewed for quality, and those having excessive credit spreads are removed from the population of bonds on which the discount rate is based, on the basis that they do not represent high quality bonds. The mortality rate is based on publicly available mortality tables for the specific country. Future salary increases and pension increases are based on expected future inflation rates for the respective country. Further details are given in note 19.

(1) Accounting Policies (continued)

(b) Goodwill and intangible assets
No value is attributable to internally generated intangible assets. Goodwill on acquisition and purchased intangibles are stated at cost less accumulated amortisation and any accumulated impairment losses, with the carrying value being reviewed for impairment whenever events or changes in circumstances indicate that the carrying value may be impaired.

(c) Impairment of non-financial assets
The carrying amounts of the Group's assets are reviewed for impairment when events or changes in circumstances indicate that the carrying amount of the fixed asset may not be recoverable. If any such indication exists, the asset's recoverable amount is estimated.

An impairment loss is recognised whenever the carrying amount of an asset or its income-generating unit exceeds its recoverable amount. Impairment losses are recognised in the profit and loss account.

Impairment losses recognised in respect of income-generating units are allocated first to reduce the carrying amount of any goodwill allocated to income-generating units, then to any capitalised intangible asset and finally to the carrying amount of the tangible assets in the unit on a pro rata or more appropriate basis. An income generating unit is the smallest identifiable group of assets that generates income that is largely independent of the income streams from other assets or groups of assets.

(d) 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.

(1.4) Significant accounting policies

(a) Goodwill
Goodwill acquired on each business combination is capitalised ,classified as an asset on the statement of financial position and amortised on a straight line basis over its useful life of twenty years.

If there are indicators that the residual value or useful life of an intangible asset has changed since the most recent annual reporting period previous estimates shall be reviewed and, if current expectations differ, the residual value, amortisation method or useful life shall be amended. Changes in the expected useful life or the expected pattern of consumption of benefit shall be accounted for as a change in accounting estimate.

(b) Impairment of non-financial assets
The Company assesses at each reporting date whether an asset may be impaired. If any such indication exists the Company estimates recoverable amount of the asset. If it is not possible to estimate the recoverable amount of the individual asset, the Company estimates, the recoverable amount of the cash-generating unit to which the asset belongs. The recoverable amount of an asset or cash-generating unit is the higher of its fair value less costs to sell and its value in use. If the recoverable amount is less than its carrying amount, the carrying amount of the asset is impaired and it is reduced to its recoverable amount through an impairment in profit and loss unless the asset is carried at a revalued amount where the impairment loss of a revalued asset is a revaluation decrease.

Diversey Limited

Notes to the financial statements as at 31 December 2015

(1) Accounting Policies (continued)

(c) Property, plant and equipment
Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. Such cost includes costs directly attributable to making the asset capable of operating as intended.

Depreciation is provided on all property, plant and equipment, at rates calculated to write off the cost, less estimated residual value, of each asset on a systematic basis over its expected useful life as follows:

Freehold building	Over 40 years
Leasehold improvements	Over the lease term
Plant and machinery	Over 3 to 14 years
Fixtures and fittings	Over 3 to 14 years

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

Assets in the course of construction represent plant and machinery purchased but not yet fully installed and operational. Assets in the course of construction are not subject to depreciation.

(d) 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 of the consideration received, excluding discounts, rebates, VAT and other sales taxes or duty. The following criteria must also be met before revenue is recognised:

(i) Sale of goods
Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on dispatch of the goods, the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

(ii) Rendering of services
Revenue from the installation of equipment is recognised upon final acceptance by the customer.

(iii) Interest income
Revenue is recognised as interest accrued using the effective interest method. Revenue is recognised when the Company's right to receive payment is established.

(e) Deferred tax

Deferred tax is recognised in respect of all timing differences between income reported in the financial statements and taxable profits

(f) Foreign currencies
The company sets foreign currency rates at the end of each month which is applied to any foreign currency transactions in the following month. Realized and unrealized foreign exchange gains and losses are recognized in the profit for the year.

(1) Accounting Policies (continued)

(g) Cash and cash equivalents
Cash and cash equivalents in the statement of financial position comprise cash at banks and in hand and short term deposits with an original maturity date of three months or less.

(h) Short-term debtors and creditors
Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in the income statement in other operating expenses.

