

SGL (HOLDINGS) LIMITED

(Registered No. 05172520)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2016

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SGL (HOLDINGS) LIMITED

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SGL (HOLDINGS) LIMITED

OFFICERS AND PROFESSIONAL ADVISERS

Directors

B M Stringer
C R Bates
J C Stocker

Offices

Kingsway
Dunmurry
Belfast
BT17 9AF

Independent Auditors

PricewaterhouseCoopers LLP
London
United Kingdom
WC2N 6RH

Bankers

Lloyds Banking Group plc

Registered Office

1-5 Beaufort Road
Birkenhead
Merseyside
United Kingdom
CH41 1HQ

Registered Number

05172520

SGL (HOLDINGS) LIMITED

STRATEGIC REPORT

The directors present their strategic report on the Company for the year ended 31 December 2016.

The prior period represents the 9 months to 31 December 2015.

REVIEW OF THE BUSINESS

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

RESULTS

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. The Company made a loss of £8,264,807 (9 months ended 31 December 2015: £4,709,125).

KEY PERFORMANCE INDICATORS ("KPIs")

Given the nature of the company's activities, being that of a holding company, the directors do not use key performance indicators to monitor the performance and position of the Company.

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 principal risk to be the loss of sales to a competitor and foreign currency exchange rates due to more than 78% of the subsidiaries' sales being outside the UK. The directors are satisfied that the subsidiary companies manage these risks appropriately.

Approved by the Board and signed on its behalf by:



C R Bates
Director

20 March 2017

SGL (HOLDINGS) LIMITED

DIRECTORS' REPORT

The directors present their report and the audited financial statements of the Company for the year ended 31 December 2016.

The comparative period is for the 9 months ended 31 December 2015.

FUTURE DEVELOPMENTS

The future developments of the Company are included in the strategic report and included in this report by cross reference.

DIVIDENDS

The directors do not recommend payment of a dividend for the year ended 31 December 2016 (9 months ended 31 December 2015: £Nil).

FINANCIAL RISK MANAGEMENT

The Company's operations expose it to interest rate risk. The Company has interest bearing liabilities. Interest bearing assets relate to amounts owed by Group undertakings which carry interest at 5.25% per annum and expose the Company to interest rate fair value risk. Interest bearing liabilities relate to amounts owed to Group undertakings carry interest at 10% per annum.

GOING CONCERN

After making enquiries the directors have a reasonable expectation that the Company has adequate resources to meet its obligations as they fall due and to continue in operational existence for at least 12 months from the date of signing the financial statements.

The company has received assurances from Survitec Group Limited and its subsidiary undertakings that it will provide financial support to the company to enable the company to meet its debts as they fall due for a period of 12 months from the date these financial statements were signed.

Accordingly they continue to adopt the going concern basis in preparing the financial statements.

SGL (HOLDINGS) LIMITED

DIRECTORS' REPORT (continued)

DIRECTORS

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

B M Stringer
C R Bates
J C Stocker

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.

POLITICAL DONATIONS

During the year the Company made no political donations (Period ended 31 December 2015: £Nil).

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", 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 the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 101, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; 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.

The directors 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

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.

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:



C R Bates
Director

20 March 2017

SGL (HOLDINGS) LIMITED

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

Report on the financial statements

Our opinion

In our opinion, SGL (Holdings) Limited's financial statements (the "financial statements"):

- give a true and fair view of the state of the company's affairs as at 31 December 2016 and of its result for the year (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.

What we have audited

The financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), comprise:

- the Statement of financial position as at 31 December 2016;
- the Income statement for the year then ended;
- the Statement of changes in equity for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework has been applied in the preparation of the financial statements is United Kingdom Accounting Standards, comprising FRS101 "Reduced Disclosure Framework", and applicable law (United Kingdom Generally Accepted Accounting Practice).

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

Opinion on other matter 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 the applicable legal requirements.

In addition, in light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we are required to report if we have identified any material misstatements in the Strategic Report and the Directors' Report. We have nothing to report in this respect.

SGL (HOLDINGS) LIMITED

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

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

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 no exceptions to report arising from this responsibility.

