

Registered number: 4003589

Scapa (No. 2) Limited

Annual report and financial statements

For the Year Ended 31 March 2019

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Scapa (No. 2) Limited

Company Information

Directors	W Dickinson O Zahn (Appointed 1 October 2018) G S Hardcastle (Resigned 1 October 2018)
Company secretary	W Baker
Registered number	4003589
Registered office	Manchester Road Ashton Under Lyne Greater Manchester OL7 0ED
Auditor	Deloitte LLP Statutory Auditor Manchester, UK
Bankers	Lloyds Bank 53 King Street Manchester M2 4LQ HSBC Bank Plc 4 Hardman Square Spinningfields Manchester M3 3EB

Scapa (No. 2) Limited

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Scapa (No. 2) Limited

Strategic report For the Year Ended 31 March 2019

Business review

The principal activity of the Company is to act as a financing company within Scapa Group plc, a group that is engaged in the manufacture of adhesive foams and specialist tapes into the industrial and healthcare markets. There have not been any significant changes in the Company's principal activities in the year under review and the directors are not aware at the date of this report, of any likely major changes in the next financial year.

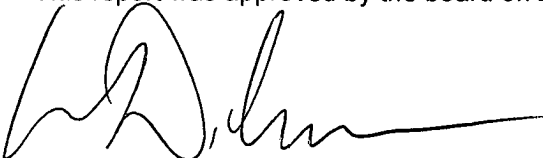
Principal risks and uncertainties

The directors of Scapa Group plc manage the group's risks at a group level, rather than at an individual business unit level. Scapa (No. 2) Limited has net assets which are dependent upon the recoverability of intercompany debtors and are therefore reliant on the trading entities performance, with the risks and uncertainties of those entities being indirectly relevant to Scapa (No. 2) Limited. In addition the Company's risks and uncertainties are also aligned with those of Scapa Group plc. The principal risks and uncertainties of Scapa Group plc, which include those of the Company, are discussed in the business review in the group's annual report which does not form part of this report. Details of where copies of the financial statements can be obtained can be found in note 17. The Company mitigates the uncertainty over changes in interest rates by having fixed rate loan agreements. The directors have considered the upcoming exit from the EU and do not expect this will have a significant effect on the company.

Financial key performance indicators

Management uses a number of key performance indicators (KPIs) to monitor the performance of the business. The financial KPIs comprise net assets as at 31 March 2019 of \$147,745,299 (2018: \$150,478,850) and finance income which relates to interest receivable on long term loans of \$6,407,643 (2018: \$5,753,080). The movement in the net assets is a result of the loan impairment in Scapa NA Inc.

This report was approved by the board on 24 May 2019 and signed on its behalf.



W Dickinson
Director

Scapa (No. 2) Limited

Directors' report For the Year Ended 31 March 2019

The directors present their report and the audited financial statements for the year ended 31 March 2019.

Directors' responsibilities statement

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 for the Company financial statements and then apply them consistently;
- make judgments and accounting 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 are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Results and dividends

The loss for the year, after taxation, amounted to \$2,733,551 (2018 - \$4,599,015 profit)

The directors do not recommend the payment of a dividend (2018 - \$nil dividend).

Directors

The directors who served during the year and thereafter were:

O Zahn (Appointed 1 October 2018)
G S Hardcastle (Resigned 1 October 2018)
W Dickinson

Directors' indemnities

Qualifying third party indemnity provisions, as defined in section 234 of the Companies Act 2006, are in force for the benefit of Directors who held office during the year. The Company maintains Directors and Officers liability insurance for the Group's Directors and Officers.

Scapa (No. 2) Limited

Directors' report For the Year Ended 31 March 2019

Future Developments

The directors expect the general level of activity to remain consistent with the year ended 31 March 2019 in the forthcoming year.

Going concern

The directors have considered the uncertain economic environment in which the business operates and the factors affecting the current and future performance and prospects of the business as set out in their report. Based on the Company's forecasts and facilities available to it and, having considered the opportunities and risks facing it, the directors have a reasonable expectation that the Company has adequate resources to continue operating for at least 12 months from the date of signing the financial statements. Accordingly, the directors continue to adopt the going concern basis in the preparation of the financial statements, see Note 2.