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

(j) Pensions and other post-retirement benefits
In the UK the company contributed to the JohnsonDiversey UK Pension Scheme ('the JDUK'). The scheme is partly a defined benefit arrangement and partly a defined contribution arrangement. With effect from 1 April 2010, the company ceased contribution to the defined contribution arrangement of the JohnsonDiversey UK Pension Scheme and contributed to the Diversey Stakeholder Pension Scheme, another defined contribution arrangement. The company also runs a second plan called the Diversey J UK Pension Scheme ('the DJ'). No contributions are made to this plan as it is in a surplus position and the plan is closed to future accruals.

The cost of providing benefits under the defined benefits plans is determined separately for each plan using the projected unit credit method, which attributes entitlement to benefits to the current period (to determine current service cost) and to the current and prior period (to determine the present value of defined benefit obligations) and is based on actuarial advice. When a settlement or a curtailment occur the change in the present value of the scheme liabilities and the fair value of the plan assets reflects the gain or loss which is recognised in the income statement during the period in which it occurs.

The net interest element is determined by multiplying the net defined benefit liability by the discount rate, at the start of the period taking into account any changes in the net defined benefit liability during the period as a result of contribution and benefit payments. The net interest is recognised in profit or loss as other finance revenue or cost.

(1) Accounting Policies (continued)

Re-measurements, comprising actuarial gains and losses, the effect of the asset ceiling and the return on the net defined benefit liability (excluding amounts included in net interest) are recognised immediately in other comprehensive income in the period in which they occur. Re-measurements are not reclassified to profit and loss in subsequent periods.

The defined net benefit pension asset or liability in the statement of financial position comprises the total for each plan of the present value of the defined benefit obligation (using a discount rate based on high quality corporate bonds), less the fair value of plan assets out of which the obligations are to be settled directly. Fair value is based on market price information and in the case of quoted securities is the published bid price. The value of a net pension benefit asset is limited to the amount that may be recovered either through reduced contributions or agreed refunds from the scheme.

Contributions to defined contribution schemes are recognised in the income statement in the period in which they become payable.

(2) Turnover

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

	2015 £'000	2014 £'000
United Kingdom & Ireland	103,767	102,693
Continental Europe	144	153
	103,911	102,847

(3) Operating profit

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

	2015 £'000	2014 £'000
Depreciation		
-on owned tangible fixed assets	1,315	1,705
Amortisation of goodwill and other intangible assets	96	95
Operating lease expenditure		
-plant and machinery	1,208	1,116
-other	260	512
Auditor's remuneration (note 4)	80	113
Loss on disposal of fixed assets	42	10
Restructuring	546	1,234

Restructuring items include severance costs of £502,000 (2014: £746,000) related to integration costs among sites. There are also costs of £44,000 (2014: £488,000) related to a site closure.

(4) Auditor's Remuneration

	2015 £'000	2014 £'000
Audit of these financial statements	49	94
Taxation compliance services	20	7
Other non-audit services	11	12
	80	113

(5) Staff Costs

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

(a)(i) Staff Costs

	2015 £'000	2014 £'000
Production	-	-
Selling and distribution	201	230
Administration	83	37
	284	267

(a)(ii) Staff Costs

	2015 £'000	2014 £'000
Staff costs		
Wages and salaries	9,832	9,726
Social security costs	1,228	1,237
Pension costs	1,834	1,769
	12,893	12,732

Included in pension costs are £nil (2014:£nil) in respect of the defined benefit schemes and £1,834,000 (2014:£1,769,000) in respect of the defined contribution schemes.

(b) Directors' remuneration

	2015 £'000	2014 £'000
Directors' emoluments in respect of qualifying services	663	560
Directors' emoluments receivable under long term incentive plans	4	78
Company pension contributions to money purchase schemes	90	63
	757	701

All directors are accruing retirement benefits under money purchase schemes.

