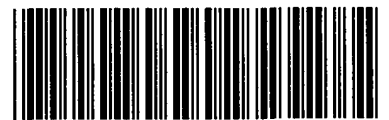


Lonza Wokingham Limited
Directors' report and financial statements
for the year ended 31 December 2014

Company registration number 02614566

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Lonza Wokingham Limited

Contents

	Pages
Officers and advisors	1
Directors' report	2 - 3
Statement of Directors' Responsibilities in respect of the Directors' Report and the Financial Statements	4
Independent Auditor's Report to the members of Lonza Wokingham Limited	5 - 6
Profit and loss account	7
Balance sheet	8
Notes to the financial statements	9 - 15

Officers and advisors

Secretary

Gerry Kennedy

Registered office

228 Bath Road
Slough
Berks
SL1 4DX

Registered Auditors

KPMG LLP
Arlington Business Park
Theale
United Kingdom
RG7 4SD

Bankers

National Westminster Bank plc
PO Box No 78
13 Market Place
Reading
Berkshire
RG1 2EP

Directors' report for the year ended 31 December 2014

The directors present their Directors' Report and financial statements of the company for the year ended 31 December 2014.

Principal activities

The company's principal activity is the marketing of products and services to the diagnostic, biotechnology and pharmaceutical industries.

Review of business and future developments

Trading conditions improved during 2014 with a 4-5% increase across most product areas. However, a less favourable mix of product sales with a higher percentage of lower margin sales than in 2013, resulted in lower commission payments on the total sales volume. Nevertheless, the restructuring exercise undertaken in 2013 was successful in reducing annual administrative expenses, after the one-off costs of the liquidation of the two fellow subsidiaries are discounted. After exception costs have been discounted, overall profit before interest and tax remains at approximately 7%, similar to 2013.

The outlook for 2015 is good with the improving economic situation in the UK, leading to an increase in the markets we serve of between 5-7%. Expenses are expected to be slightly above the levels for 2014, roughly in line with market growth.

The financial statements have been prepared on the going concern basis. However the decision has been made by the parent entity as part of a group restructure to liquidate the company which is expected to take effect during the 2015 financial year end.

Results and dividends

The loss for the year was £436,678 (2013: £138,363 profit) as a result of an impairment review on its trade receivables from two of its fellow subsidiary undertakings which amounted to £465,337 (2013: £nil) that were liquidated in 2015.

The directors have not paid a dividend this year (2013: £nil).

Financial risk management

The company's operations expose it to a variety of financial risks that include the effects of changes in market prices, credit risk and interest rate risk. The company has in place a risk management programme that seeks to limit adverse effects on the financial performance of the company. Given the size of the company, the directors have not delegated the responsibility of monitoring financial risk management to a sub-committee of the board. The policies set by the board of directors are implemented by the company's finance department. The company does not use derivative financial instruments and as such no hedge accounting is applied.

Directors

The directors who held office during the year and up until the date of signing the accounts were as follows:

A C Baines
S M Baker (appointed 2 February 2015)
S Kutzer (resigned 01 July 2014)

Company registration number 02614566

Directors' report for the year ended 31 December 2014

continued

Disclosure of information to auditors

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 auditors are unaware; and
- the directors have taken all the steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Auditors

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

Signed on behalf of the Board on 28 September 2015



A C Baines
Director

Lonza Wokingham Ltd

Statement of Directors' Responsibilities in respect of the Directors' Report and the Financial Statements

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

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

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

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make 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 adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LONZA WOKINGHAM LIMITED

We have audited the financial statements of Lonza Wokingham Limited for the year ended 31 December 2014 set out on pages 7 to 15. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement set out on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit, and express an opinion on, the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2014 and of its loss for the year then ended;
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

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

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF LONZA WOKINGHAM LIMITED Continued

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to take advantage of the exemption from the requirement to prepare a strategic report.



