

SGL (HOLDINGS) LIMITED

(Registered No 05172520)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2011

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## **SGL (HOLDINGS) LIMITED**

### **DIRECTORS' REPORT**

The directors present their annual report on the affairs of the Company together with the audited financial statements and independent auditors' report for the year ended 31<sup>st</sup> March 2011

### **PRINCIPAL ACTIVITIES, BUSINESS REVIEW AND FUTURE DEVELOPMENTS**

The principal activity of the Company is that of investment in subsidiary undertakings

The directors consider the results of the Company to be satisfactory and expect the Company to maintain its present level of activity in the future

### **KEY PERFORMANCE INDICATORS ("KPIs")**

The directors are of the opinion that analysis using KPIs is not necessary for an understanding of the development, performance or position of the Company

### **RESULTS AND DIVIDENDS**

The Company made a loss of £7,022,000 (2010 £8,457,000) after charging £NIL (2010 £3,005,000) of exceptional costs. In the prior year exceptional costs related to foreign exchange losses on the settlement of Euro denominated loans and writing off the unamortised portion of old financing costs. The directors cannot recommend a dividend for the year (2010 £Nil)

### **PRINCIPAL RISKS AND UNCERTAINTIES**

The Company considers its principal risks to be the financial performance of its subsidiary companies and their ability to pay dividends. This risk is managed through regular contact and monthly review with the subsidiary companies' executive teams. The subsidiary companies consider their principle risk to be the loss of sales to a competitor and foreign currency exchange rates due to more than 84% of the subsidiaries' sales being outside the UK. The directors are satisfied that the subsidiary companies manage these risks appropriately.

### **FINANCIAL RISK MANAGEMENT**

The Company's operations expose it to a variety of financial risks that include foreign exchange risk and interest rate risk.

### **FOREIGN EXCHANGE RISK**

The Company is exposed to some foreign exchange risk on its Euro and US Dollar borrowings. While the Company has not used financial instruments to date to hedge foreign exchange exposure, this position is kept constantly under review.

## SGL (HOLDINGS) LIMITED

### DIRECTORS' REPORT (continued)

#### INTEREST RATE RISK

The Company has both interest bearing assets and interest bearing liabilities. Interest bearing assets include amounts owed by group undertakings, which earn interest at fixed rate. Interest bearing liabilities relate to bank loans, which bear interest at variable rates and expose the Company to interest rate cash flow risk. While the Company has not used financial instruments to date to hedge this exposure, this position is kept constantly under review.

#### DIRECTORS

The directors holding office during the year and up to the date of signing the financial statements were –

D J Wilman  
D J Baxter  
B M Stringer

#### DIRECTORS' INDEMNITIES

The Company has made qualifying third party indemnity provisions for the benefit of its directors which were made during the year and remain in force at the date of this report.

#### GOING CONCERN

The Company has a net current liability position as at 31<sup>st</sup> March 2011. This is due to the amounts payable to its parent company. After making enquiries, the directors have a reasonable expectation that the Company has adequate resources to meet its obligations as they fall due and taking into account the availability of continuing support from its parent company, Survitec Group (Cayman Islands) Limited, the directors expect the Company to continue in operational existence for at least 12 months from the date of signing the financial statements. For this reason they continue to adopt the going concern basis in preparing the accounts.

#### CHARITABLE AND POLITICAL DONATIONS

There were no political or charitable donations made during the year (2010 £Nil).

**SGL (HOLDINGS) LIMITED**

**DIRECTORS' REPORT (continued)**

**INDEPENDENT AUDITORS**

Each person who is a director at the date of approval of this report confirms that

- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- the director has taken all the steps that he/she needs to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the company's auditors are aware of that information

This confirmation is given and should be interpreted in accordance with the provisions of Section 418 of the Companies Act 2006

During the year Deloitte LLP resigned as auditors to the Company and the directors have appointed PricewaterhouseCoopers LLP

The Company has elected to dispense with the holding of annual general meetings, the laying of accounts before the Company in general meetings and the annual appointment of auditors PricewaterhouseCoopers LLP have expressed their willingness to continue in office

Approved by the Board and signed on its behalf by



**D J Wilman**  
**Director**

22<sup>nd</sup> July 2011

## **SGL (HOLDINGS) LIMITED**

### **STATEMENT OF DIRECTORS' RESPONSIBILITIES**

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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 judgments 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 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.