Directors' remuneration

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors

As explained more fully in the Statement of Directors' Responsibilities set out on page 6, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) ("ISAs (UK & 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.

SGL (HOLDINGS) LIMITED

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

What an audit of financial statements involves

We conducted our audit in accordance with ISAs (UK & Ireland). 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.

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

With respect to the Strategic Report and Directors' report, we consider whether those reports include disclosures required by applicable legal requirements.



Rachel Savage (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
23 March 2017

SGL (HOLDINGS) LIMITED

INCOME STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2016

	<u>Note</u>	<u>Year ended 31 December 2016 £'000</u>	<u>9 month period ended 31 December 2015 £'000</u>
Finance income	5	626	463
Finance costs	6	(8,891)	(5,172)
LOSS BEFORE TAX ON ORDINARY ACTIVITIES		(8,265)	(4,709)
Tax on loss on ordinary activities	7	-	-
LOSS FOR THE FINANCIAL YEAR/PERIOD		(8,265)	(4,709)

All of the above results derive from continuing operations.

The Company has no other items of comprehensive income other than those included in the results above and therefore no separate statement of other comprehensive income has been presented.

The notes on pages 14 to 30 form part of these financial statements.

SGL (HOLDINGS) LIMITED

STATEMENT OF FINANCIAL POSITION

AT 31 DECEMBER 2016

		<u>31</u> <u>December</u> <u>2016</u> <u>£'000</u>	<u>31</u> <u>December</u> <u>2015</u> <u>£'000</u>
	<u>Note</u>		
FIXED ASSETS			
Investments	8	145,725	145,725
CURRENT ASSETS			
Receivables: amounts falling due within one year	9	19,700	16,724
Cash at bank and in hand	10	5,006	6
		24,706	16,730
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	11	(152,334)	(136,093)
NET CURRENT LIABILITIES		(127,628)	(119,363)
TOTAL ASSETS LESS CURRENT LIABILITIES		18,097	26,362
NET ASSETS		18,097	26,362
EQUITY			
Called up share capital	12	53,267	53,267
Share premium		45,985	45,985
Accumulated loss		(81,155)	(72,890)
TOTAL SHAREHOLDERS' FUNDS		18,097	26,362

The notes on pages 14 to 30 form part of these financial statements.

The financial statements of SGL (Holdings) Limited, registered number 05172520, were approved by the Board of Directors and authorised for issue on 20 March 2017.

They were signed on its behalf by:



C R Bates
Director

SGL (HOLDINGS) LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2016

	<u>Called up share capital £'000</u>	<u>Share premium £'000</u>	<u>Accumulated loss £'000</u>	<u>Total shareholders' funds £'000</u>
At 1 April 2015	53,267	45,985	(68,181)	31,071
Loss for the financial period and comprehensive loss	-	-	(4,709)	(4,709)
At 31 December 2015	53,267	45,985	(72,890)	26,362
Loss for the financial year and comprehensive loss	-	-	(8,265)	(8,265)
At 31 December 2016	53,267	45,985	(81,155)	18,097

SGL (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

1. GENERAL INFORMATION

The financial statements of SGL (Holdings) Limited for the year ended 31 December 2016 were authorised for issue in accordance with a resolution of the directors on 20 March 2017. SGL (Holdings) Limited (the company) is a limited company incorporated and domiciled in England and Wales. The registered office of the company is 1-5 Beaufort Road, Birkenhead, Merseyside, CH41 1HQ. The principal activity of the company is that of investment in subsidiary undertakings. Information on its ultimate parent company is presented in note 15.

2. STATEMENT OF ACCOUNTING POLICIES

BASIS OF PREPARATION

The financial statements have been prepared in accordance with Financial Reporting Standard 101, "Reduced Disclosure Framework" (FRS 101). The financial statements have been prepared under the historical cost convention and in accordance with Companies Act 2006.

The preparation of financial statements in conformity with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies.

