

Survitec Holdco Limited
Annual report and financial statements
For the year ended 31 December 2018

Registered number: 09355651



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Survitec Holdco Limited

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Survitec Holdco Limited
Officers and professional advisors

Registered number: 09355651

DIRECTORS

J Drummond

R Leclercq

REGISTERED OFFICE

1-5 Beaufort Road

Birkenhead

Merseyside

CH41 1HQ

INDEPENDENT AUDITORS

PricewaterhouseCoopers LLP

1 Embankment Place

London

WC2N 6RH

SOLICITOR

Latham & Watkins

99 Bishopsgate

London

EC2M 3XF

Survitec Holdco Limited

Strategic report

The directors present their Strategic Report on Survitec Holdco Limited (the "Company") for the year ended 31 December 2018.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The Company's principal activity was that of a holding company.

An impairment of £59,100,000 (2017: £390,782,000) has been recognised against amounts due from group companies. There has been no impairment to the value of investments as these have been written down to nil in the prior year (2017: £928,000).

The directors expect the company to have similar levels of activity going forward.

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.

RESULTS

The Company made a loss for the year of £59,125,000 (2017: £391,729,000).

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 83% 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:

31 May 2019


R.C.A. Leclercq
Director

Survitec Holdco Limited

Directors' report

The directors present their annual report on the affairs of the Company, together with the statutory audited financial statements of the Company ("financial statements") for the year ended 31 December 2018.

Survitec Holdco Limited is incorporated in the United Kingdom.

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 a dividend on the ordinary shares for the year.

GOING CONCERN

The Company is part of the Survitec Group (defined as Survitec Eagle LLP and all its subsidiary undertakings taken together). Through its group structure, the Company holds an investment in Survitec Acquisition Company Limited. The assets of Survitec Acquisition Company Limited (and the shares of Survitec Acquisition Company Limited) are pledged as collateral under Survitec Group's external bank loan and overdraft facilities ("the facilities"). This collateral would be at risk in the event that the Survitec Group defaults on obligations contained in the facilities agreement.

As of the date of the financial statements, there is a risk that within the next year that Survitec Acquisition Company Limited will not be able to comply with the financial covenant obligations contained in the facilities agreement and that amounts outstanding under the facilities agreement will become due and payable on demand. The management of Survitec Acquisition Company Limited are currently discussing a number of actions to effectively mitigate this risk of default, which include discussions with the providers of the facilities and the ultimate controlling party of the Survitec Group, Onex Corporation, combined with operational and financial efficiencies. However, at the date of this report and financial statements the outcome of these actions is uncertain and therefore these events and conditions indicate that a material uncertainty exists that may cast significant doubt on the Survitec Group's ability to continue as a going concern.

In the event that the Survitec Group were not a going concern the Company would not be able to settle its liabilities and this would result in the Company not being a going concern. After considering the matters set out above the Directors confirm that they have a reasonable expectation that a satisfactory outcome to effectively mitigate the risk of default will be achieved over the coming months and for this reason they continue to adopt the going concern basis in preparing the financial statements. The financial statements do not include the adjustments that would result if the Company was unable to continue as a going concern.

FINANCIAL RISK MANAGEMENT

The Company's operations expose it to interest rate risk. The Company has interest bearing assets. Interest bearing assets relate to amounts owed by Group undertakings which carry interest at 10% per annum, and therefore exposes the Company to fair value risk. The Company does not actively manage this risk as the loan notes are held by the owners of the Group.

Survitec Holdco Limited

Statement of directors' responsibilities in respect of the financial statements

DIRECTORS

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

J Drummond (appointed 17 December 2018)
R Leclercq (appointed 28 January 2019)
J Stocker (resigned 30 April 2019)
M Baines (resigned 15 March 2018)
C Bates (resigned 16 August 2018)
A Morgan (resigned 13 April 2018)
B Stringer (resigned 17 December 2018)

DIRECTORS' INDEMNITIES

The Company has made a qualifying third party indemnity provision for the benefit of its directors during the year and it remained in force at the date of this report.

STATEMENT OF DISCLOSURE OF INFORMATION TO AUDITORS

In the case of each director in office at the date the Directors' Report is approved:

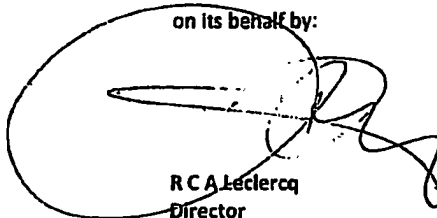
- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware; and
- they have taken all the steps that he/she ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the Company's 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.

INDEPENDENT AUDITORS

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:



R C A Leclercq
Director

31 May 2019

Survitec Holdco Limited

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 International Financial Reporting Standards (IFRSs) as adopted by the European Union. 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 IFRSs as adopted by the European Union 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.

Independent auditors' report to the members of Survitec Holdco Limited

Report on the audit of the financial statements

Opinion

In our opinion, Survitec Holdco Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2018 and of its loss and cash flows for the year then ended;
- have been properly prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual report and financial statements (the "Annual Report"), which comprise: the statement of financial position as at 31 December 2018; the income statement, the statement of cash flows, the statement of changes in equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, as applicable to listed entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Material uncertainty related to going concern

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosure made in note 3 to the financial statements concerning the company's ability to continue as a going concern.