(c) Highest paid director

	2015 £'000	2014 £'000
Total amount of emoluments	126	136
Company pension contributions to money purchase schemes	18	10
	144	146

(6) Interest payable and similar charges

	2015 £'000	2014 £'000
Interest payable on bank loans and overdrafts	2	-
Group interest payable	407	112
Other interest payable and similar charges	270	360
	679	472

(7) Other finance costs

	2015 £'000	2014 £'000
Other expenses	67	-
Other finance expense	189	658
	256	658

(8) Tax

(a) Tax on profit on ordinary activities

	2015 £'000	2014 £'000
Based on the profit for the period:		
UK Corporation tax at 20.25% (2014: 21.5%)	(399)	(607)
Deferred tax		
Origination and reversal of timing differences	-	-
Tax charge on profit on ordinary activities	(399)	(607)

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

	2015 £'000	2014 £'000
Profit on ordinary activities multipled by standard rate in the UK 20.25% (2014: 21.5%)	475	185
Effects of :		
Expenses not deductible for tax purposes	134	37
Capital allowances less than depreciation	46	150
Other timing differences	(1,054)	(979)
	(399)	(607)

Diversey Limited

Notes to the financial statements as at 31 December 2015

(8) Tax (continued)

Factors that may affect future tax charges:

A change to the UK corporation tax rate was announced in the Chancellor's Budget on 16 March 2016. The change announced is to reduce the main rate to 17% from 1 April 2020. Changes to reduce the UK corporation tax rate to 19% from 1 April 2017 and 18% from 1 April 2020 had already been substantively enacted on 26 October 2015.

As the change to 17% had not been substantively enacted at the balance sheet date its effects are not included in these financial statements.

(b) Deferred tax

Deferred taxation not provided in the accounts at 20.0% are as follows:

	Not Provided 2015 £'000	Not Provided 2014 £'000
Capital allowances in advance of depreciation	(466)	(453)
Pensions (note 19)	(680)	(1,326)
Tax losses carried forward	(656)	(656)
Total current tax credit	(1,802)	(2,435)

As at 31 December 2015 taxable losses of approximately £3,278,935 (2014: £3,278,935) were available for offset against future trading profits (subject to agreement with HM Revenue & Customs). No deferred tax asset has been recognised for these losses as it is not currently foreseeable that they will be fully utilised.

(9) Intangible assets

	Goodwill £'000
Cost:	
At beginning and end of year	5,196
Amortisation:	
At beginning of year	4,689
Amortisation for the year	96
At end of year	4,785
Net Book Value	
At 31 December 2015	411
At 31 December 2014	507

The estimated useful life is based on a variety of factors such as the expected use of the acquired business, any legal, regulatory or contractual provisions that can limit useful life and assumptions that market participants would consider in respect of similar businesses. Having considered these factors the directors believe that a useful life of 20 years is appropriate for goodwill.

(10) Tangible Fixed Assets

	Land and Buildings £'000	Plant and Machinery £'000	Fixtures and Fittings £'000	Assets in course of construction £'000	Total £'000
Cost					
At beginning of year	4,810	5,350	3,356	11	13,527
Additions	-	456	-	11	467
Transfers between categories	-	2	14	(17)	0
Disposals	(1,235)	(112)	(485)	-	(1,832)
At end of year	3,575	5,696	2,885	5	12,161
Depreciation					
At beginning of year	3,405	3,968	2,935	-	10,308
Charge for the year	264	887	166	-	1,315
Disposals	(954)	(361)	(476)	-	(1,790)
At end of year	2,715	4,493	2,625	-	9,833
Net book value					
At 31 December 2015	860	1,203	260	5	2,328
At 31 December 2014	1,405	1,382	421	11	3,219

The net book value of land and buildings comprises:

	2015 £'000	2014 £'000
Freehold	834	1,030
Leasehold Improvements	25	375
	859	1,405

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Notes to the financial statements as at 31 December 2015

(11) Fixed Asset Investments

	Group undertakings £'000
Cost	
At beginning of year	36,489
Additions during the year	5,016
At end of year	41,505
Amounts provided	
At beginning and end of year	11,232
Net Book Value	
At 31 December 2015	30,273
At 31 December 2014	25,257

In December 2015, the Company acquired a company called Dry Lube Limited for £2,516,000. As part of the purchase of Dry Lube, there is an additional contingent consideration of £2,500,000.

In the opinion of the Directors, the value of the investment in all subsidiary undertakings is not less than the amount at which the investment is stated in the balance sheet.

Notes to the financial statements as at 31 December 2015

(11) Fixed Asset Investments

The investments are in subsidiary undertakings of the Company. Their names together with their country of registration are listed below. A description of the shares and the proportion held is also shown below.