The following exemptions from the requirements of IFRS have been applied in the preparation of these financial statements, in accordance with FRS 101:

- IFRS 7, 'Financial Instruments: Disclosures';
- Paragraphs 91 to 99 of IFRS 13, 'Fair value measurement' (disclosure of valuation techniques and inputs used for fair value measurement of assets and liabilities);
- Paragraph 38 of IAS 1 'Presentation of financial statements' comparative information requirements in respect of:
 - i) Paragraph 79(a)(iv) of IAS 1;
 - ii) Paragraph 73(e) of IAS 16 Property, plant and equipment;
 - iii) Paragraph 118(e) of IAS 38 Intangible assets (reconciliations between the carrying amount at the beginning and end of the period);
- The following paragraphs of IAS 1, 'Presentation of financial statements':
 - i) 10(d), (statement of cash flows);
 - ii) 10(f) (a statement of financial position as at the beginning of the preceding period when an entity applies an accounting policy retrospectively or makes a retrospective restatement of items in its financial statements, or when it reclassifies items in its financial statements);
 - iii) 16 (statement of compliance with all IFRS);
 - iv) 111 (cash flow statement information), and;
 - v) 134 – 136 (capital management disclosures).
- IAS 7, 'Statement of cash flows';

SGL (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

2. STATEMENT OF ACCOUNTING POLICIES (continued)

BASIS OF PREPARATION (continued)

- Paragraphs 30 and 31 of IAS 8 'Accounting policies, changes in accounting estimates and errors' (requirement for the disclosure of information when an entity has not applied a new IFRS that has been issued but is not yet effective);
- Paragraph 17 of IAS 24, 'Related party disclosures' (key management compensation); and
- The requirements in IAS 24, 'Related party disclosures' to disclose related party transactions entered into between two or more members of a group.

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 are disclosed in note 15.

GOING CONCERN

After making enquiries the directors have a reasonable expectation that the Company has adequate resources to meet its obligations as they fall due and to continue in operational existence for at least 12 months from the date of signing the financial statements.

The company has received assurances from Survitec Group Limited and its subsidiary undertakings that it will provide financial support to the company to enable the company to meet its debts as they fall due for a period of 12 months from the date these financial statements were signed.

Accordingly they continue to adopt the going concern basis in preparing the financial statements.

FOREIGN CURRENCY

Items included in the financial statements of the company are measured using the currency of the primary economic environment in which the company operates ('the functional currency'). The financial statements are presented in 'Pounds Sterling' (£), which is also the company's functional currency.

Transactions in foreign currencies are recorded at the rate of exchange at the date of the transaction. 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.

SGL (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

2. STATEMENT OF ACCOUNTING POLICIES (continued)

TAXATION

The tax expense for the period comprises current and deferred tax. Tax is recognised in the income statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is recognised in other comprehensive income or directly in equity, respectively.

The current income tax charge, including UK corporation tax and foreign tax is calculated on the basis of the tax laws enacted or substantively enacted by the statement of financial position date.

Deferred income tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill; deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transactions affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred income tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and associates, and interests in joint ventures, except where the Company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax is recognised in respect of the retained earnings of overseas subsidiaries only to the extent that at the balance sheet date dividends have been accrued as receivable or a binding agreement to distribute past earnings in the future has been entered into by the subsidiary.

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

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

SGL (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

2. STATEMENT OF ACCOUNTING POLICIES (continued)

INVESTMENTS

Investments in subsidiaries are shown at cost less accumulated impairment losses.

SHARE CAPITAL

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares are shown in equity as a deduction, net of tax, from the proceeds.

CREDITORS

Creditors are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities.

CASH AND CASH EQUIVALENTS

Cash and short-term deposits in the statement of financial position comprise cash at banks and on hand and short-term deposits with a maturity of three months or less, which are subject to an insignificant risk of changes in value.

IMPAIRMENT OF NON FINANCIAL ASSETS

An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are largely independent cash inflows (cash-generating units). In assessing fair value, the Company gives consideration to the likely EBITDA multiple that would be realised through sale. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Prior impairments of non-financial assets are reviewed for possible reversal at each reporting date. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years.

SGL (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

2. STATEMENT OF ACCOUNTING POLICIES (continued) IMPAIRMENT OF NON FINANCIAL ASSETS (continued)

A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

FINANCIAL ASSETS

The company classifies its financial assets as loans and receivables. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

Loans and receivables

Trade receivables, loans, and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment. Interest income is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial. They are included in current assets, except for maturities greater than 12 months after the end of the reporting period. These are classified as non-current assets.