## **SGL (HOLDINGS) LIMITED**

### **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF** **SGL (HOLDINGS) LIMITED**

We have audited the financial statements of SGL (Holdings) Limited for the year ended 31<sup>st</sup> March 2011 which comprise the profit and loss account, the balance sheet, the statement of total recognised gains and losses and the reconciliation of movement in shareholders' funds and the related notes. 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).

#### **Respective responsibilities of directors and auditors**

As explained more fully in the Statement of Directors' Responsibilities on page 5 the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. 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.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

#### **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 Directors' Report to identify material inconsistencies with the audited financial statements. 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 March 2011 and of its loss for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006

**SGL (HOLDINGS) LIMITED**

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF**  
**SGL (HOLDINGS) LIMITED (continued)**

**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

**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



Christopher Burns (Senior Statutory Auditor)  
for and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
London

22<sup>nd</sup> July 2011

**SGL (HOLDINGS) LIMITED**

**PROFIT AND LOSS ACCOUNT**

**FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2011**

|   | <b><u>Note</u></b> | <b><u>2011<br/>Total<br/>£'000</u></b> | <b><u>Before<br/>Exceptional<br/>Items<br/>£'000</u></b> | <b><u>Exceptional<br/>Items<br/>£'000<br/>(Note 2)</u></b> | <b><u>2010<br/>Total<br/>£'000</u></b> |
|---|--------------------|--|--|--|--|
| Other external charges                      |                    | (295)                                  | (542)  | (1,049)  | (1,591)                                |
| OPERATING LOSS                              | 2                  | (295)                                  | (542)  | (1,049)  | (1,591)                                |
| Net interest payable                        | 4                  | (6,727)                                | (4,910)  | (1,956)  | (6,866)                                |
| LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION | 2                  | (7,022)                                | (5,452)  | (3,005)  | (8,457)                                |
| Taxation on loss on ordinary activities     | 5                  | 0                                      | 0  | 0  | 0                                      |
| LOSS FOR THE FINANCIAL YEAR                 |                    | <u>(7,022)</u>                         | <u>(5,452)</u>   | <u>(3,005)</u>   | <u>(8,457)</u>                         |

There is no material difference between the loss on ordinary activities before taxation and the loss for the financial year stated above and their historical cost equivalents

The notes on pages 11 to 19 form part of these accounts

All the results derive from continuing operations



# **SGL (HOLDINGS) LIMITED**

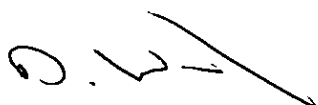
## **BALANCE SHEET AT 31<sup>st</sup> MARCH 2011**

|  | Note | <u>2011</u><br>£'000 | £'000           | <u>2010</u><br>£'000 | £'000           |
|--|------|----------------------|-----------------|----------------------|-----------------|
| FIXED ASSETS   |      |                      |                 |                      |                 |
| Investments  | 6    |                      | 145,725         |                      | 145,725         |
| CURRENT ASSETS   |      |                      |                 |                      |                 |
| Debtors amounts falling due within one year            | 7    | 15,260               |                 | 15,360               |                 |
| Cash at bank and in hand                               |      | <u>6</u>             |                 | <u>7</u>             |                 |
|  |      | 15,266               |                 | 15,367               |                 |
| CREDITORS AMOUNTS FALLING DUE WITHIN ONE YEAR          | 8    | <u>(43,112)</u>      |                 | <u>(33,594)</u>      |                 |
| NET CURRENT LIABILITIES                                |      |                      | <u>(27,846)</u> |                      | <u>(18,227)</u> |
| TOTAL ASSETS LESS CURRENT LIABILITIES                  |      |                      | 117,879         |                      | 127,498         |
| CREDITORS AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR | 9    |                      | <u>(61,928)</u> |                      | <u>(64,525)</u> |
| NET ASSETS   |      |                      | <u>55,951</u>   |                      | <u>62,973</u>   |
| CAPITAL AND RESERVES                                   |      |                      |                 |                      |                 |
| Called up share capital                                | 10   |                      | 53,267          |                      | 53,267          |
| Share premium  | 11   |                      | 45,985          |                      | 45,985          |
| Profit and loss account                                | 11   |                      | <u>(43,301)</u> |                      | <u>(36,279)</u> |
| TOTAL SHAREHOLDERS' FUNDS                              |      |                      | <u>55,951</u>   |                      | <u>62,973</u>   |