Robert Fitzpatrick (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
Arlington Business Park
Theale
Reading RG7 4SD

29 September 2015

Lonza Wokingham Ltd

Profit and loss account for the year ended 31 December 2014

	Note	2014 £	2013 £
Turnover	3	1,350,685	1,581,702
Gross profit		1,350,685	1,581,702
Administrative expenses	4	(1,735,158)	(1,446,458)
Operating (loss)/profit	4	(384,473)	135,244
Interest receivable and similar income	7	10,403	1,262
Interest payable and similar charges	8	-	(14,930)
(Loss)/Profit on ordinary activities before taxation		(374,070)	121,576
Tax on (loss)/profit on ordinary activities	9	(62,608)	16,787
(Loss)/Profit for the year	13	(436,678)	138,363

The company's results are derived entirely from continuing operations.

The company has no recognised gains and losses other than the results above and therefore no separate statement of total recognised gains and losses has been presented.

There is no difference between the profit on ordinary activities before taxation and the retained results for the years stated above, and their historical cost equivalents.

The notes on pages 9 to 15 form part of these financial statements.

Lonza Wokingham Ltd

Balance sheet as at 31 December 2014

	Note	2014 £	2013 £
Current assets			
Debtors	10	662,012	1,019,543
Cash at bank and in hand		592,474	636,286
		1,254,486	1,655,829
Creditors - Amounts falling due within one year	11	(285,871)	(250,536)
Net current assets and net assets		968,615	1,405,293
Capital and reserves			
Called-up share capital	12	1,000	1,000
Profit and loss account	13	967,615	1,404,293
Total shareholders' funds	14	968,615	1,405,293

The financial statements on pages 7 to 15 were approved by the board of directors on 28 September 2015 and were signed on its behalf by:



A C Baines
Director

Notes (continued)

**Notes to the financial statements for the year ended 31
December 2014**

1 Accounting policies

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

Basis of preparation

The financial statements have been prepared in accordance with applicable accounting standards, and under the historical cost accounting rules. These policies have been consistently applied to all the years presented, unless otherwise stated.

Turnover

Turnover, which excludes value added tax, represents the invoiced value of goods and services supplied. It is recognised on delivery of goods or services.

Revenue Recognition

Revenue is only recognised when the goods have been delivered or the services provided to the customer.

Taxation

The charge for taxation is based on the profit for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes. Deferred tax is recognised without discounting in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS19.

Notes (continued)

1 Accounting policies (continued)

Foreign currencies

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

Leased assets

Costs in respect of operating leases are charged to the profit and loss account on a straight line basis over the term of the lease.

Pension costs

The company operates a defined contribution pension scheme. Contributions into the scheme are charged to the profit and loss account in the year in which they become payable. The assets of the scheme are held separately from those of the company in an independently administered fund.

2 Cash flow statement and related party disclosures

As at 31 December 2014, the company is a wholly owned subsidiary of Lonza Group AG which prepares consolidated financial statements, which are made publicly available. Consequently the company has taken advantage of the exemption from preparing a cash flow statement under the terms of FRS 1 (Revised). The company is also exempt under the terms of FRS 8 from disclosing related parties transactions with wholly owned subsidiaries that are part of the Lonza Group AG.

3 Turnover

Turnover relates entirely to the company's principal activity.

During the year 100% of total turnover was attributable to markets outside the UK (2013: 100%).

Notes (continued)

4 Notes to the Profit and Loss Account

	2014	2013
	£	£
Operating loss/profit is stated after charging:		
Wages and salaries	729,295	882,771
Social security costs	84,474	104,760
Other pension costs (see note 15)	44,379	42,501
Staff costs	858,148	1,030,032
Operating lease charges		
- vehicle rent	64,237	69,813
Impairment of trade receivable (see Note 10)	465,337	-
Auditors remuneration:		
Audit of these financial statements	19,300	18,400

5 Directors' emoluments

	2014	2013
	£	£
Directors' emoluments	162,880	134,501
Company pension contributions to money purchase schemes	9,170	8,937

Retirement benefits are accruing to one (2013: one) director under money purchase pension arrangements.