Name of Company	Country of Registration	Description of shares held	Proportion of Nominal Value of Shares held directly and of Voting Rights	Nature of business
Diversey UK Services Limited	England and Wales	Ordinary £1 shares	100%	Provision of business services
Diversey UK Production Limited	England and Wales	Ordinary £1 shares	100%	Production of cleaning chemicals
Diversey Industrial Limited	England and Wales	Ordinary £1 shares	100%	Dormant
Chemical Methods (Europe) Limited	England and Wales	Ordinary £1 shares	100%	Dormant
Dry Lube Limited	England and Wales	Ordinary £1 shares	100%	Sale of production line lubrication
Diversey Hygiene Sales Limited	Republic of Ireland	Ordinary £1 shares	100%	Sale of cleaning and hygiene chemicals
Diversey Danmark ApS	Denmark	DK100 shares	100%	Sale of cleaning and hygiene chemicals
Diversey Suomi Oy	Finland	€1 Shares	100%	Sale of cleaning and hygiene chemicals
Diversey Denmarks Services ApS	Denmark	DK100 Shares	100% (In-direct)	Provision of business services
Diversey Suomi Services Oy	Finland	€1 Shares	100% (In-direct)	Provision of business services

(12) Debtors

	2015 £'000	2014 £'000
Trade debtors	22,328	22,441
Amounts owed by group undertakings	957	1,191
Other debtors	3,023	1,330
Prepayments	498	494
Corporation tax	1,005	607
	27,811	26,063

(13) Creditors

	2015 £'000	2014 £'000
Amounts due within one year:		
Trade Creditors	6,350	7,118
Amounts owed to group undertakings	38,566	33,326
Other Taxation and Social Security	1,390	2,964
Accruals	7,501	8,532
	53,807	51,940

Included in amounts owed to group undertakings is £19,694,000 (2014: £11,672,000) due to Sealed Air Luxembourg as part of a group cash pooling Facility. This facility is repayable on demand and carries interest at LIBOR plus 1.75%.

(13) Creditors (continued)

	2015 £'000	2014 £'000
Amounts due after more than one year:		
Amounts owed to group undertakings	8,665	8,666
Contingent consideration	2,500	-
Other creditors - deferred income	-	311
	11,165	8,977

(14) Provision for Liabilites

	Restructuring £'000	Lease Retirement Obligation £'000	Total £'000
At 1 January 2015	108	411	519
Charged to the profit and loss account	546	18	563
Utilised in the period	(542)	(414)	(956)
At 31 December 2015	111	15	126

The restructuring charge for the year includes employee costs of £502,000 (2014: £746,000) in relation to integration projects among sites. There are also costs of £44,000 (2014: £488,000) related to a site closure.

The company has provided for retirement costs of its leasehold properties. A proportion of this provision will be utilised at the cessation of each lease as required over a period of 1 to 4 years.

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Notes to the financial statements as at 31 December 2015

(15) Obligations Under Leases

Future minimum lease payments under non-cancellable operating leases are as follows:

	Land and buildings		Other	
	2015	2014	2015	2014
	£'000	£'000	£'000	£'000
Not later than one year	56	-	97	-
Later than one year and not later than five years	162	286	1,879	3,043
Later than five years	1,080	1,230	-	-
	1,298	1,516	1,976	3,043

(16) Allotted and Issued Share Capital

	2015	2014
	£'000	£'000
Allotted, called up and fully paid		
340,451 (2014: 340,451) ordinary shares of £1 each	340	340

(17) Reserves

Share premium account
This reserve records the amount above the nominal value received for shares sold, less transaction costs.

Profit and loss account
The profit and loss account records the amount of accumulated profit of the Company.

Capital contribution reserve
This reserve records contributions received from the Company's parent undertaking.

(18) Cash and Cash Equivalents

Cash and cash equivalents comprise the following:

	2015	2014
	£'000	£'000
Cash at bank and in hand	-	8,065
Cash and cash equivalents	-	8,065

(19) Pension commitments

Diversey Limited participates in the funded JohnsonDiversey UK Pension Scheme (the "Scheme"). The Scheme is a hybrid arrangement (partly defined benefit and partly defined contribution). With effect from 1 April 2010, the Scheme was closed to future accrual.