The notes on pages 11 to 19 form part of these accounts

The financial statements of SGL (Holdings) Limited, registered number 05172520, were approved by the Board of Directors and authorised for issue on 22<sup>nd</sup> July 2011

They were signed on its behalf by



**D J Wilman**  
Director

**SGL (HOLDINGS) LIMITED**

**STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES**

**FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2011**

|   | <u>2011</u><br><u>£'000</u> | <u>2010</u><br><u>£'000</u> |
|---|-----------------------------|-----------------------------|
| Loss for the financial year   | (7,022)                     | (8,457)                     |
| Exchange gains arising on bank loans and long term intercompany receivables | 0                           | 1,565                       |
| Total recognised gains and losses for the financial year                    | <u>(7,022)</u>              | <u>(6,892)</u>              |

**RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS**

**FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2011**

|   | <u>Notes</u> | <u>2011</u><br><u>£'000</u> | <u>2010</u><br><u>£'000</u> |
|---|--------------|-----------------------------|-----------------------------|
| Loss for the financial year   |              | (7,022)                     | (8,457)                     |
| Exchange gains arising on bank loans and long term intercompany receivables | 11           | 0                           | 1,565                       |
| Net movement in shareholders' funds   |              | <u>(7,022)</u>              | <u>(6,892)</u>              |
| Opening shareholders' funds   |              | 62,973                      | 69,865                      |
| Closing shareholders' funds   |              | <u>55,951</u>               | <u>62,973</u>               |

## **SGL (HOLDINGS) LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS**

#### **1. STATEMENT OF ACCOUNTING POLICIES**

The principal accounting policies are summarised below. They have all been applied consistently throughout the year and the comparative year.

##### **BASIS OF ACCOUNTING**

The financial statements have been prepared under the historical cost convention and in accordance with the Companies Act 2006 and applicable United Kingdom accounting standards.

##### **BASIS OF CONSOLIDATION**

The financial statements contain information about SGL (Holdings) Limited as an individual company and do not contain consolidated financial information as the parent of a group.

Consolidated accounts have not been prepared as allowed by Section 400 of the Companies Act 2006. The largest and smallest group in which the results of the Company are consolidated is that headed by Survitec Group (Finance 1) Limited.

##### **GOING CONCERN**

The Company has a net current liability position as at 31<sup>st</sup> March 2011. This is due to the amounts payable to its parent company. After making enquiries, the directors have a reasonable expectation that the Company has adequate resources to meet its obligations as they fall due and taking into account the availability of continuing support from its parent company, Survitec Group (Cayman Islands) Limited, the directors expect the Company to continue in operational existence for at least 12 months from the date of signing the financial statements. For this reason they continue to adopt the going concern basis in preparing the accounts.

##### **FOREIGN CURRENCY AND HEDGING**

Transactions in foreign currencies are recorded at the rate of exchange at the date of the transaction or if hedged, at the forward contract rate. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are reported at the rates of exchange prevailing as at that date or if appropriate, at the forward contract rate.

##### **RELATED PARTY TRANSACTIONS**

As the Company is a wholly owned subsidiary of Survitec Group (Finance 1) Limited, the Company has taken advantage of the exemption contained in Financial Reporting Standard 8 and has therefore not disclosed transactions or balances with entities which form part of the group. The consolidated financial statements of Survitec Group (Finance 1) Limited, within which this company is included, can be obtained from the address given in note 15.

## **SGL (HOLDINGS) LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS (continued)**

#### **1. STATEMENT OF ACCOUNTING POLICIES (continued)**

##### **TAXATION**

Current 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

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the Company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements

A net deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis

##### **INVESTMENTS**

Fixed asset investments are shown at cost less provision for impairment

##### **FINANCE COSTS**

Costs of entering into new finance agreements are capitalised in the balance sheet and amortised through the profit and loss account over the term of the agreement at the applicable rate on the carrying amount

## **SGL (HOLDINGS) LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS (continued)**

#### **2. LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION**

|  | <u>2011</u><br><u>£'000</u> | <u>2010</u><br><u>£'000</u> |
|--|-----------------------------|-----------------------------|
| Loss on ordinary activities before taxation is after the following |                             |                             |
| Exceptional costs  | 0                           | 3,005                       |
| Auditors' remuneration – audit of the company's annual accounts    | 12                          | 12                          |

The exceptional costs in the prior year relate to the change in ultimate controlling party during the year. They relate to foreign exchange losses on settlement of Euro denominated loans (£967,000), writing off the unamortised portion of old financing costs (£1,956,000) and other professional fees (£82,000).