Disclosure of information to auditor

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

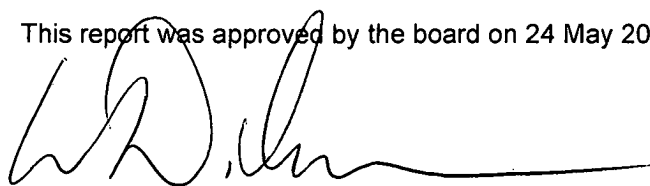
Post balance sheet events

There have been no significant events affecting the Company since the year end.

Auditor

The auditor, Deloitte LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 24 May 2019.



W Dickinson
Director

Scapa (No. 2) Limited

Independent auditor's report to the members of Scapa (No. 2) Limited

Report on the audit of the financial statements

Opinion

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2019 and of its loss 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 Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of Scapa (No. 2) Limited (the 'company') which comprise:

- the profit and loss account;
- the statement of comprehensive income;
- the balance sheet;
- the statement of changes in equity; and
- the related notes 1 to 17.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs(UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Summary of our audit approach

Key audit matters	The key audit matter that we identified in the current year was recoverability of receivables from subsidiary and parent undertakings.
Materiality	The materiality that we used in the current year was \$1,153,000 which equates to 1% of total equity.
Scoping	Audit work to respond to the risks of material misstatement was performed directly by the audit engagement team.

Scapa (No. 2) Limited

Independent auditor's report to the members of Scapa (No. 2) Limited (continued)

Conclusions relating to going concern

We are required by ISAs (UK) to report in respect of the following matters where:

- the directors' use of the going concern basis of accounting in preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

We have nothing to report in respect of these matters.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team.

These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Recoverability of receivable from subsidiary and parent undertakings

Key audit matter description



There is a level of judgement involved in determining the recoverability of the \$250,621,202 receivable from subsidiary and parent undertakings. This takes into consideration a range of factors such as the trading performance of the group undertakings.

Given the significance of this balance in the context of the financial statements as a whole, we consider this to be a key audit matter.

Further details are included within accounting policies (2.4) and note 8.

How the scope of our audit responded to the key audit matter



We obtained the forecasts relating to the future trading performance of the related companies. We assessed and challenged management's assumptions used, including the growth rate and the discount rate used. We also reviewed the historical accuracy of management's forecasts by comparing the actual results to forecasts.

Key observations



Based on the work performed, and after the impairment identified by management of \$8m, we concluded that receivables from subsidiary and parent undertakings are appropriately stated.

Scapa (No. 2) Limited

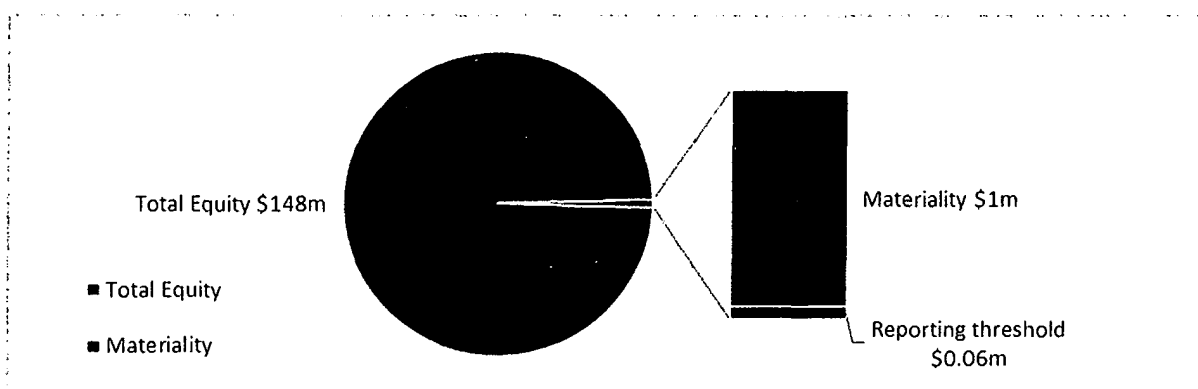
Independent auditor's report to the members of Scapa (No. 2) Limited (continued)

Our application of materiality

We define materiality as the magnitude of misstatement in the financial statements that makes it probable that the economic decisions of a reasonably knowledgeable person would be changed or influenced. We use materiality both in planning the scope of our audit work and in evaluating the results of our work.

Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

Materiality	\$1,152,800 (2018: \$1,456,000)
Basis for determining materiality	1% of total equity (2018: 1% of total equity) When determining materiality, as the company is part of Scapa Group plc, we also considered that this materiality is appropriate for the consolidation of this set of financial statements to the group's results.
Rationale for the benchmark applied	We determined materiality based on total assets as this is the key metric used by management, investors, analysts and lenders, with shareholder value being driven by total equity value movements.



We agreed with the directors that we would report to the directors all audit differences in excess of \$58,000 (2018: \$14,000), as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds. The increase in the current year was agreed due to differences below \$65,500 (£50,000) having no impact on the Group accounts as they are presented to the nearest £0.1 million. We also report to the directors on disclosure matters that we identified when assessing the overall presentation of the financial statements.

An overview of the scope of our audit

Our audit was scoped by obtaining an understanding of the entity and its environment, including internal control, and assessing the risks of material misstatement. Audit work to respond to the risks of material misstatement was performed directly by the audit engagement team.

Scapa (No. 2) Limited

Independent auditor's report to the members of Scapa (No. 2) Limited (continued)

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in respect of these matters.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for 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 the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

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.

Scapa (No. 2) Limited

Independent auditor's report to the members of Scapa (No. 2) Limited (continued)

Report on other legal and regulatory requirements

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the strategic report or the directors' report.

Matters on which we are required to report by exception

Adequacy of explanations received and accounting records

Under the Companies Act 2006 we are required to report to you if, in our opinion:

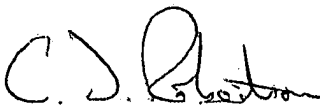
- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns.

We have nothing to report in respect of these matters.

Directors' remuneration

Under the Companies Act 2006 we are also required to report if in our opinion certain disclosures of directors' remuneration have not been made.

We have nothing to report in respect of these matters.



Christopher Robertson FCA (Senior statutory auditor)
for and on behalf of
Deloitte LLP
Statutory Auditor
Manchester, UK.
24 May 2019

Scapa (No. 2) Limited

Profit and loss account For the Year Ended 31 March 2019

		2019 \$	2018 \$
Administrative expenses		70,433	(3,532)
Impairment of loans	8	<u>(7,981,705)</u>	-
Operating loss	4	(7,911,272)	(3,532)
Finance income (net)	6	<u>6,407,643</u>	<u>5,753,080</u>
Profit before taxation		(1,503,629)	5,749,548
Tax on profit	7	<u>(1,229,922)</u>	<u>(1,150,533)</u>
Profit for the year		<u>(2,733,551)</u>	<u>4,599,015</u>

There were no other items of comprehensive income for 2019 or 2018 other than those included in the profit and loss account. Accordingly, no separate Statement of Comprehensive Income has been presented.

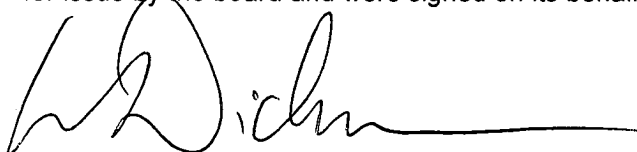
The notes on pages 12 to 18 form part of these financial statements.

Scapa (No. 2) Limited

Balance sheet As at 31 March 2019

	Note	2019 \$	2018 \$
Current assets			
Debtors: amounts falling due after more than one year	8	250,621,202	260,267,762
Debtors: amounts falling due within one year	8	-	-
Cash at bank and in hand	9	1,178	1,178
		<u>250,622,380</u>	<u>260,268,940</u>
Creditors: amounts falling due within one year	10	(1,221,506)	(1,149,913)
Net current assets		<u>249,400,874</u>	<u>259,119,027</u>
Total assets less current liabilities		<u>249,400,874</u>	<u>259,119,027</u>
Creditors: amounts falling due after more than one year	11	(101,655,575)	(108,640,177)
Net assets		<u>147,745,299</u>	<u>150,478,850</u>
Capital and reserves			
Called up share capital	14	68,500,001	68,500,001
Share premium account	15	39,428,700	39,428,700
Profit and loss account	15	39,816,598	42,550,149
Total shareholders' funds		<u>147,745,299</u>	<u>150,478,850</u>

The financial statements of Scapa (No. 2) Limited, registered number 4003589, were approved and authorised for issue by the board and were signed on its behalf on 24 May 2019.