Impairment of financial assets

The Company assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

Derecognition

The Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the company or the counterparty.

SGL (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

2. STATEMENT OF ACCOUNTING POLICIES (continued) JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the statement of financial position date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates.

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements:

3. OPERATING COSTS

The audit fee for the current year has been borne by Survitec Group Limited, the ultimate parent company. If the amount had been recharged it would have been £12,000 (9 months ended 31 December 2015: £12,000).

4. STAFF COSTS

Other than the directors there were no employees (9 months ended 31 December 2015: Nil). The directors received no emoluments during the year from the Company (9 months ended 31 December 2015: £Nil). Director costs were paid by other group companies and not recharged to the Company.

5. FINANCE INCOME

	<u>Year ended</u> <u>31 December</u> <u>2016</u> <u>£'000</u>	<u>9 month period ended</u> <u>31 December</u> <u>2015</u> <u>£'000</u>
Interest receivable on amounts owed by Group undertakings	626	463
Finance income	626	463

6. FINANCE COSTS

	<u>Year ended</u> <u>31 December</u> <u>2016</u> <u>£'000</u>	<u>9 month period ended 31</u> <u>December 2015</u> <u>£'000</u>
Interest payable on amounts owed to Group undertakings	6,477	4,426
Exchange losses arising on long term intercompany payables	2,414	746
Finance costs	8,891	5,172

SGL (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

7. TAX ON LOSS ON ORDINARY ACTIVITIES

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

The current tax charge for the year is higher (9 months ended 31 December 2015: higher) than the standard rate of corporation tax in the UK of 20% (9 months ended 31 December 2015: 20%). The differences are explained below:

	<u>Year</u> <u>ended</u> <u>31 December</u> <u>2016</u> <u>£'000</u>	<u>9 month</u> <u>period ended</u> <u>31 December</u> <u>2015</u> <u>£'000</u>
Loss on ordinary activities before taxation	(8,265)	(4,709)
Current tax at 20% (9 months ended 31 December 2015: 20%)	(1,653)	(942)
Effects of:		
Group relief claimed at no charge	1,653	942
Tax on loss on ordinary activities	-	-

Corporation tax for the period is calculated at 20% of the estimated taxable profit for the period.

Deferred taxation not provided in the financial statements:

	<u>31 December</u> <u>2016</u> <u>£'000</u>	<u>31 December</u> <u>2015</u> <u>£'000</u>
Losses carried forward	(171)	(180)
	(171)	(180)

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.

8. INVESTMENTS

	<u>Shares in Group</u> <u>undertaking</u> <u>£'000</u>
Balance at 31 December 2015 and 31 December 2016	145,725

The investment represents 100% of the issued share capital of Survitec Group Limited. Details of the subsidiary undertakings are shown in Note 13.

SGL (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

9. RECEIVABLES

	<u>31 December</u> <u>2016</u> <u>£'000</u>	<u>31 December</u> <u>2015</u> <u>£'000</u>
Amounts falling due within one year:		
Amounts owed by Group undertakings	19,700	16,724

Amounts owed by Group undertakings are unsecured and receivable on demand. £17,363,722 (9 months ended 31 December 2015: £14,386,362) of these balances bear interest at a rate of 5.25% per annum. The remainder is interest free.

10. CASH AND CASH EQUIVALENTS

	<u>31 December</u> <u>2016</u> <u>£'000</u>	<u>31 December</u> <u>2015</u> <u>£'000</u>
Cash at bank and in hand	5,006	6

11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	<u>31 December</u> <u>2016</u> <u>£'000</u>	<u>31 December</u> <u>2015</u> <u>£'000</u>
Amounts owed to Group undertakings	152,334	136,093

Amounts owed to Group undertakings are unsecured and repayable on demand. £74,937,403 of these balances bear interest at a rate of 10% per annum (9 months ended 31 December 2015: £63,696,237). The remainder of the debt is interest free.