Explanation of material uncertainty

As at 31 December 2018 the Company has net liabilities of £454,779,000. The Company is part of the Survitec Group (defined as Survitec Eagle LLP and all its subsidiary undertakings taken together). Through its group structure, the Company holds an investment in Survitec Acquisition Company Limited. The assets of Survitec Acquisition Company Limited (and the shares of Survitec Acquisition Company Limited) are pledged as collateral under Survitec Group's external bank loan and overdraft facilities ("the facilities"). This collateral would be at risk in the event that the Survitec Group defaults on obligations contained in the facilities agreement. As of the date of the financial statements, there is a risk that within the next year Survitec Acquisition Company Limited will not be able to comply with the financial covenant obligations contained in the facilities agreement and that amounts outstanding under the facilities agreement will become due and payable on demand. The management of Survitec Acquisition Company Limited are currently discussing a number of actions to effectively mitigate this risk of default, which include discussions with the providers of the facilities and the ultimate controlling party of the Survitec Group, Onex Corporation, combined with operational and financial efficiencies. However, at the date of this report and financial statements the outcome of these actions is uncertain and therefore these events and conditions indicate that a material uncertainty exists that may cast significant doubt on the Survitec Group's ability to continue as a going concern. In the event that the Survitec Group were not a going concern the Company would not be able to settle its liabilities and this would result in the Company not being a going concern. After considering the matters set out above the Directors confirm that they have a reasonable expectation that a satisfactory outcome to effectively mitigate the risk of default will be achieved over the coming months and for this reason they continue to adopt the going concern basis in preparing the financial statements. These conditions, along with the other matters explained in note 3 to the financial statements, indicate the existence of a material uncertainty which may cast significant doubt about the company's ability to continue as a going concern. The financial statements do not include the adjustments that would result if the company was unable to continue as a going concern.

Given the matters noted above, the directors have drawn attention to this in disclosing a material uncertainty relating to going concern in the basis of preparation to the financial statements.

Independent auditors' report to the members of Survitec Holdco Limited

Material uncertainty related to going concern (continued)

Audit procedures we performed

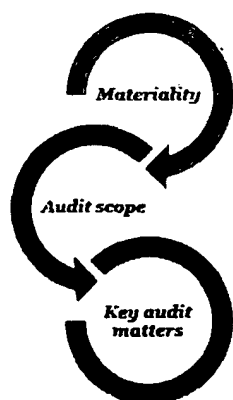
In concluding there is a material uncertainty, our audit procedures included the following:

- we obtained management's cash flow models and:
 - checked the mathematical accuracy of the liquidity calculations;
 - checked that the liquidity headroom and the forecast covenant calculations were correctly calculated based on the cash flow models and the terms of the underlying contracts; and
 - checked that the models correctly reflected the key assumptions used in the Company's impairment review.
- we obtained the facilities agreement to confirm that the shares of Survitec Acquisition Company Limited are pledged as collateral and therefore in the event that the Survitec Group defaulted on its obligations under the facilities agreement that the shares of Survitec Acquisition Company Limited could become the property of the external funders. This would result in the Company not being able to recover its investments in and loans to subsidiary undertakings, making it unable to settle its liabilities; and
- we discussed with those charged with governance and management the status of their discussions with the external providers of the Survitec Group's loan and overdraft facilities.

Having performed the above procedures, we concluded there is a reasonably possible scenario where the EBITDA covenant may be breached within 12 months from the date of our report. On this basis we agree with management's assessment that a material uncertainty exists which may cast significant doubt on the Company's ability to continue as a going concern.

Our audit approach

Overview



- Overall materiality: £591,250 (2017: £3,917,000), based on 1% of loss before tax.
- The company is a holding company which has investments in and loans provided to its subsidiary undertakings, financed by loans from its parent undertaking.
- Impairment of the company's investment in and loans to subsidiary undertakings.

The scope of our audit

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements. In particular, we looked at where the directors made subjective judgements, for example in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits we also addressed the risk of management override of internal controls, including evaluating whether there was evidence of bias by the directors that represented a risk of material misstatement due to fraud.

Independent auditors' report to the members of Survitec Holdco Limited

Key audit matters

Key audit matters are those matters that, in the auditors' professional judgement, were of most significance in the 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) identified by the auditors, including 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, and any comments we make on the results of our procedures thereon, 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. In addition to going concern, described in the Material uncertainty related to going concern section above, we determined the matters described below to be the key audit matters to be communicated in our report. This is not a complete list of all risks identified by our audit.

<i>Key audit matter</i>	<i>How our audit addressed the key audit matter</i>
<p><i>Impairment of the company's investment in and loans to subsidiary undertakings</i></p> <p>The Company's investment in its subsidiary undertakings, which constitutes investments in share capital and loans to its subsidiary undertakings, are material to the financial statements. During the year the company impaired its investment and group receivables by £59,100,000 (refer to note 7) following an impairment review carried out by the company's ultimate parent undertaking. This impairment is sensitive to changes in assumptions.</p>	<p>The recoverability of the Company's investments in and loans to subsidiary undertakings is dependent on the recoverable amount of the Survitec Group's cash generating unit. We obtained the impairment review and:</p> <ul style="list-style-type: none">• We checked the mathematical accuracy of the impairment calculations and assessed the reasonableness of the key assumptions used in the impairment calculations. The key assumptions included i) cost benefits from synergies; ii) discount rates; and iii) long term revenue growth rates;• We agreed the impairment calculations to underlying forecasts and held discussions with management on the reasonableness of those forecasts; and• As part of our audit procedures we considered the sensitivity of the impairment calculations to changes in key assumptions including discussing with management the impact of specific revenue projects and cost levels. <p>We then obtained the Company's assessment of whether the Survitec Group's cash generating unit impairment review would result in an impairment of the Company's investments in and loans to subsidiary undertakings. Based on the recoverable amount of the Survitec Group's cash generating unit we agreed with the Company's assessment that its investments in and loans to subsidiary undertakings should be fully impaired.</p>

How we tailored the audit scope

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial statements as a whole, taking into account the structure of the company, the accounting processes and controls, and the industry in which it operates.

Independent auditors' report to the members of Survitec Holdco Limited

Materiality

The scope of our audit was influenced by our application of materiality. We set certain quantitative thresholds for materiality. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures on the individual financial statement line items and disclosures and in evaluating the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

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

Overall materiality	£591,250 (2017: £3,917,000).
How we determined it	1% of loss before tax.
Rationale for benchmark applied	We believe that, in light of the full impairment of assets, loss before tax is the key measure of performance, and is a generally accepted auditing benchmark.

