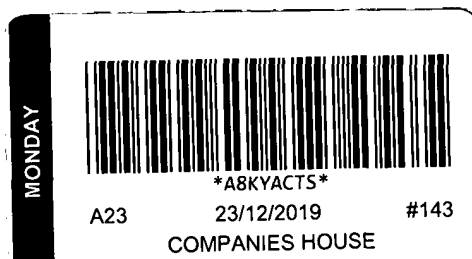


Registered number: 10999568

STE UK HOLDCO LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2019



STE UK HOLDCO LIMITED

COMPANY INFORMATION

Directors	Mr M J Tokich Mr J A Zangerle
Registered number	10999568
Registered office	Bridgwater House Jays Close Viabes Basingstoke Hampshire RG22 4AX
Independent auditors	Ernst & Young LLP Statutory auditor No.1 Colmore Square Birmingham B4 6HQ

STE UK HOLDCO LIMITED

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STE UK HOLDCO LIMITED

**STRATEGIC REPORT
FOR THE YEAR ENDED 31 MARCH 2019**

The directors present their Strategic Report for the year ended 31 March 2019.

Business review

The principal activity of the Company during the year was that of a holding company.

The Company received a capital contribution of \$7,518,926 from its parent company during the year. The Company then made capital contributions to two of its subsidiaries for the same amount.

Principal risks and uncertainties

The Company is financed by group companies and has no third party debt. It therefore has little interest rate and liquidity exposure. Group risks are discussed in the Group's Annual Report, which does not form part of this report.

The result of the referendum for the UK to leave the European Union, continues to present a potential risk to the Company due to the unpredictable impact. This risk is being monitored by the Directors.

Financial key performance indicators

The key financial performance indicators during the year were as follows:

	Year ended 31 March 2019 \$	25 weeks ended 31 March 2018 \$
Profit after tax	27,979,244	25,442,691
Net assets	35,750,756	252,586

The Company has not received any dividend income (2018: \$56,535,064).

During the year ended 31 March 2018, following a review of forecast future performance STERIS Brazil Holdings, LLC, and its subsidiary Sercon Industria e Comercio, the investment value of \$28,007,892 was fully impaired. Following restructuring in the current year improving the outlook of the business, the impairment in the investment has been fully reversed.

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


Mr M J Tokich
Director

Date: 12 December 2019

STE UK HOLDCO LIMITED

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 MARCH 2019**

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

Results and dividends

The profit for the year, after taxation, amounted to \$27,979,244 (2018 - \$25,442,691).

Interim dividends of \$nil (2018: \$53,200,000) were declared and paid during the year. The Directors do not recommend payment of a final dividend.

Directors

The Directors who served during the year and subsequently were:

Mr M J Tokich
Mr J A Zangerle

Future developments

No significant changes are expected to the core business in the near future.

Going Concern

The Company's business activities, together with a review of the business have been described above. As a result of the Company receiving confirmation of continued support from STERIS Corporation, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and accounts.

Qualifying third party indemnity provisions

The Company maintains Directors' and officers' liability insurance for the Directors, which gives appropriate cover for any legal action brought against its Directors. This indemnity provision was in place throughout the financial year and is in place at the date of approval of the financial statements.

Matters covered in the strategic report

Details of the Company's objectives and policies for the financial risk management and its exposure to funding and liquidity risks are provided in the principle risks and uncertainties section of the Strategic Report.

Disclosure of information to auditors

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

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

Post balance sheet events

On 10 May 2019 the Company received a capital contribution of \$3,719,630 from its parent company. The Company then made capital contributions to two of its subsidiaries for the same amount.

STE UK HOLDCO LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2019**

Auditors

The auditors, Ernst & Young LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

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


Mr M J Tokich
Director

Date: 12 December 2019

STE UK HOLDCO LIMITED

**DIRECTORS' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 31 MARCH 2019**

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

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

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

- select suitable accounting policies for the Company's financial statements and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

STE UK HOLDCO LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF STE UK HOLDCO LIMITED

Opinion

We have audited the financial statements of STE UK Holdco Limited for the year ended 31 March 2019, which comprise the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity and the related notes 1 to 18, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the Company's affairs as at 31 March 2019 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report below. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

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

Other Information

The other information comprises the information included 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, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

STE UK HOLDCO LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF STE UK HOLDCO LIMITED

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or Directors' Report.

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

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Directors

As explained more fully in the Directors' Responsibilities Statement 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, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

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 Financial Reporting Council's website at <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our Auditors' Report.