6 Employee information

The average monthly number of persons (including directors) employed by the company during the year were as follows:

By activity	2014	2013
Selling and distribution	14	13

Notes (continued)

7 Interest receivable and similar income

	2014	2013
	£	£
Interest received from Group companies	1,508	1,017
Interest received from bank	194	245
Foreign exchange gain	8,701	-
	10,403	1,262

8 Interest payable and similar charges

	2014	2013
	£	£
Interest payable	-	3,634
Foreign exchange loss	-	11,296
	-	14,930

9 Tax on profit on ordinary activities

	2014	2013
	£	£
Corporation tax		
Current tax on income for the year	18,506	-
Adjustments in respect of prior periods	44,102	(16,787)
Total tax credit on ordinary activities	62,608	(16,787)

Notes (continued)

9 Tax on profit on ordinary activities (continued)

The current tax for the year is higher (2013: lower) than the standard rate of corporation tax in the UK of 21.5% (2013: 23.25%). The differences are explained below:

	2014	2013
	£	£
<i>Current tax reconciliation:</i>		
Profit on ordinary activities before tax	(374,070)	121,576
Profit on ordinary activities multiplied by standard rate in the UK 21.5% (2013: 23.25%)	(80,425)	28,266
<i>Effects of:</i>		
Expenses not deductible for tax purposes	100,871	2,995
Group relief surrendered to fellow group undertaking	-	(28,572)
Capital allowances in excess of depreciation	(1,940)	(2,689)
Adjustments in respect of prior periods	44,102	(16,787)
Total current tax credit	62,608	(16,787)

The Finance Act 2013 received Royal Assent on 17 July 2013 and enacted a reduction in the main rate of corporation tax to 21% with effect from 1 April 2014 and a further reduction of 1% will be applied to bring the main rate of corporation tax to 20% from 1 April 2015.

It was announced in the Summer Budget on 8 July 2015 that the headline rate of corporation tax will be reduced from 20% to 19% from 1 April 2017 and then to 18% from 1 April 2020. These reductions are not yet enacted.

10 Debtors

	2014	2013
	£	£
Trade debtors	4,887	4,860
Amounts owed by group undertakings	588,901	965,608
Corporation tax debtor	39,840	22,574
Other debtors	28,384	26,501
	662,012	1,019,543

Amounts owed by group undertakings arose from trading activities and are due on normal trading terms. The loan is unsecured with interest rates between 0.24% and 0.46% (2013: 0.24% and 0.27%) and is payable within 1 - 4 months.

The directors have conducted a review on the recoverability of two of the fellow subsidiary undertakings which were liquidated in 2015. The full amount of intercompany debtors from these fellow group companies has been impaired as a result, totalling £465,337 (2013: £nil).

Notes (continued)

11 Creditors - Amounts falling due within one year

	2014	2013
	£	£
Trade creditors	23,797	21,178
Amounts due to group undertakings	123,623	70,408
Other taxation and social security	39,413	31,673
Accruals and deferred income	98,277	126,669
Other payables	761	608
	285,871	250,536

Amounts due to group undertakings arose from trade activities, and are unsecured, interest free and are payable based on normal trading terms.

12 Called-up share capital

	2014	2013
	£	£
Allotted, called-up and fully paid		
1,000 ordinary shares of £1 each	1,000	1,000

13 Reserves

	Profit and loss account £
At 1 January 2014	1,404,293
Loss for the financial year	(436,678)
At 31 December 2014	967,615

Notes (continued)**14 Reconciliation of movements in shareholder's funds**

	2014	2013
	£	£
(Loss)/Profit for the year	(436,678)	138,363
Opening shareholder's funds	1,405,293	1,266,930
Closing shareholder's funds	968,615	1,405,293

15 Pension and similar obligations

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £44,379 (2013: £42,501).

16 Financial commitments

Annual commitments under non-cancellable operating leases are as follows:

	Other	Other
	2014	2013
	£	£
Operating leases which expire:		
Within one year	1,620	27,977
In the second to fifth years inclusive	52,239	27,919
Total annual commitments	53,859	55,896

17 Post Balance Sheet Events

The decision has been made by the parent entity, as part of a group restructure, to liquidate the company which is expected to take effect during the 2015 financial year end.

18 Ultimate parent company

In the opinion of the directors, the ultimate parent company at 31 December 2014 was Lonza Group AG, a company incorporated in Switzerland which holds the largest group in which the results of this company are incorporated.

The consolidated accounts of this group are available to the public and maybe obtained from The Secretary, Lonza Group AG, Munchensteinerstrasse 38, CH-4002, Basel, Switzerland.