We agreed with the Audit Committee that we would report to them misstatements identified during our audit above £29,600 (2017: £50,000) as well as misstatements below that amount that, in our view, warranted reporting for qualitative reasons.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance 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 an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of 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 based on these responsibilities.

With respect to the Strategic Report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

Strategic Report and Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and Directors' Report for the year ended 31 December 2018 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic Report and Directors' Report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of Directors' Responsibilities set out on page 7, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they 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.

Independent auditors' report to the members of Survitec Holdco Limited

Responsibilities for the financial statements and the audit (continued)

Auditors' 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 auditors' 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 FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

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.

Other required reporting

Companies Act 2006 exception reporting

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 by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.



Julian Jenkins (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
6 June 2019

Survitec Holdco Limited
Income statement
For the year ended 31 December 2018

		2018	2017
	Note	£'000	£'000
Other operating expenses		(8)	(3)
Impairment against amounts due from group undertakings	7	(59,100)	(390,782)
Impairment against investments	7	-	(928)
Operating loss		(59,108)	(391,713)
Finance income	8	40,252	35,948
Finance costs	9	(40,269)	(35,964)
Loss before income tax	7	(59,125)	(391,729)
Income tax expense	11	-	-
Loss for the year		(59,125)	(391,729)

All of the above results derive from continuing operations.

The Company has no items of comprehensive income other than the results for the current year disclosed above; accordingly a separate statement of other comprehensive income has not been included.

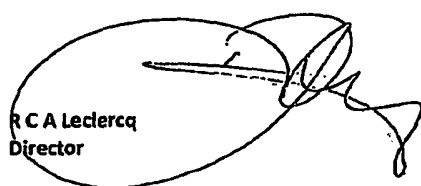
The notes on pages 17 to 37 are an integral part of these financial statements.

Survitec Holdco Limited
Statement of financial position
As at 31 December 2018
Registered number: 09355651

	Note	2018 £'000	2017 £'000
Assets			
<u>Non-current assets</u>			
Investments	10	-	-
Other receivables	13	-	-
Total non-current assets		-	-
Total assets		-	-
Equity and liabilities			
<u>Equity</u>			
Share capital	14	893	893
Accumulated losses		(455,672)	(396,547)
Total equity deficit		(454,779)	(395,654)
<u>Non-current liabilities</u>			
Other non-current liabilities	15	454,779	395,654
Total non-current liabilities		454,779	395,654
Total equity and liabilities		-	-

The notes on pages 17 to 37 are an integral part of these financial statements.

The financial statements set out on pages 13 to 37 were approved by the board of directors and authorised for issue on 31 May 2019. They were signed on its behalf by:


R C A Leclercq
Director

Survitec Holdco Limited
Statement of changes in equity
For the year ended 31 December 2018

	Share capital £'000	Accumulated losses £'000	Total equity deficit £'000
At 1 January 2017	893	(4,818)	(3,925)
Loss for the year	-	(391,729)	(391,729)
Other comprehensive income for the year	-	-	-
Total comprehensive loss for the year	-	(391,729)	(391,729)
At 31 December 2017	893	(396,547)	(395,654)
Loss for the year	-	(59,125)	(59,125)
Other comprehensive income for the year	-	-	-
Total comprehensive loss for the year	-	(59,125)	(59,125)
At 31 December 2018	893	(455,672)	(454,779)

The notes on pages 17 to 37 are an integral part of these financial statements.

Survitec Holdco Limited
Statement of cash flows
For the year ended 31 December 2018

	2018 £'000	2017 £'000
<u>Cash flows from operating activities</u>		
Loss for the year	(59,125)	(391,729)
Income tax expense	-	-
Impairment against amounts due from group undertakings	59,108	390,782
Impairment against investments	-	928
Movements in amount owed from group undertakings	17	19
Net cash generated from operating activities	<u>-</u>	<u>-</u>
<u>Cash flows from investing activities</u>		
Investment in subsidiary undertakings	-	-
Investment in subsidiary loan notes	-	-
Net cash used in investing activities	<u>-</u>	<u>-</u>
<u>Cash flows from financing activities</u>		
Issuance of loan notes to parent undertakings	-	-
Issuance of loan notes to a related party	-	-
Net cash generated from financing activities	<u>-</u>	<u>-</u>
Net increase in cash and cash equivalents	-	-
Cash, cash equivalents and overdrafts at beginning of the year	<u>-</u>	<u>-</u>
Cash, cash equivalents and overdrafts at end of the year	<u>-</u>	<u>-</u>

The notes on pages 17 to 37 are an integral part of these financial statements.

Survitec Holdco Limited
Notes to the financial statements
For the year ended 31 December 2018

1. General Information

The financial statements of Survitec Holdco Limited for the year ended 31 December 2018 were authorised for issue in accordance with a resolution of the directors on 31 May 2019. Survitec Holdco Limited (the Company) is a limited company incorporated and domiciled in England and Wales. The registered office of the partnership is 1-5 Beaufort Road, Birkenhead, Merseyside, CH41 1HQ. The Company's principal activity was that of a holding company. Information on its immediate parent company is presented in note 17.