12. CALLED UP SHARE CAPITAL

ALLOTTED AND FULLY PAID

	<u>31 December</u> <u>2016</u> <u>£'000</u>	<u>31 December</u> <u>2015</u> <u>£'000</u>
53,267,148 ordinary shares of £1 each	53,267	53,267

SGL (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

13. SUBSIDIARY UNDERTAKINGS

The subsidiary undertakings of the Group at 31 December 2016 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. The share capital of all of the companies below, except for 1% of the share capital of Wilhelmsen Safety do Brazil Ltda and 100% of the share capital of Survitec Group Limited, was held by subsidiary undertakings of the Company.

Survitec Group Limited	1-5 Beaufort Road Birkenhead Merseyside CH41 1HQ	Inflatable lifesaving, submarine escape & pilot flight equipment
RFD Beaufort Limited	1-5 Beaufort Road Birkenhead Merseyside CH41 1HQ	Inflatable lifesaving, submarine escape & pilot flight equipment
RFD Limited	1-5 Beaufort Road Birkenhead Merseyside CH41 1HQ	Inflatable lifesaving equipment
Beaufort Air Sea Equipment Limited	1-5 Beaufort Road Birkenhead Merseyside CH41 1HQ	Submarine escape & pilot flight equipment
Lifeguard Equipment Limited	1-5 Beaufort Road Birkenhead Merseyside CH41 1HQ	Inflatable lifesaving equipment & specialised clothing
Shark Sports Limited	1-5 Beaufort Road Birkenhead Merseyside CH41 1HQ	Dormant
Nauticair Components Limited	1-5 Beaufort Road Birkenhead Merseyside CH41 1HQ	Manufacture of engineering components and polymer products
RFD (Northern Ireland) Limited	Kingsway Dunmurry, Belfast BT17 9AF	Dormant
Survitec Group Pension Trust Limited	1-5 Beaufort Road Birkenhead Merseyside CH41 1HQ	Trustee of Survitec Group Pension Scheme
Kirkhill (Dormant) Limited	1-5 Beaufort Road Birkenhead Merseyside CH41 1HQ	Dormant
Survival-One Limited	Survitec House Kirkton Drive, Dyce Aberdeen AB21 0BG	Sales and rental of survival suits to the offshore oil & gas industry

SGL (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

13. SUBSIDIARY UNDERTAKINGS (continued)

Seaweather Aviation Services Limited	1-5 Beaufort Road Birkenhead Merseyside CH41 1HQ	Sales & Service of aviation safety equipment
Seaweather Holdings Limited	1-5 Beaufort Road Birkenhead Merseyside CH41 1HQ	Holding Company
Seaweather Marine Services Limited	1-5 Beaufort Road Birkenhead Merseyside CH41 1HQ	Dormant Company
Survitec Group (USA) Inc.	1420 Wolf Creek Trail PO Box 359 Sharon Center Ohio OH 44274 USA	Holding Company
RFD Beaufort Inc.	1420 Wolf Creek Trail PO Box 359 Sharon Center Ohio OH 44274 USA	Inflatable lifesaving, submarine escape & pilot flight equipment
Survitec Survival Products, Inc.	1420 Wolf Creek Trail PO Box 359 Sharon Center Ohio OH 44274 USA	Sales of marine safety equipment
DSB Deutsche Schlauchboot GmbH	Angerweg 5 37632 Eschershausen Germany	Inflatable liferafts, boats & special products
Eurovinil S.p.A	Via Genova 5 58100 Grosseto Italy	Inflatable liferafts & large inflatable buildings
Survitec Group (Australia) Pty Limited	Unit F 75-77 St Hilliers Road Auburn NSW 2144 Australia	Holding Company
RFD (Australia) Pty Limited	Unit F 75-77 St Hilliers Road Auburn NSW 2144 Australia	Sales & service of marine safety equipment
RFD New Zealand Limited	30 Hargreaves Street College Hill Auckland New Zealand	Sales & service of marine safety equipment
Aquapro International Limited	30 Hargreaves Street College Hill Auckland, New Zealand	Sales & service of marine safety equipment