W Dickinson
Director

The notes on pages 12 to 18 form part of these financial statements.

Scapa (No. 2) Limited

Statement of changes in equity For the Year Ended 31 March 2019

	Share capital	Share premium	Profit and loss account	Total equity
	\$	\$	\$	\$
At 1 April 2017	68,500,001	39,428,700	37,951,134	145,879,835
Profit and comprehensive income for the year	-	-	4,599,015	4,599,015
At 31 March 2018 and 1 April 2018	68,500,001	39,428,700	42,550,149	150,478,850
Loss and comprehensive expense for the year	-	-	(2,733,551)	(2,733,551)
At 31 March 2019	68,500,001	39,428,700	39,816,598	147,745,299

The notes on pages 12 to 18 form part of these financial statements.

Scapa (No. 2) Limited

Notes to the financial statements For the Year Ended 31 March 2019

1 General information

Scapa (No. 2) Limited ('the Company') is a private company limited by shares incorporated in England under the Companies Act. The address of the registered office is given within the Company information section of this report. The nature of the Company's operations and its principal activities are set out in the strategic report on page 1.

2 Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland and the Companies Act 2006.

The functional currency of the Company is considered to be USD because that is the currency of the primary economic environment in which the Company operates.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Financial reporting standard 102 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.39 to 11.48A;
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.29;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Scapa Group plc as at 31 March 2019 and these financial statements may be obtained from the Company Secretary, Scapa Group plc, Manchester Road, Ashton Under Lyne, Great Manchester, OL7 0ED.

2.3 Going concern

The directors have, at the time of approving the financial statements, a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the financial statements. Further detail is contained in the Directors' Report on pages 2 and 3.

Notes to the financial statements For the Year Ended 31 March 2019

2 Accounting policies (continued)

2.4 Debtors

Debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.5 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.6 Creditors

Creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.7 Foreign currency translation

Functional and presentation currency

The company's functional and presentational currency is USD.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Profit and loss account except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Profit and loss account within 'finance income or costs'. All other foreign exchange gains and losses are presented in the Profit and loss account within 'other operating income'.

Scapa (No. 2) Limited

Notes to the financial statements For the Year Ended 31 March 2019

2 Accounting policies (continued)

2.8 Interest income

Interest income is recognised in the profit and loss account using the effective interest method.

2.9 Borrowing costs

All borrowing costs are recognised in the profit and loss account in the year in which they are incurred.

2.10 Taxation

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

3 Judgements in applying accounting policies and key sources of estimation uncertainty

Critical accounting judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies, which are described in note 2, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. The directors have considered this and do not deem there are any key sources of estimation uncertainty applicable to the company.

Critical judgements in applying the Company's accounting policies

The directors have considered whether critical judgements have been made in the process of applying the Company's accounting policies and have the most significant effect on the amounts recognised in financial statements. The directors do not consider there to be any critical judgements applied.

4 Operating loss

The operating loss is stated after crediting/(charging):

	2019	2018
	\$	\$
Exchange rate movements on group relief	73,925	62
Impairment of loans	(7,981,705)	-

Scapa (No. 2) Limited

Notes to the financial statements For the Year Ended 31 March 2019

5 Employees and audit fee

The Company has no employees other than the directors, who did not receive any remuneration (2018 - \$NIL).

The audit fees for the audit of the financial statements were borne by a fellow group company in the current and prior year and not recharged as a reasonable allocation cannot be made. There are no non-audit fees in the current or prior year.

6 Finance income (net)

	2019	2018
	\$	\$
Interest receivable from parent company	2,748,892	1,818,393
Interest receivable from fellow subsidiary undertakings	3,658,751	4,223,122
Interest payable	-	(288,435)
	<u>6,407,643</u>	<u>5,753,080</u>

7 Taxation

	2019	2018
	\$	\$
Corporation Tax		
Current tax charge on profits for the year	1,221,506	1,149,912
Adjustments to tax charge in respect of prior periods	8,416	621
Total current tax charge	<u>1,229,922</u>	<u>1,150,533</u>

Factors affecting tax charge/(credit) for the year

The tax assessed for the year is higher than (2018 – higher) the standard rate of corporation tax in the UK of 19% (2018 – 19%) as set out below:

	2019	2018
	\$	\$
(Loss)/Profit before tax	<u>(1,503,629)</u>	<u>5,749,548</u>
Profit multiplied by standard rate of corporation tax in the UK of 19% (2018 – 19%)	(285,690)	1,092,414
Effects of:		
Adjustments to tax charge in respect of prior periods	8,418	621
Non-taxable income	1,507,194	57,498
Total tax charge for the year	<u>1,229,922</u>	<u>1,150,533</u>

Scapa (No. 2) Limited

Notes to the financial statements For the Year Ended 31 March 2019

7 Taxation (continued)

Finance Act 2017 introduces a reduction in the main rate of corporation tax to 17% from 1 April 2020. There is no expiry date on timing differences, unused tax losses or tax credits.