2. Adoption of new and revised standards

Applying in the year

- IFRS IC 22 Foreign Currency Transactions and Advance Consideration (1 January 2018)
- Amendments to IAS 40 Transfers of Investment Property (1 January 2018)
- Amendments to IFRS 2 Classification and Measurement of Share Based Payment Transactions (1 January 2018)
- Amendments to IFRS 4 Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts (1 January 2018)
- Clarifications to IFRS 15 Revenue from Contracts with Customers (1 January 2018)
- IFRS 9 Financial Instruments (1 January 2018)
- IFRS 15 Revenue from Contracts with Customers including Amendments to IFRS 15 (1 January 2018)

Applying in future periods

- IFRS 17 Insurance Contracts (1 January 2021) (*)
- IFRS IC 23 Uncertainty over Income Tax Treatments (1 January 2019)
- Amendments to IFRS 9 Prepayment Features with Negative Compensation (1 January 2019)
- Amendments to IAS 28 Long-Term Interests in Associates and Joint Ventures (1 January 2019) (*)
- Amendments to IAS 19 Plan amendment, curtailment or settlement (1 January 2019) (*)
- Amendments to IFRS 3 Business combinations (1 January 2020) (*)
- Amendments to IAS 1 and IAS 8 Definition of material (1 January 2020) (*)
- IFRS 16 Leases (1 January 2019)

(*) denotes not yet EU endorsed

The Company is currently assessing the impact of these standards, amendments and interpretations on its financial statements. There is unlikely to be any material impact from the introduction of new standards on the Company's financial statements.

The accounting policies have been applied consistently in all years presented.

Survitec Holdco Limited
Notes to the financial statements (continued)
For the year ended 31 December 2018

3. Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below.

3.1 Basis of Preparation

For the year ended 31 December 2018, the accounts have been prepared in accordance with International Financial Reporting Standards and IFRS IC interpretations ("IFRS") as adopted by the European Union and applied in accordance with the provisions of the Companies Act 2006 applicable to companies reporting under International Financial Reporting Standards and IFRS IC interpretations.

The financial statements have been prepared on the historical cost basis, except for the fair valuation of financial instruments at fair value through the income statement. The financial statements are presented in sterling and all values are rounded to the nearest thousand (£'000), except when otherwise indicated.

Critical accounting judgements and key sources of estimation uncertainty are discussed in Note 4.

3.2 Basis of consolidation

The Company is itself a subsidiary company and is exempt from the requirement to prepare group financial statements by virtue of section 400 of the Companies Act 2006. These financial statements therefore present information about the Company as an individual undertaking and not about its group.

3.3 Going concern

The Company is part of the Survitec Group (defined as Survitec Eagle LLP and all its subsidiary undertakings taken together). Through its group structure, the Company holds an investment in Survitec Acquisition Company Limited. The assets of Survitec Acquisition Company Limited (and the shares of Survitec Acquisition Company Limited) are pledged as collateral under Survitec Group's external bank loan and overdraft facilities ("the facilities"). This collateral would be at risk in the event that the Survitec Group defaults on obligations contained in the facilities agreement.

As of the date of the financial statements, there is a risk that within the next year that Survitec Acquisition Company Limited will not be able to comply with the financial covenant obligations contained in the facilities agreement and that amounts outstanding under the facilities agreement will become due and payable on demand. The management of Survitec Acquisition Company Limited are currently discussing a number of actions to effectively mitigate this risk of default, which include discussions with the providers of the facilities and the ultimate controlling party of the Survitec Group, Onex Corporation, combined with operational and financial efficiencies. However, at the date of this report and financial statements the outcome of these actions is uncertain and therefore these events and conditions indicate that a material uncertainty exists that may cast significant doubt on the Survitec Group's ability to continue as a going concern.

In the event that the Survitec Group were not a going concern the Company would not be able to settle its liabilities and this would result in the Company not being a going concern. After considering the matters set out above the Directors confirm that they have a reasonable expectation that a satisfactory outcome to effectively mitigate the risk of default will be achieved over the coming months and for this reason they continue to adopt the going concern basis in preparing the financial statements. The financial statements do not include the adjustments that would result if the Company was unable to continue as a going concern.

Survitec Holdco Limited
Notes to the financial statements (continued)
For the year ended 31 December 2018

3. Summary of significant accounting policies (continued)

3.4 Impairment of non-financial assets

Intangible assets that have an indefinite useful life or intangible assets not ready to use are not subject to amortisation and are tested annually for impairment. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

3.5 Foreign currency translation

Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in sterling (£) which is the Company's presentation currency.

3.6 Current and deferred income tax

The tax expense for the year 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 balance sheet date in the countries where the Company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the 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 for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. 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 group 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.

Survitec Holdco Limited
Notes to the financial statements (continued)
For the year ended 31 December 2018

3. Summary of significant accounting policies (continued)

3.6 Current and deferred income tax (continued)

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 Group intends to settle its current tax assets and liabilities on a net basis.

3.7 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one party and a financial liability or equity instrument of another party. Financial assets and liabilities of the company include other non-current receivables and payables.

Initial recognition and measurement

Financial assets and liabilities are recognised in the statement of financial position when the Company becomes a party to the contractual obligations of the instrument.

The Company classifies its financial assets in the following measurement categories:

- i) Those to be measured at amortised costs; and
- ii) Those to be measured subsequently at fair value (either through Other Comprehensive Income or through profit and loss).

The classification depends on the Company's business model for managing the financial assets and the contractual terms of the cash flows. The Company reclassifies its financial assets when and only when its business model for managing those assets changes.

At initial recognition, the Company measures a financial asset at its fair value plus transaction costs that are directly attributable to the acquisition of the financial asset.

Financial liabilities are classified as financial liabilities at fair value through profit or loss, other financial liabilities at amortised cost or as derivatives.

Financial liabilities are recognised at fair value plus, in the case of financial instruments not at fair value through profit and loss (i.e. loans and receivables and other financial liabilities), transaction costs that are directly attributable to the acquisition or issue of the financial liability. Transaction costs directly attributable to financial liabilities which are measured at fair value (i.e. fair value through profit and loss or derivatives) are recognised in the income statement as incurred.

Survitec Holdco Limited
Notes to the financial statements (continued)
For the year ended 31 December 2018

3. Summary of significant accounting policies (continued)

3.7 Financial Instruments (continued)

Subsequent measurement

Subsequent to recognition, financial assets and liabilities are measured according to the category to which they are classified.