SGL (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

13. SUBSIDIARY UNDERTAKINGS (continued)

RFD Japan Limited (80%)	7-24 Shinyamashita 3-chome Naka-ku Yokohama Japan	Sales & service of marine safety equipment
Survitec Group (Singapore) Pte Limited	18 Cross Street #07-06/07 China Square Central Singapore 048423	Sales & service of marine safety equipment
W H Brennan & Co (Private) Limited	47 Loyang Way Singapore 508739	Sales & service of marine safety equipment
W H Brennan (Hong Kong) Limited	Flat A, G/F, Phase 2 Hung Cheung Industrial Centre 10 Tsing Yeung Circuit Tuen Mun New Territories Hong Kong	Sales & service of marine safety equipment
W H Brennan (Shanghai) Co Limited	No 369, Block 10 Luji Road Liuzaozhen Pudong Xinqu Shanghai 201322 P.R. China	Sales & service of marine safety equipment
Survitec Korea Co. Limited	Sambang-dong 272 Hwalcheon-ro Gimhae-si Gyeosangnam-do Korea	Sales & service of marine safety equipment
RFD France SAS	ZI les Estaches 214 Rue de Bruxelles 62730 Les Attaques France	Sales & service of marine safety equipment
Survitec Service & Distribution Limited	1-5 Beaufort Road Birkenhead Merseyside CH41 1HQ	Sales & service of marine safety equipment
Survitec Service & Distribution S.L.	C/Jose Agustin Goytisilo 33 nave B1 08908 Hospitalet de Llobregat Barcelona, Spain	Sales & service of marine safety equipment
Survitec Service & Distribution N.V.	Vitshoekstraat 44 2030 Antwerpen Belgium	Sales & service of marine safety equipment
Survitec Service & Distribution GmbH	Winsberggring 8 D-22525 Hamburg Germany	Sales & service of marine safety equipment
Oceana Air Sea Trading Company BV	Sheffieldstraat 89 3047 AN Rotterdam The Netherlands	Holding Company

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

13. SUBSIDIARY UNDERTAKINGS (continued)

Survitec Service & Distribution BV	Sheffieldstraat 89 3047 AN Rotterdam The Netherlands	Sales & service of marine safety equipment
Survitec Group (France) SAS	Route de Chatenet 17210 Chevanceaux France	Holding Company
Survitec SAS	Route de Chatenet 17210 Chevanceaux France	Inflatable lifesaving equipment
DBC Marine Safety Systems Limited	1600-925 West Georgia Street Vancouver BC V6C 3L2 Canada	Inflatable lifesaving equipment
Survitec Group Norway AS	Gangstøvikveien 66 6009 Aalesund Norway	Holding Company
Survitec Norway AS	Gangstøvikveien 66 6009 Aalesund Norway	Sales & service of marine safety equipment
Survitec Sweden AB	Ovödersgaten 7 418 34 Göteborg Sweden	Sales & service of marine safety equipment
Risk Security Service US Inc.	1640-B Brittmore Road Houston Texas 77043 USA	Sales & service of offshore oil & gas related safety equipment
Servaux Survitec SAS (50%)	765 Chemin du Littoral Anse de Saumaty 13016 Marseille France	Sales & service of marine safety equipment
Survitec Global Solutions Limited	1-5 Beaufort Road Birkenhead Merseyside CH41 1HQ	Operation of global raft hire projects
Survitec Group International Limited	1-5 Beaufort Road Birkenhead Merseyside CH41 1HQ	Administration of group network of service stations
Survitec Survival Craft Limited	Findon Shore Findon Aberdeen AB12 3RL Scotland	Sales & service of marine safety equipment
Survitec Survival Craft Norge AS	Po Box 5056 Dusavik Stavenger Norway 4084	Sales & service of marine safety equipment
Survival Craft Inspectorate Australia Pty Limited	Macleod Cheah 10 Macleod Road Applecross WA 6153 Australia	Sales & service of marine safety equipment