#### **3. INFORMATION ON DIRECTORS AND EMPLOYEES**

Other than the directors there were no employees (2010 nil). The directors received no emoluments during the year from this Company (2010 £nil).

#### **4. NET INTEREST PAYABLE**

|   | <u>2011</u><br><u>£'000</u> | <u>2010</u><br><u>£'000</u> |
|---|-----------------------------|-----------------------------|
| On bank loans and overdrafts  | 5,917                       | 4,383                       |
| Amortisation of finance costs   | 2,150                       | 601                         |
| Unamortised finance costs written off on old debt – exceptional cost        | 0                           | 1,956                       |
|   | <u>8,067</u>                | <u>6,940</u>                |
| Interest receivable from Group companies                                    | (730)                       | (74)                        |
| Exchange gains arising on bank loans and long term intercompany receivables | (610)                       | 0                           |
|   | <u>(1,340)</u>              | <u>(74)</u>                 |
|   | <u>6,727</u>                | <u>6,866</u>                |

## SGL (HOLDINGS) LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (continued)

#### **5. TAXATION ON LOSS ON ORDINARY ACTIVITIES**

There is no current or deferred taxation in either the current or prior year

The tax charge for the year is higher than the standard rate of corporation tax in the UK of 28% (2010 28%) The differences are explained below

|  | <u>2011</u>    | <u>2010</u>    |
|--|----------------|----------------|
|  | <u>£'000</u>   | <u>£'000</u>   |
| Loss on ordinary activities before tax   | <u>(7,022)</u> | <u>(8,457)</u> |
| Current tax at 28% (2010 28%)            | (1,966)        | (2,368)        |
| Effects of                               |                |                |
| Expenses not deductible for tax purposes | 2              | 5              |
| Losses carried forward                   | 0              | 157            |
| Group relief surrendered                 | 1,964          | 2,189          |
| Other timing differences                 | <u>0</u>       | <u>17</u>      |
| Current tax charge for the year          | <u>0</u>       | <u>0</u>       |

#### Future tax changes

A number of changes to the UK Corporation tax system were announced in the March 2011 UK Budget Statement. A resolution passed by Parliament on 29<sup>th</sup> March 2011 has reduced the main rate of corporation tax from 28% to 26% from 1<sup>st</sup> April 2011. Further reductions to the main rate are proposed to reduce the rate by 1% per annum to 23% by 1<sup>st</sup> April 2014. The reduction in the main rate of corporation tax from 28% to 26% was substantively enacted at the balance sheet date and therefore is included in these financial statements. The reduction in the main rate of corporation tax from 26% to 23% has not been substantively enacted at the balance sheet date and therefore is not included in these financial statements.

#### Deferred tax assets not provided comprises

|                               | <u>2011</u>    | <u>2010</u>    |
|-------------------------------|----------------|----------------|
|                               | <u>£'000</u>   | <u>£'000</u>   |
| Short term timing differences | (46)           | (48)           |
| Losses carried forward        | <u>(7,173)</u> | <u>(5,332)</u> |
|                               | <u>(7,219)</u> | <u>(5,380)</u> |

The deferred tax assets have not been recognised due to the uncertainty over their recovery. The deferred tax assets will be recognised when it is considered more likely than not that there will be sufficient taxable profits from which the timing differences can be deducted.

# **SGL (HOLDINGS) LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS (continued)**

### **6. INVESTMENTS**

Shares in Group  
Undertaking  
£'000

Balance at 31<sup>st</sup> March 2010 and 31<sup>st</sup> March 2011 145,725

The investment represents 100% of the issued share capital of Survitec Group Limited

Details of the principal subsidiary undertakings are shown in Note 13 on page 17

### **7. DEBTORS**

2011      2010  
£'000      £'000

Amounts falling due within one year

Amounts owed by parent and subsidiary undertakings 15,260      15,360

The balances with parent and subsidiary undertakings are unsecured and have no fixed repayment date £13,035,000 of these balances bear interest at a rate of 5.25% per annum

### **8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

2011      2010  
£'000      £'000

Bank loans net of financing costs £2,164,000  
(2010 £2,144,000) (Note 12)