(a) Financial assets

Subsequent measurement of financial assets depends on the Company's business model for managing those financial assets and the cash flow characteristics of those financial assets. The Company only has financial assets classified at amortised cost. These assets are those held for contractual collection of cash flows, where those cash flows represent solely payments of principal and interest and are held at amortised cost. Any gains or losses arising on derecognition is recognised directly in profit or loss.

(b) Financial liabilities at fair value through profit and loss

Financial liabilities are classified as at FVTPL when the financial liability is either held for trading or it is designated as at FVTPL.

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on re-measurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability and is included in the 'other gains and losses' line item in the income statement. Fair value is determined in the manner described in note 5.

(c) Other financial liabilities

Trade and other payables and borrowings (including amounts due to related parties) are classified as other financial liabilities and are initially measured at fair value, net of transaction costs and subsequently measured at amortised cost using the effective interest rate method (see below).

Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income and expenses over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts and payments (including all fees paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as FVTPL.

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.

Survitec Holdco Limited
Notes to the financial statements (continued)
For the year ended 31 December 2018

3. Summary of significant accounting policies (continued)

3.7 Financial Instruments (continued)

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.

3.8 Investments

Investments in subsidiaries are shown at cost less accumulated impairment losses. Following an impairment review the Company's investment in its subsidiary undertakings has been impaired down to £Nil.

4. Critical accounting judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies 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.

Recoverability of investments & amounts owed from group companies

The Company has invested in its subsidiaries through both an investment in share capital and loans. The value of the investment and recoverability of monies owed from group companies is considered together and is dependent on the recoverability of the Company's subsidiary's assets. The Company tests annually for impairment or more frequently if there are indications that its investment might be impaired.

During the years ended 31 December 2018 and 2017, an impairment was recognised in the consolidated financial statements of the Company's immediate parent undertaking, Survitec Topco Limited, as the fair value their cash generating units ("CGU") was less than the carrying value of their CGUs. As a consequence of the impairment charges recognised, an impairment review was carried out on the Company's investments in and amounts owing from its subsidiaries. To consider the impairment of the Company's investment in and loans to subsidiaries the fair value of the subsidiary group was compared to the Company's combined investment in and the loan to the subsidiary group. On this basis, an impairment of £59,100,000 (2017: £390,782,000) against intercompany receivables and £Nil (2017: £928,000) against investments has been recognised. The impairment charge is not particularly sensitive to movements in either the discount rate or growth rate during the period of assessment. A decrease of 1% in the discount rate or an increase of 1% in the growth rate per annum would not result in any of the impairment currently recognised being reversed.

Survitec Holdco Limited
Notes to the financial statements (continued)
For the year ended 31 December 2018

5. Financial risk management

5.1 - Financial risk factors

The Company has interest bearing liabilities relating to amounts owed to Group undertakings which are naturally offset by interest bearing assets relating to amounts due from Group undertakings. The following tables detail the Company's remaining contractual maturity for its financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The table includes both interest and principal cash flows. The contractual maturity is based on the earliest date on which the Company may be required to pay.

	Up to 1 year £'000	2-3 years £'000	4-5 years £'000	5+ years £'000	Total £'000
31 December 2018					
Amounts owed to group undertakings	-	45,205	-	594,671	639,876
Amounts owed to related parties	-	-	-	165,781	165,781
Total	-	45,205	-	760,452	805,657
31 December 2017					
Amounts owed to group undertakings	-	-	45,205	566,836	612,041
Amounts owed to related parties	-	-	-	158,251	158,251
Total	-	-	45,205	725,087	770,292

The disclosure of contractual maturity of liabilities (which includes future interest) as at 31 December 2017 (second table above) has been amended to reflect an incorrect calculation of term. This change had no impact on reported losses for the year ended 31 December 2017, nor on shareholders' deficit at 1 January 2017 or 1 January 2018, nor has it impacted the classification of the company's financial liabilities between current and non-current. The previously reported contractual maturity of liabilities as at 31 December 2017 was £523,599,000 disclosed as owed to group undertakings payable in greater than 5 years and £132,742,000 disclosed as owed to related parties payable in greater than 5 years.

5.2 - Capital risk management

The Company manages its capital to ensure that it will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance. The Company is part of the Survitec Group and management is working on a number of options to mitigate this risk, including operational enhancements and engagement with the lenders and shareholders of the Company as noted in paragraph 3.3 of these financial statements.

The capital structure of the Company consists of debt, which includes amounts due to group undertakings discussed in note 15 and cash and cash equivalents, and share capital as disclosed in note 14. The Company is not subject to any statutory externally imposed capital requirements. The Company does not manage to a target gearing figure.

6. Employee benefit expense

Other than the directors there were no employees. The directors received no emoluments during the year from the Company (2017: £Nil). Director costs were paid by other group companies and not recharged to the Company.

Survitec Holdco Limited
Notes to the financial statements (continued)
For the year ended 31 December 2018

7. Loss before income tax

	2018	2017
	£'000	£'000
Impairment of investments	-	928
Impairment against amounts due by Group undertakings	<u>59,100</u>	<u>390,782</u>

The audit fee for the year was borne by Survitec Acquisition Company Limited. If the amount had been recharged it would have been £1,500 (2017: £1,500).

8. Finance income

	2018	2017
	£'000	£'000
Interest receivable on amounts owed by Group undertakings	<u>40,252</u>	<u>35,948</u>

9. Finance costs

	2018	2017
	£'000	£'000
Interest payable on amounts owed to related parties	8,114	7,313
Interest payable on amounts owed to Group undertakings	<u>32,155</u>	<u>28,651</u>
	<u>40,269</u>	<u>35,964</u>

10. Investments

	Shares in Group undertakings £'000
Cost	
As at 1 January 2017	928
Additions	-
As at 31 December 2017	928
Additions	-
As at 31 December 2018	<u>928</u>
Impairment	
As at 1 January 2017	-
Impairment charge	<u>(928)</u>
As at 31 December 2017	(928)
Impairment charge	-
As at 31 December 2018	<u>(928)</u>
Net book value	
As at 31 December 2018	<u>-</u>
As at 31 December 2017	<u>-</u>

Survitec Holdco Limited
Notes to the financial statements (continued)
For the year ended 31 December 2018

10. Investments

The subsidiary undertakings of the Company at 31 December 2018 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.