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

13. SUBSIDIARY UNDERTAKINGS (continued)

Survival Craft Inspectorate Pte Limited	Block 103 Tops Ave 1, #03-05 Loyang Offshore Supply Base 25 Loyang Crescent Singapore (508988)	Sales & service of marine safety equipment
Survival Craft Inspectorate SDN BHD	No.10 Jalan Kempas 2/1 Taman Tanah Tampoi Johur Bahru Malaysia 80000	Sales & service of marine safety equipment
Survival Craft Inspectorate (Johor) SDN BHD	No.10 Jalan Kempas 2/1 Taman Tanah Tampoi Johur Bahru Malaysia 80000	Sales & service of marine safety equipment
Survival Craft Inspectorate Inc	5847 San Felipe San Felipe Plaza, Suite 1700 Houston, Texas TX77062 USA	Sales & service of marine safety equipment
Survival Craft Inspectorate (Canada) Inc	8 Kyle Avenue Donovans Industrial Park Mount Pearl, NL Canada A1N 4R0	Sales & service of marine safety equipment
Survival Craft Inspectorate (Marine) Inc	9640 Premier Parkway Miramar Florida FL33025 USA	Sales & service of marine safety equipment
Survitec Viscom Limited	430 Clifton Road Aberdeen AB24 4EJ Scotland	Training & media services
Whirly Bird Airport Services Limited	First Floor Segrave House 19-20 Earlsfort Terrace Dublin 2	Hiring of survival suits to the offshore oil industry
Wilhelmsen Safety do Brazil Ltda.	Rua Bispo Lacerda 61/67 Del Castilho Rio de Janeiro Brazil	Maritime products and services
Wilhelmsen Safety, Inc	8978 Fraserton Court Burnaby British Columbia Canada	Maritime products and services
Wilhelmsen Safety, S.A.	Int.Business Park Flexi Bodegas Unit #4 Panama Pacifico Panama	Maritime products and services
Wilhelmsen Safety, LLC	9400 New Century Drive Pasadena Texas 77507 United States	Maritime products and services
Wilhelmsen Safety Australia Pty Limited	Suite 2, Level 17 636 St Kilda Rd VIC 3188, Australia	Maritime products and services

SGL (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

13. SUBSIDIARY UNDERTAKINGS (continued)

Wilhelmsen Technical Solutions Production Company Limited.	Suite 9D Panorama Building No. 53 Huangpu Road 200080 Shanghai China	Maritime products and services
Wilhelmsen Safety Hong Kong Limited	Room 1104-6, 11th Floor Lu Plaza 2 Wing Yip Street Kwun Tong Kowloon Hong Kong	Maritime products and services
Wilhelmsen Safety Japan Company Limited	13th Floor Gontenyama Trust Tower 7-35 Kitashinagawa 4-chome Shinagawa-Ku 140-0001 Tokyo	Maritime products and services
Wilhelmsen Safety Korea Company Limited	100-81, Sandan 5-ro Jeonggwan-eup, Gijang-gun Busan South Korea	Maritime products and services
Wilhelmsen Safety Malaysia Sdn. Bhd.	18th Floor, 1 Sentral Jalan Rakyat, Kuala Lumpur Sentral Kuala Lumpur 50470 Malaysia	Maritime products and services
Survitec Safety Solutions Singapore Pte. Ltd.	186 Pandan Loop 128376 Singapore	Maritime products and services
Wilhelmsen Safety Belgium NV	Houtdok Noordkaai 26 Kambalāstraat 12 2030 Antwerp Belgium	Maritime products and services
Wilhelmsen Safety Cyprus Ltd	Atlantis Building, Office 101, 1st Floor 2 Makariou III Ave, Mesa Yito Limassol CY-3036 Cyprus	Maritime products and services
Wilhelmsen Safety Germany GmbH	Hansestrasse 20 Sittensen D-27419 Germany	Maritime products and services
Wilhelmsen Safety Greece SA	D. Moutsopoulo 100, Piraeus 18541 Greece	Maritime products and services
Wilhelmsen Safety Italy Srl	Corso Perrone 9N/19S Genova 16152 Italy	Maritime products and services
Wilhelmsen Safety Netherlands BV	Willem Barentszstraat 50 Rotterdam 3165AB Netherlands	Maritime products and services
Wilhelmsen Safety Poland Sp zoo	UL. Plac Rodla 8 10th Floor 70-419 Szczecin, Poland	Maritime products and services