Diversey Limited previously participated in the Johnson Wax Retirement and Life Assurance Plan, which has both a defined benefit section and a defined contribution section. Certain current and former employees of Diversey Limited have past service benefit entitlements under this arrangement, although benefit accrual ceased under this arrangement on 31 March 2005 for employees of Diversey

On 7 April 2011 the Assets and Liabilities from the Diversey Section of the Johnson Wax Retirement and Life Assurance Plan were transferred into the newly formed Diversey J UK Pension Scheme. After this transfer the company ceased contributions to the Johnson Wax Retirement and Life Assurance Plan and contributed to the Diversey J UK Pension Scheme.

The Group's pension obligations are assessed by a qualified actuary on the basis of triennial valuations. The most recent formal valuation of the JohnsonDiversey UK Pension Scheme had an effective date of 31 December 2012. This was carried out using the projected unit method. The most significant impact on the results of the valuation were the changes in financial assumptions. It was assumed that the discount rate would be 3.80% per annum, that salary increases would average 3.8% per annum and that present and future pensions that are guaranteed to increase in line with price inflation, capped at 5% a year, would increase at the rate of no more than 3.0% per annum. It was assumed that 75% of members would commute the maximum allowance of their pension for cash at retirement. The SAPS Light mortality tables with CMI 2013 projections and a 1.5% a year underpin on future improvement were used for the post-retirement mortality.

The valuation of the JohnsonDiversey UK Pension Scheme showed that the market value of the Scheme's assets was £81.0 million and that those assets represented 76% of the benefits that had accrued to members after allowing for expected future increases in earnings. The participating Companies are contributing a total of £3,733,000 a year towards the Scheme deficit. Contributions to the scheme are expected to continue at this level until 31 March 2021.

The most recent formal valuation of the Diversey J UK Pension Scheme had an effective date of 1 January 2012. This was carried out using the projected unit method. It was assumed that the discount rate would be 3.30% per annum and that present and future pensions that are guaranteed to increase in line with price inflation. GMP and pre 97 non-GMP pensions are capped at 3% RPI a year and it is assumed would increase at the rate of no more than 2.35% per annum. Post 97/pre 05 pensions are capped at 3% RPI and 5% CPI and it is assumed an increase at the rate of no more than 3.0% per annum. Post 05 pensions are capped at 2.5% CPI and assume an increase at the rate of no more than 1.8% per annum. It has been assumed that members will not commute pension for cash at retirement. The SAPS Light Normal Health mortality tables with CMI 2011 projections and a 1.5% a year underpin on future improvement were used for the post-retirement mortality.

(19) Pension commitments (continued)

The valuation of the Diversey J UK Pension Scheme showed that the market value of the Scheme's assets was £18.6 million and that those assets represented 78% of the benefits that had accrued to members after allowing for expected future increases in earnings. The participating Companies are contributing a total of £1,470,000 a year towards the Scheme deficit. Contributions to the scheme are expected to continue at this level until 1 December 2015.

The Company contributions paid to the Diversey Stakeholder Pension Scheme were £1,834,000 for the year ended 31 December 2015(2014: £1,769,000).

It would normally be expected to record deferred tax on the pension liability of the two schemes as this will be utilised via the actuarial movements and limits the impact of the deficit through reserves. However, it has not been recorded in the Statement of Comprehensive Income as it is uncertain as to whether the company will be able to make taxable profits to realise this benefit.

Diversey Limited

Notes to the financial statements as at 31 December 2015

(19) Pension commitments (continued)

The assets and liabilities of the schemes at 31 December are:

Year ended 31 December 2015

	JDUK £'000	DJ £'000	Total £'000
Scheme assets at fair value			
Equities	33,493	10,995	44,488
Bonds	42,994	9,369	52,363
Property	3,167	-	3,167
Other	16,315	7,192	23,507
Fair value of scheme assets	95,968	27,557	123,525
Present value of scheme liabilities	(99,367)	(19,502)	(118,869)
Defined benefit pension scheme (deficit)/surplus	(3,399)	8,055	4,656
Effect of limit of recoverable surplus	-	(8,055)	(8,055)
Defined benefit pension scheme deficit recognised	(3,399)	-	(3,399)