Name	Registered office	Principal activity
Survitec Midco Limited	1-5 Beaufort Road Birkenhead Merseyside CH41 1HQ	Holding Company
Survitec Interco Limited	1-5 Beaufort Road Birkenhead Merseyside CH41 1HQ	Holding Company
Survitec Acquisition Company Limited	1-5 Beaufort Road Birkenhead Merseyside CH41 1HQ	Holding Company
Survitec AUD Newco Limited	1-5 Beaufort Road Birkenhead Merseyside CH41 1HQ	Holding Company
Survitec Group (Finance 2) Limited	1-5 Beaufort Road Birkenhead Merseyside CH41 1HQ	Dormant
Survitec Group (Finance 3) Limited	1-5 Beaufort Road Birkenhead Merseyside CH41 1HQ	Dormant
Survitec Group (Holdings) Limited	1-5 Beaufort Road Birkenhead Merseyside CH41 1HQ	Dormant
SGL Limited	1-5 Beaufort Road Birkenhead Merseyside CH41 1HQ	Dormant

Survitec Holdco Limited
Notes to the financial statements (continued)
For the year ended 31 December 2018

10. Investments (continued)

Name	Registered office	Principal activity
SGL Trustee Company Limited	1-5 Beaufort Road Birkenhead Merseyside CH41 1HQ	Corporate Trustee of SGL Limited Employee Benefit Trust
Hamsard 3066 Limited	1-5 Beaufort Road Birkenhead Merseyside CH41 1HQ	Dormant
Hamsard 3067 Limited	1-5 Beaufort Road Birkenhead Merseyside CH41 1HQ	Dormant
SGL (Finance) Limited	1-5 Beaufort Road Birkenhead Merseyside CH41 1HQ	Dormant
SGL (Holdings) Limited	1-5 Beaufort Road Birkenhead Merseyside CH41 1HQ	Dormant
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
Beaufort Air Sea Equipment Limited	1-5 Beaufort Road Birkenhead Merseyside CH41 1HQ	Submarine escape & pilot flight equipment
Shark Sports Limited	1-5 Beaufort Road Birkenhead Merseyside CH41 1HQ	Dormant

Survitec Holdco Limited
Notes to the financial statements (continued)
For the year ended 31 December 2018

10. Investments (continued)

Name	Registered office	Principal activity
Lifeguard Equipment Limited	1-5 Beaufort Road Birkenhead Merseyside CH41 1HQ	Inflatable lifesaving equipment & specialised clothing
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	Findon Shore Findon Aberdeen AB12 3RL Scotland	Sales and rental of survival suits to the offshore oil & gas industry
Seawather Aviation Services Limited	1-5 Beaufort Road Birkenhead Merseyside CH41 1HQ	Sales & Service of aviation safety equipment
Seawather Holdings Limited	1-5 Beaufort Road Birkenhead Merseyside CH41 1HQ	Holding Company
Seawather Marine Services Limited	1-5 Beaufort Road Birkenhead Merseyside CH41 1HQ	Dormant Company

Survitec Holdco Limited
Notes to the financial statements (continued)
For the year ended 31 December 2018

10. Investments (continued)

Name	Registered office	Principal activity
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
Survitec Fire Solutions China Co. Limited	Block 11 128 Dieqiao Road Shanghai 201315 China	Technical Solutions
RFD Limited	1-5 Beaufort Road Birkenhead Merseyside CH41 1HQ United Kingdom	Dormant
Survitec Holdings 1 Limited (formerly - Survitec Group (Cayman Islands) Limited)	c/o Intertrust Corporate Services (Cayman) Limited 190 Elgin Avenue George Town KY1-9005 Cayman Islands	Holding company
Survitec Group (Finance 1) Limited	1-5 Beaufort Road Birkenhead Merseyside CH41 1HQ United Kingdom	Dormant
Survitec Safety Equipment Trading and Installation LLC	24th Damac Executive Height Bldg P.O.Box:12089 Tecom C Dubai	Maritime products and services

Survitec Holdco Limited
Notes to the financial statements (continued)
For the year ended 31 December 2018

10. Investments (continued)

Name	Registered office	Principal activity
Eurovinil S.p.A	Via Genova 5 58100 Grosseto Italy	Inflatable liferafts & large inflatable buildings
Survitec Group (Australia) Pty Limited	2 Burilda Close Wetherill Park NSW 2164 Australia	Holding Company
RFD (Australia) Pty Limited	2 Burilda Close Wetherill Park NSW 2164 Australia	Sales & service of marine safety equipment
RFD New Zealand Limited	Lockhart Place, Mount Wellington PO Box 2386 Auckland New Zealand	Sales & service of marine safety equipment
RFD Japan Limited (80%)	7-24 Shinyamashita 3-chome Naka-ku Yokohama Japan	Sales & service of marine safety equipment
Survitec Group (Singapore) Pte Limited	25 Senoko South Road Singapore 758081	Sales & service of marine safety equipment
W H Brennan & Co (Private) Limited	25 Senoko South Road Singapore 758081	Sales & service of marine safety equipment
W H Brennan (Hong Kong) Limited	Room 1002, 10/F Sun Hing Industrial Building 22 Kinfat Street New Territories Tuen Mun Hong Kong	Sales & service of marine safety equipment
W H Brennan (Shanghai) Co Limited	Block 11 128 Dieqiao Road Shanghai 201315 China	Sales & service of marine safety equipment
Survitec Korea Co. Limited	90 Hwajeonsandan 5-ro, Gangseo-gu Busan 46738 South Korea	Sales & service of marine safety equipment