8 Debtors

	2019 \$	2018 \$
Due after more than one year		
Amounts owed by parent undertakings	124,918,745	123,169,876
Amounts owed by fellow subsidiary undertakings	125,702,457	137,097,886
	250,621,202	260,267,762

Amounts owed by the parent undertakings are loans with terms of more than one year. The loans are unsecured and carry interest at a variable rate between 3.81% and 4.30%. Amounts owed by fellow subsidiary undertakings are loans with term of more than one year and carry interest at a variable rate between 3.50% and 5.55%. During the year there was an impairment of the Scapa NA Inc. Loan of \$7,981,705 (2018: \$Nil).

9 Cash and cash equivalents

	2019 \$	2018 \$
Cash at bank and in hand	1,178	1,178

10 Creditors: Amounts falling due within one year

	2019 \$	2018 \$
Corporation tax	1,221,506	1,149,913
	1,221,506	1,149,913

11 Creditors: Amount falling due after more than one year

	2019 \$	2018 \$
Listed loan notes	101,655,575	108,640,177
	101,655,575	108,640,177

The loan notes are listed on the CISEA.

Scapa (No. 2) Limited

Notes to the financial statements For the Year Ended 31 March 2019

12 Loans

In October 2017, the Group entered into a revolving credit facility (RCF) with a banking syndicate. The principal features of the facility are:

- the initial committed value of the facility is £70m
- there is access to an accordion of £30m
- it is unsecured
- it is repayable in October 2022
- the interest payable on drawings under the loan is based on inter-bank interest plus a sliding scale margin determined by the Group's leverage; the margin is currently 1.1%
- the facility has two covenants – the ratio of EBITDA to interest paid must be above 4:1, and the ratio of EBITDA to net debt must be less than 3:0.

Analysis of the maturity of loans is given below:

	2019 \$	2018 \$
Amounts falling due after more than 5 years		
Listed loan notes	<u>101,655,575</u>	<u>108,640,177</u>

13 Financial instruments

	2019 \$	2018 \$
Financial assets		
Financial assets that are debt instruments measured at amortised cost	250,621,202	260,267,762
	<u>250,621,202</u>	<u>260,267,762</u>
Financial liabilities		
Financial liabilities measured at amortised cost	(101,655,575)	(108,640,177)
	<u>(101,655,575)</u>	<u>(108,640,177)</u>

14 Share capital

	2019 \$	2018 \$
Allotted, called up and fully paid		
68,500,001 Ordinary shares of \$1 each	<u>68,500,001</u>	<u>68,500,001</u>

The Company has one class of ordinary shares which carry no right to fixed income.

Scapa (No. 2) Limited

Notes to the financial statements For the Year Ended 31 March 2019

15 Reserves

Share premium

The share premium reserve contains the premium arising on issues of equity share.

Profit & loss account

The profit and loss reserve represents cumulative profits and losses.

16 Related party transactions

In the ordinary course of business, the Company has traded with its ultimate parent company, a company registered in the United Kingdom, together with its subsidiaries. Advantage has been taken of the exemption permitted by FRS 102 section 33 not to disclose transactions with wholly-owned entities that are part of the Scapa Group plc group. Balances with these entities are included in notes 8 and 12 of these financial statements. There are no other related party transactions.

17 Controlling party

The company's immediate parent Company is Porritts & Spencer Limited, a company incorporated in England. The ultimate parent undertaking and controlling party is Scapa Group plc, which is the parent undertaking of the smallest and largest group to consolidate these financial statements. Copies of the consolidated financial statements of Scapa Group plc may be obtained from its registered office, from the Company Secretary, Scapa Group plc, Manchester Road, Ashton Under Lyne, Greater Manchester, United Kingdom, OL7 0ED.