Year ended 31 December 2014

	JDUK £'000	DJ £'000	Total £'000
Scheme assets at fair value			
Equities	31,646	9,833	41,479
Bonds	41,019	9,320	50,339
Property	2,877	-	2,877
Other	17,261	6,521	23,782
Fair value of scheme assets	92,803	25,674	118,477
Present value of scheme liabilities	(99,435)	(19,461)	(118,896)
Defined benefit pension scheme (deficit)/surplus	(6,632)	6,213	(419)
Effect of limit of recoverable surplus	-	(6,213)	(6,213)
Defined benefit pension scheme deficit recognised	(6,632)	-	(6,632)

The surplus in respect of the DJ Scheme has not been recognised as a pension asset because the scheme has not agreed future refunds or reduced future contributions.

The Company does not invest in the Company's own financial instruments or property used by the Company for either scheme and both schemes are funded schemes.

The amounts recognised in the income statement and in the statement of other comprehensive income for the year are analysed as follows:

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Notes to the financial statements as at 31 December 2015

(19) Pension commitments (continued)

Year ended 31 December 2015

	JDUK £'000	DJ £'000	Total £'000
Recognised in the income statement			
Current service cost	-	-	-
Recognised in arriving at operating profit	-	-	-
Net interest on net defined benefit liability	189	-	189
Total recognised in the income statement	189	-	189
Recognised in other comprehensive income			
Actuarial return on scheme assets	(1,846)	(191)	(2,037)
Less: amounts included in net interest on the net defined benefit liability	(189)	-	(189)
	(2,035)	(191)	(2,226)
Other actuarial gains and losses	1,971	1,539	3,510
Remeasurement gains and losses recognised in other comprehensive income	(64)	1,348	1,284

Year ended 31 December 2014

	JDUK £'000	DJ £'000	Total £'000
Recognised in the income statement			
Current service cost	-	-	-
Recognised in arriving at operating profit	-	-	-
Net interest on net defined benefit liability	658	-	658
Total recognised in the income statement	658	-	658
Recognised in other comprehensive income			
Actuarial return on scheme assets	6,254	1,015	7,269
Less: amounts included in net interest on the net defined benefit liability	(658)	-	(658)
	5,596	1,015	6,611
Other actuarial gains and losses	(12,348)	455	(11,893)
Remeasurement gains and losses recognised in other comprehensive income	(6,752)	1,470	(5,282)

(19) Pension commitments (continued)

The major assumptions used for the pension scheme were:

	JDUK 2015 %	JDUK 2014 %	DJ 2015 %	DJ 2014 %
Rate of salary increases	3.10%	3.10%	N/A	N/A
Rate of increase in payment of pre 2005 excess over GMP pensions	2.90%	2.90%	2.20%	2.20%
Rate of increase in payment of post 2005 excess	1.90%	1.90%	2.60%	2.70%
Discount rate	3.80%	3.80%	3.90%	3.80%
Inflation assumption	2.10%	2.10%	2.10%	2.10%
Post-retirement mortality:				
Current pensioners at 65 - Male	24.2	24.2	22.6	22.3
Current pensioners at 65 - Female	25.5	25.4	24.8	24.7
Future pensioners at 65 - Male	26.3	24.2	24.3	22.3
Future pensioners at 65 - Female	27.8	25.4	26.7	24.7

The post-mortality assumptions allow for expected increases in longevity. The 'current' disclosures above relate to assumptions based on longevity (in years) following retirement at the statement of financial position date, with 'future' being that relating to an employee retiring in 2040.

Changes in the present value of the defined benefit obligations are analysed as follows:

	JDUK £'000	DJ £'000	Total £'000
At 1 January 2014	91,018	18,124	109,142
Current service cost	-	-	-
Interest cost	4,068	805	4,873
Benefits paid	(1,247)	(483)	(1,730)
Actuarial losses/(gains)	5,596	1,015	6,611
Contribution by participants	-	-	-
As at 31 December 2014	99,435	19,461	118,896
Current service cost	-	-	-
Interest cost	3,745	730	4,475
Benefits paid	(1,778)	(498)	(2,276)
Actuarial losses/(gains)	(2,035)	(191)	(2,226)
Contribution by participants	-	-	-
As at 31 December 2015	99,367	19,502	118,869