Amounts owed to parent and subsidiary undertakings 1,848      819

Other creditors 40,042      32,074

Accruals 898      95

43,112      33,594

The balances with parent and subsidiary undertakings are unsecured, non interest bearing and have no fixed repayment date

# **SGL (HOLDINGS) LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS (continued)**

### **9. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

|  | <u>2011</u><br><u>£'000</u> | <u>2010</u><br><u>£'000</u> |
|--|-----------------------------|-----------------------------|
| Bank loans net of financing costs £8,082,000<br>(2010 £10,215,000) (Note 12) | <u>61,928</u>               | <u>64,525</u>               |

### **10. CALLED UP SHARE CAPITAL**

#### **ALLOTTED AND FULLY PAID**

| <u>Ordinary Shares of £1 each</u>  | <u>PAID UP</u><br><u>AMOUNT</u><br><u>£'000</u> |
|--|---|
| <u>No</u><br><u>53,267,148</u> As at 31 <sup>st</sup> March 2010 and 31 <sup>st</sup> March 2011 | <u>53,267</u>                                   |

### **11. RESERVES**

|                                | <u>SHARE</u><br><u>PREMIUM</u> | <u>PROFIT</u><br><u>AND LOSS</u><br><u>ACCOUNT</u><br><u>£'000</u> |
|--------------------------------|--------------------------------|--|
| At 1 <sup>st</sup> April 2010  | 45,985                         | (36,279)   |
| Loss for the year              | 0                              | (7,022)  |
| At 31 <sup>st</sup> March 2011 | 45,985                         | (43,301)   |



## **SGL (HOLDINGS) LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS (continued)**

#### **12. LOANS**

Amounts repayable under the terms of loans at 31<sup>st</sup> March were

|                                      | <b><u>2011</u></b>  | <b><u>2010</u></b>  |
|--------------------------------------|---------------------|---------------------|
|                                      | <b><u>£'000</u></b> | <b><u>£'000</u></b> |
| <b>Bank loans</b>                    |                     |                     |
| Secured                              |                     |                     |
| Sterling loan at 4.75% above LIBOR   | 25,696              | 28,659              |
| Sterling loan at 5.25% above LIBOR   | 8,925               | 8,925               |
| Euro loan at 5.25% above EURIBOR     | 30,979              | 31,219              |
| US Dollar loan at 5.25% above LIBOR  | 8,422               | 8,900               |
|                                      | <u>74,022</u>       | <u>77,703</u>       |
| Less issue costs                     | (10,246)            | (12,359)            |
|                                      | <u>63,776</u>       | <u>65,344</u>       |
|                                      |                     |                     |
|                                      | <b><u>2011</u></b>  | <b><u>2010</u></b>  |
|                                      | <b><u>£'000</u></b> | <b><u>£'000</u></b> |
| Repayment of loans is as follows     |                     |                     |
| Repayable within one year            | 4,012               | 2,963               |
| Repayable between one and two years  | 4,872               | 4,012               |
| Repayable between two and five years | 16,812              | 16,049              |
| Repayable after more than five years | 48,326              | 54,679              |
|                                      | <u>74,022</u>       | <u>77,703</u>       |
| Less issue costs                     | (10,246)            | (12,359)            |
|                                      | <u>63,776</u>       | <u>65,344</u>       |
|                                      |                     |                     |
| Amounts due in less than one year    | <u>1,848</u>        | <u>819</u>          |
|                                      |                     |                     |
| Amounts due after more than one year | <u>61,928</u>       | <u>64,525</u>       |

Included in amounts repayable after more than 5 years is £nil (2010 £5,635,000) payable by instalments

The Sterling loan at 4.75% above LIBOR is repayable in six monthly instalments in September and March with a final repayment on 23<sup>rd</sup> February 2016

The Sterling loan at 5.25% above LIBOR is repayable on 23<sup>rd</sup> February 2017

The Euro loan at 5.25% above EURIBOR is repayable on 23<sup>rd</sup> February 2017

The US Dollar loan at 5.25% above LIBOR is repayable on 23<sup>rd</sup> February 2017

The loans are secured by way of various fixed and floating charges over the assets of the Survitec Group (Cayman Islands) Limited