Survitec Holdco Limited
Notes to the financial statements (continued)
For the year ended 31 December 2018

10. Investments (continued)

Name	Registered office	Principal activity
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	Winsbergring 8 D-22525 Hamburg Germany	Sales & service of marine safety equipment
Oceana Air Sea Trading Company B.V.	Willem Barentszstraat 47-49 Rotterdam 3165 AA Albrandswaard, the Netherlands	Holding Company
Survitec Service & Distribution B.V.	Willem Barentszstraat 47-49 Rotterdam 3165 AA Albrandswaard, 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	1689 Cliveden Avenue, Delta Vancouver V3M 6V5 British Columbia 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 Holdco Limited
Notes to the financial statements (continued)
For the year ended 31 December 2018

10. Investments (continued)

Name	Registered office	Principal activity
Survitec Sweden AB	Ovådersgaten 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 Australia Pty Limited	Macleod Cheah 10 Macleod Road Applecross WA 6153 Australia	Sales & service of marine safety equipment
Survitec Survival Craft Pte Limited	25 Senoko South Road Singapore 758081	Sales & service of marine safety equipment
Survitec Survival Craft Inspectorate SDN BHD	No.10 Jalan Kempas 2/1 Taman Tanah Tampoi Johur Bahru Malaysia 80000	Sales & service of marine safety equipment
Survitec 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
Survitec Survival Craft Inc.	5847 San Felipe San Felipe Plaza, Suite 1700 Houston, Texas TX77062 USA	Sales & service of marine safety equipment

Survitec Holdco Limited
Notes to the financial statements (continued)
For the year ended 31 December 2018

10. Investments (continued)

Name	Registered office	Principal activity
Survival Craft Inspectorate Canada Inc.	8 Kyle Avenue Donovans Industrial Park Mount Pearl, NL Canada A1N 4R0	Sales & service of marine safety equipment
Survitec Viscom Limited	Findon Shore, Findon Aberdeen AB12 3RL 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
Survitec Safety Solutions Brazil Limiteda	Rua Bispo Lacerda 61/67 Del Castilho Rio de Janeiro Brazil	Maritime products and services
Survitec Safety Solutions Canada Inc.	1689 Cliveden Avenue, Delta Vancouver V3M 6V5 British Columbia Canada	Maritime products and services
Survitec Safety Solutions Panama S.A.	Int.Business Park Flexi Bodegas Unit #4 Panama Pacifico	Maritime products and services
Survitec Safety Solutions US LLC	9400 New Century Drive Pasadena Texas 77507 United States	Maritime products and services
Survitec Safety Solutions Australia Pty Limited	2 Burilda Close Wetherill Park NSW 2164 Australia	Maritime products and services
Survitec Safety Solutions China Co. Ltd	Block 11 128 Dieqiao Road Shanghai 201315 China	Maritime products and services
Survitec Safety Solutions Hong Kong Ltd	Room 1104-6, 11th Floor Lu Plaza 2 Wing Yip Street Kwun Tong Kowloon Hong Kong	Maritime products and services
Survitec Safety Solutions Japan Co. Limited	13th Floor Gontenyama Trust Tower 7-35 Kitashinagawa 4-chome Shinagawa-Ku 140-0001 Tokyo	Maritime products and services

Survitec Holdco Limited
Notes to the financial statements (continued)
For the year ended 31 December 2018

10. Investments (continued)

Name	Registered office	Principal activity
Survitec Safety Solutions Korea Co. Limited	90 Hwajeonsandan 5-ro, Gangseo-gu Busan 46738 South Korea	Maritime products and services
Survitec Safety Solutions 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 Limited	25 Senoko South Road Singapore 758081	Maritime products and services
Survitec Safety Solutions Belgium NV	Vossesdijkstraat 44 2030 Antwerpen Antwerp Belgium	Maritime products and services
Survitec Safety Solutions Cyprus Limited	Atlantis Building, Office 101, 1st Floor 2 Makariou III Ave, Mesa Yito Limassol CY-3036 Cyprus	Maritime products and services
Survitec Safety Solutions Germany GmbH	1 Riedemannstr Bremerhaven 27572 Germany	Maritime products and services
Survitec Safety Solutions Hellas Sole-Shareholder SA	D. Moutsopoulos 100, Piraeus Greece 18541	Maritime products and services
Survitec Safety Solutions Italy Srl	Corso Perrone 9N/19S Genova Italy 16152	Maritime products and services
Survitec Safety Solutions Netherlands BV	Willem Barentszstraat 47-49 Rotterdam 3165 AA Albrandswaard, the Netherlands	Maritime products and services
Survitec Safety Solutions Poland Sp. z o.o.	UL. Plac Rodla 9 2nd Floor Szczecin 70-419 Poland	Maritime products and services
Survitec Safety Solutions Portugal SUL	Fracção E, Zona Industrial do Carvalhinho Moita 2860-579 Portugal	Maritime products and services
Survitec Safety Solutions Spain SL	C/Jose Agustín Goytisilo 33 nave B1 08908 Hospitalet de Llobregat Barcelona Spain	Maritime products and services

Survitec Holdco Limited
Notes to the financial statements (continued)
For the year ended 31 December 2018