Diversey Limited

Notes to the financial statements as at 31 December 2015

(19) Pension commitments (continued)

Changes in the fair value of plan assets are analysed as follows:

	JDUK £'000	DJ £'000	Total £'000
At 1 January 2014	74,559	23,827	98,386
Remeasurement gain:			
Actual return on plan assets	12,348	(234)	12,114
Interest income	3,410	1,094	4,504
Expected return on plan assets	-	-	-
Actuarial losses/(gains)	-	-	-
Employer contributions	3,733	1,470	5,203
Benefits paid	(1,247)	(483)	(1,730)
Contribution by participants	-	-	-
As at 31 December 2014	92,803	25,674	118,477
Remeasurement gain:			
Actual return on plan assets	(1,971)	41	
Interest income	3,556	992	
Expected return on plan assets	-	-	-
Actuarial losses/(gains)	-	-	-
Employer contributions	3,358	1,348	4,706
Benefits paid	(1,778)	(498)	(2,276)
Contribution by participants	-	-	-
As at 31 December 2015	95,968	27,557	120,907

(20) 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

(21) Off-Balance Sheet Arrangements

The company enters into operating lease arrangements for the hire of cars and plant and equipment as these arrangements are a cost efficient way of obtaining the short-term benefits of these assets. The lease rental expense for the year is disclosed in Note 3 and company commitments under these arrangements are disclosed in Note 15. There are no other material off-balance sheet arrangements.

(22) Financial Instruments

	2015	2014
	£'000	£'000
Financial assets that are debt instruments measured at amortised cost:		
-Trade debtors	22,328	22,441
-Amounts owed by group undertakings	957	1,191
-Other debtors	3,023	1,330
Financial liabilities measured at amortised cost:		
-Trade creditors	6,350	7,118
-Amounts owed to group undertakings	38,566	33,326

(23) Group membership

The company is a wholly-owned subsidiary of Diversey Holdings Limited, a company incorporated and operating in the United Kingdom, whose ultimate parent company is Sealed Air Corporation, a company incorporated and operating in the United States of America. The smallest and largest group into which the results of the company are consolidated is that headed by Sealed Air Corporation. The consolidated financial statements are available from Sealed Air Corporation, 8215 Forest Point Blvd, Charlotte, North Carolina, USA.

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Notes to the financial statements as at 31 December 2015

(24) Transition to FRS 102

The company transitioned to FRS 102 from previously extant UK GAAP as at 1 January 2014.

The impact from the transition to FRS 102 is as follows:

Reconciliation of equity at 31 December 2014	£'000
Equity shareholders' funds at 31 December 2014 under previous UK GAAP	(4,820)
Holiday pay accrual	(137)
Equity shareholders' funds at 31 December 2014 under FRS 102	(4,957)

The following were changes in accounting policies arising from the transition to FRS 102:

Reconciliation of profit and loss for the year	£'000
Profit for the year ended 31 December 2014 under previous UK GAAP	1,684
Adjustment to net interest on net defined pension liability	(228)
Increase in holiday pay accrual	10
Profit for the year ended 31 December 2014 under FRS 102	1,466

The following were changes in accounting policies arising from the transition to FRS 102:

(24) Transition to FRS 102 (continued)

Holiday pay accrual

As a result of the requirement to accrue for holiday that was earned but not taken at the date of the statement of financial position, there is a credit of £10,462 to the income statement for the year ending 31 December 2014 bringing the accrual to £137,092 (£147,554 at 1 January 2014), recognising the decrease in the holiday pay accrual over the year.

Adjustment to net interest on net defined pension liability

Under previous UK GAAP, the interest on the expected return on plan assets was calculated using an expected asset rate. FRS 102 requires that the net interest on the net defined benefit liability is calculated using the liability discount rate for the scheme. As such there was an decrease in profit arising from this adjustment which was offset by a corresponding decrease in the other comprehensive income.

Transitional relief

On transition to FRS102 from previous UK GAAP, the company have taken advantage of transitional relief as follows:

Business combinations

The Company has elected not to apply Section 19 Business Combinations and Goodwill to business combinations that were effected before the date of transtion to FRS 102. No adjustment has been made to the carrying value of goodwill and intangible assets subsumed within goodwill have not been separately recognised.