## **SGL (HOLDINGS) LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS (continued)**

#### **13. SUBSIDIARY UNDERTAKINGS**

The principal subsidiary undertakings of the Company at 31<sup>st</sup> March 2011 are set out below Unless otherwise stated, the 100% interest in each undertaking is represented by equity capital and each undertaking operates from its country of incorporation, which if other than Great Britain is stated below

|   | <b><u>Country of<br/>Incorporation</u></b> | <b><u>Principal Activity</u></b>  |
|---|--|---|
| Survitec Group Limited  |  | Inflatable life saving equipment, specialised submarine escape equipment and pilot flight equipment |
| #* RFD Beaufort Limited   |  | Inflatable life saving equipment, specialised submarine escape equipment and pilot flight equipment |
| #* RFD Limited  |  | Inflatable life saving equipment  |
| #* Beaufort Air-Sea Equipment Limited   |  | Specialised submarine escape equipment and pilot flight equipment                                   |
| #* Lifeguard Equipment Limited  |  | Inflatable life saving equipment and specialised clothing   |
| * Survival-One Limited  |  | Rental and sales of survival suits to the offshore oil and gas industry                             |
| * Seaweather Aviation Services Limited  |  | Sales and service of aviation safety equipment  |
| * Seaweather Holdings Limited   |  | Holding Company   |
| * Seaweather Marine Services Limited  |  | Sales and service of marine safety equipment  |
| * Survitec Survival Products, Inc   | USA  | Sales and service of marine safety equipment  |
| * RFD Beaufort Inc  | USA  | Inflatable life saving equipment  |
| * DSB Deutsche Schlauchboot GmbH  | Germany                                    | Inflatable liferafts, boats and special products  |
| * Eurovinil S p A   | Italy                                      | Inflatable liferafts and large inflatable buildings   |
| * RFD (Australia) Pty Limited   | Australia                                  | Sales and service of marine safety equipment  |
| * RFD New Zealand Limited   | New Zealand                                | Sales and service of marine safety equipment  |
| * RFD Japan Limited (80%)   | Japan                                      | Sales and service of marine safety equipment  |
| * W H Brennan & Co (Private) Limited  | Singapore                                  | Sales and service of marine safety equipment  |
| * W H Brennan (Hong Kong) Limited   | Hong Kong                                  | Sales and service of marine safety equipment  |
| * W H Brennan (Shanghai) Co Limited   | China                                      | Sales and service of marine safety equipment  |
| * SurvitecKorea Co Limited  | Korea                                      | Sales and service of marine safety equipment  |
| * RFD France S A S  | France                                     | Sales and service of marine safety equipment  |
| * The share capital of these companies was held by subsidiary undertakings of the Company   |  |   |
| # The business assets and liabilities of RFD Beaufort Limited, RFD Limited, Beaufort Air-Sea Equipment Limited and Lifeguard Equipment Limited are owned by Survitec Group Limited and these companies trade as agents for that company |  |   |

The Company has taken advantage of the exemption under Section 410 of the Companies Act 2006 and presents above only those undertakings whose results or financial position significantly affected the figures in these accounts

## **SGL (HOLDINGS) LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS (continued)**

#### **14 CONTINGENT LIABILITIES**

The Company has cross-guaranteed the repayment of bank loans and overdrafts of certain entities in the Survitec Group (Cayman Islands) Limited group amounting to £132,762,422 (2010 £132,061,395)

#### **15. ULTIMATE PARENT COMPANY**

Survitec Group (Cayman Islands) Limited is the Company's ultimate parent undertaking, which is registered and incorporated in the Cayman Islands. The largest and smallest group in which the results of the Company are consolidated is that headed by Survitec Group (Finance 1) Limited.

Copies of the accounts of Survitec Group (Finance 1) Limited are available from the Company Secretary c/o Survitec Group Limited, Kingsway, Dunmurry, Belfast, BT17 9AF.

#### **16. ULTIMATE CONTROLLING PARTY**

The Group is a portfolio company of funds (the "Warburg Pincus Funds") advised and managed by Warburg Pincus LLC, a private equity firm organised in the United States of America. The Warburg Pincus Funds hold 90.7% of the Company's ordinary shares and jointly have a controlling interest in the Group.

#### **17. CASHFLOW STATEMENT**

Under Financial Reporting Standard 1 (Revised), the Company is exempt from the requirement to prepare a cashflow statement on the grounds that it is a wholly owned subsidiary undertaking, and included in the consolidated cashflow.