10. Investments (continued)

Name	Registered office	Principal activity
Survitec Safety Solutions Canarias SLU	12 Cuzco Las Palmas de Gran Canaria 35008 Spain	Maritime products and services
Survitec Safety Solutions UK Limited	1-5 Beaufort Road Birkenhead Merseyside CH41 1HQ United Kingdom	Maritime products and services
Survitec Safety Solutions South Africa (Pty) Limited	49 Island Circle, Riverhorse Valley Durban 4017 South Africa	Maritime products and services
Survitec Safety Solutions Turkey STI	Abide-i Hürriyet Caddesi Bolkan Center C Blok No:211 K:3 Şişli İstanbul 34381 Turkey	Maritime products and services
Survitec Safety Solutions Norway AS	Strandveien 20 1366 Lysaker Norway	Holding Company
Survitec Fire Solutions Japan Co. Limited	2-63 Imazunishihama-cho Nishinomiya-shi Hyogo	Technical Solutions
Survitec Fire Solutions Norway AS	Strandveien 20 1366 Lysaker Baerum Oslo Norway	Technical Solutions
Survitec Fire Solutions Poland Sp. z o.o	Stobno 74 72-002 Stobno Poland	Technical Solutions
Survitec Fire Solutions Singapore Pte. Limited	25 Senoko South Road Singapore 758081	Technical Solutions
Survitec Fire Solutions Korea Co. Limited	90 Hwajeonsandan 5-ro, Gangseo-gu Busan 46738 South Korea	Technical Solutions
Novenco Fire Fighting A/S	Lille Tombjerg Vej 30 5220 Odense SØ Denmark	Technical Solutions
Maritime Protection AS	Rigedalen 13 Kristiansand 4626 Norway	Technical Solutions

Survitec Holdco Limited
Notes to the financial statements (continued)
For the year ended 31 December 2018

11. Income tax expense

There is no income tax expense in either the current year or prior period.

The income tax expense for the year is higher than the standard rate of corporation tax in the UK of 19% (2017: higher than 19.25%). The differences are explained below:

	2018 £'000	2017 £'000
Loss before income tax	(59,125)	(391,729)
Current tax at 19% (2017: 19.25%)	(11,234)	(75,408)
Effects of:		
Expenses not deductible for tax purposes	17,341	80,930
Effects of group relief/other relief not charged for	(5,076)	(6,562)
Utilisation of amounts not recognised - interest	(1,031)	1,040
Income tax expense	-	-

The tax rate for the current period is lower than the prior period due to changes in the UK Corporation Tax rate which decreased from 20% to 19% from 1 April 2017. Accordingly, the Company's taxable profits are taxed as a rate of 19% during the current year (2017: 19.25%). A further reduction to the UK Corporation Tax rate was enacted as part of the Finance Act 2016 (substantively enacted on 6 September 2016 and fully enacted on 15 September 2016). This will reduce the main rate of tax to 17% from 1 April 2020.

12. Financial instruments by category

	FVTPL £'000	Amortised cost £'000	Total £'000
2018			
Financial liabilities			
<u>Non-current</u>			
Amounts owed to related parties	-	91,678	91,678
Amounts owed to group undertakings	-	363,101	363,101
	-	454,779	454,779
2017			
Financial liabilities			
<u>Non-current</u>			
Amounts owed to related parties	-	79,730	79,730
Amounts owed to group undertakings	-	315,924	315,924
	-	395,654	395,654

Survitec Holdco Limited
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13. Other receivables

	2018	2017
	£'000	£'000
Amounts falling due after more than one year		
Amounts due from group undertakings	<u>-</u>	<u>-</u>

Amounts due from group undertakings are unsecured and repayable between 2021 and 2025. These balances bear interest at a rate of 10% per annum. Interest is payable on maturity of the loans.

During the year a provision of £59,100,000 (2017: £390,782,000) was recognised on amounts due from group undertakings, resulting in a total provision of £454,464,000 as at 31 December 2018 (2017: £395,364,000).

14. Share capital

	2018	2017
	£'000	£'000
Authorised, issued and fully paid		
893,075 ordinary shares of £1.00 each	<u>893</u>	<u>893</u>

15. Other non-current liabilities

	2018	2017
	£'000	£'000
Amounts owed to related parties	91,678	79,730
Amounts owed to group undertakings	<u>363,101</u>	<u>315,924</u>
	<u>454,779</u>	<u>395,654</u>

Amounts owed to group undertakings and related parties are unsecured, listed on The International Stock Exchange and repayable between 2021 and 2025. These balances bear interest at a rate of 10% per annum. Interest is payable on maturity of the loans.

The fair value of total borrowings is considered not materially different to carrying value (2017: fair value considered not materially different to carrying value).

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16. Related party transactions

The following table provides the total amount of transactions that have been entered into with related parties for the relevant financial year.

	Loans made (to)/from related parties £'000	Amounts owed by related parties £'000	Amounts owed to related parties £'000	Interest receivable/ (payable) £'000
2018				
Management loan notes	(87)	-	(831)	(73)
Amounts owed to related parties	(3,747)	-	(90,847)	(8,041)
Subsidiary undertakings	18,856	-*	(61)	40,252
Parent undertakings	(15,014)	-	(363,040)	(32,155)
2017				
Management loan notes	-	-	(671)	(61)
Amounts owed to related parties	-	-	(79,059)	(7,252)
Subsidiary undertakings	3	-*	(53)	35,948
Parent undertakings	-	-	(315,871)	(28,651)

* Stated following a provision of £454,464,000 (31 December 2017: £395,364,000).

Directors' transactions

There were no advances, credits or guarantees with directors or other key management that are disclosable in accordance with section 413 of the 2006 Act and IAS 24.

17. Immediate and ultimate parent undertaking

Survitec Topco Limited, is the Company's immediate parent undertaking, which is incorporated in the United Kingdom. The Company's ultimate parent undertaking is Onex Corporation, a listed private equity firm in Canada.

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

- Survitec Topco Limited - Company Secretary, c/o Survitec Topco Limited, Kingsway, Dunmurry, Belfast BT127 9AF; and
- Onex Corporation - Company Secretary, c/o Onex Corporation, 161 Bay Street, P.O. Box 700, Toronto, Ontario, M5J 2S1

18. Ultimate controlling party

The Company's ultimate controlling party are the shareholders of Onex Corporation.