SGL (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

13. SUBSIDIARY UNDERTAKINGS (continued)

W – Safety Portugal, Sociedade Unipessoal, Lda	Rua Fradesso da Silveira, Empreendimento Alcantara Rio nr. 2 - 2nd Fl. A 1300-260 Lisbon Portugal	Maritime products and services
Wilhelmsen Safety Spain S.L.	Port de Miami, 4 M1-M5 P.T.P. Delta 1 Puerto de Barcelona 08039 Barcelona Spain	Maritime products and services
Wilhelmsen Safety Canarias, S.L.	Valbanera s/n 35008 Puerto de la Luz Las Palmas de Gran Canaria Spain	Maritime products and services
Wilhelmsen Safety UK Limited	Unit 3A Newtons Court Crossways Dartford Kent DA2 6QL United Kingdom	Maritime products and services
Survitec Safety Solutions South Africa (Pty) Ltd.	30 Kobe Road Bayhead Durban South Africa	Maritime products and services
Survitec Safety Solutions Turkey STI	Eski Uskudar Icerenkoy Yolu VIP Plaza Bo: 10 Kat: 9 Dai re:10 Atasehir Istanbul Turkey	Maritime products and services
Survitec Safety Solutions Norway AS	Strandveien 20 1366 Lysaker Norway	Holding Company
Survitec Safety Solutions (Holdings) AS	Strandveien 20 1366 Lysaker Norway	Maritime products and services
Wilhelmsen Technical Solutions Co. Ltd	2-63 Imazunishihama-cho Nishinomiya-shi Hyogo	Technical Solutions
Wilhelmsen Technical Solutions AS	Strandveien 20 1366 Lysaker Baerum Oslo Norway	Technical Solutions
Wilhelmsen Technical Solutions Sp. zoo	Stobno 74 72-002 Stobno Poland	Technical Solutions
Wilhelmsen Technical Solutions Pte. Ltd.	186 Pandan Loop Unitor Building Singapore 128376	Technical Solutions

SGL (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

13. SUBSIDIARY UNDERTAKINGS (continued)

Wilhelmsen Technical Solutions Korea Co. Ltd	560, Jeonggwan-ro Jeonggwan-eup Gijang-gun Busan 46017 Republic of Korea	Technical Solutions
Novenco Fire Fighting A/S	Lille Tombjerg Vej 30 5220 Odense SØ Denmark	Technical Solutions
Maritime Protection AS	Rigedalen 13 4626 Kristiansand S Kristiansand Norway	Technical Solutions
Wilhelmsen Technical Solutions China Company Ltd	#12-1A & 2A No. 320 Hedan Road Shanghai Pilot Free Trade Zone China	Technical Solutions

The business assets and liabilities of RFD Beaufort Limited, RFD Limited, Beaufort Air-Sea Equipment Limited, Lifeguard Equipment Limited and Nauticair Components Limited are owned by Survitec Group Limited and these companies trade as agents for that company.

14. CONTINGENT LIABILITIES

The Company has cross-guaranteed the repayment of bank loans and overdrafts of certain entities in the Survitec Acquisition Company Limited group amounting to £415,606k (31 December 2015: £288,040k).

15. ULTIMATE PARENT COMPANY

SGL (Finance) Limited, is the Company's immediate parent undertaking, which is incorporated in United Kingdom.

The Company's ultimate parent undertaking is Onex Corporation, a listed private equity firm in Canada.

The largest group in which the results of the Company are consolidated is that headed by Onex Corporation and the smallest is Survitec Acquisition Company Limited. Copies of these consolidated financial statements can be obtained from:

Survitec Acquisition Company Limited – Company Secretary, c/o Survitec Group Limited, Kingsway, Dunmurry, Belfast BT17 9AF.

Onex Corporation - Company Secretary , c/o Onex Corporation, 161 Bay Street, P.O. Box 700, Toronto, Ontario, M5J 2S1.

SGL (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

16. ULTIMATE CONTROLLING PARTY

The Company's ultimate parent undertaking is Onex Corporation, a Canadian publicly listed entity.