STE UK HOLDCO LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF STE UK HOLDCO LIMITED

Use of our report

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

Ernst & Young LLP

Lorna McNeil (Senior statutory auditor)

for and on behalf of

Ernst & Young LLP

Statutory auditor
Birmingham
13 December 2019

STE UK HOLDCO LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2019**

	Note	Year ended 31 March 2019 \$	25 weeks ended 31 March 2018 \$
Administrative expenses		(36,826)	(32,511)
Operating loss	4	(36,826)	(32,511)
Income from shares in group undertakings		-	56,535,064
Amounts written back to/(off) investments		28,007,892	(28,007,892)
Interest receivable and similar income	7	1,458	-
Interest payable and expenses	8	-	(297,578)
Profit before tax		27,972,524	28,197,083
Tax on profit	9	6,720	(2,754,392)
Profit for the financial year		27,979,244	25,442,691

There was no other comprehensive income for 2019 (2018:\$NIL).

The notes on pages 13 to 23 form part of these financial statements.

STE UK HOLDCO LIMITED
REGISTERED NUMBER: 10999568

BALANCE SHEET
AS AT 31 MARCH 2019

	Note	2019 \$	2018 \$
Fixed assets			
Investments	11	35,535,163	8,345
		<u>35,535,163</u>	<u>8,345</u>
Current assets			
Debtors: amounts falling due within one year	12	68,720	62,719
Cash at bank and in hand		181,394	210,778
		<u>250,114</u>	<u>273,497</u>
Creditors: amounts falling due within one year	13	(34,521)	(29,256)
Net current assets		<u>215,593</u>	<u>244,241</u>
Total assets less current liabilities		<u>35,750,756</u>	<u>252,586</u>
Net assets		<u>35,750,756</u>	<u>252,586</u>
Capital and reserves			
Called up share capital	14	2	2
Share premium account	15	2,001	2,001
Other reserves	15	35,526,818	28,007,892
Profit and loss account	15	221,935	(27,757,309)
		<u>35,750,756</u>	<u>252,586</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

Mr M J Tolrich
Director

Date: 12 December 2019

The notes on pages 13 to 23 form part of these financial statements.

STE UK HOLDCO LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2019**

	Called up share capital	Share premium account	Other reserves	Profit and loss account	Total equity
	\$	\$	\$	\$	\$
At 1 April 2018	2	2,001	28,007,892	(27,757,309)	252,586
Comprehensive income for the year					
Profit for the year	-	-	-	27,979,244	27,979,244
Capital contribution	-	-	7,518,926	-	7,518,926
Other comprehensive income for the year	-	-	7,518,926	-	7,518,926
At 31 March 2019	2	2,001	35,526,818	221,935	35,750,756

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2018**

	Called up share capital	Share premium account	Other reserves	Profit and loss account	Total equity
	\$	\$	\$	\$	\$
Comprehensive income for the period					
Profit for the period	-	-	-	25,442,691	25,442,691
Capital contribution	-	-	28,007,892	-	28,007,892
Total comprehensive income for the period	-	-	28,007,892	25,442,691	53,450,583
Dividends: Equity capital	-	-	-	(53,200,000)	(53,200,000)
Shares issued during the period	2	2,001	-	-	2,003
Total transactions with owners	2	2,001	-	(53,200,000)	(53,197,997)
At 31 March 2018	2	2,001	28,007,892	(27,757,309)	252,586

The notes on pages 13 to 23 form part of these financial statements.

STE UK HOLDCO LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019**

1. General information

STE UK Holdco Limited ("the Company") is a private company, limited by shares, incorporated and domiciled in England and Wales.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

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

The following principal accounting policies have been applied:

2.2 Financial reporting standard 102 - reduced disclosure exemptions

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

- the requirements of Section 4 Statement of Financial Position paragraph 4.12(a)(iv);
- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.41(b), 11.41(c), 11.41(e), 11.41(f), 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirements of Section 26 Share-based Payment paragraphs 26.18(b), 26.19 to 26.21 and 26.23;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of STERIS plc as at 31 March 2019 and these financial statements may be obtained from 70 Sir John Rogerson's Quay, Dublin 2, D02 R296, Ireland.

2.3 Exemption from preparing consolidated financial statements

The Company is a parent company that is also a subsidiary included in the consolidated financial statements of its ultimate parent undertaking established under the law of an EEA state and is therefore exempt from the requirement to prepare consolidated financial statements under section 400 of the Companies Act 2006.

STE UK HOLDCO LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019**

2. Accounting policies (continued)

2.4 Going concern

The Company's business activities, together with a review of the business have been described above. As a result of the Company receiving confirmation of continued support from STERIS Corporation, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and accounts.

2.5 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is USD.

Transactions and balances

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

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

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

2.6 Interest income

Interest income is recognised in the Statement of Comprehensive Income using the effective interest method.

2.7 Finance costs

Finance costs are charged to the Statement of Comprehensive Income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.8 Taxation

Tax is recognised in the Statement of Comprehensive Income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

STE UK HOLDCO LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019**

2. Accounting policies (continued)

2.9 Impairment of fixed assets and goodwill

Assets that are subject to depreciation or amortisation are assessed at each balance sheet date to determine whether there is any indication that the assets are impaired. Where there is any indication that an asset may be impaired, the carrying value of the asset (or cash-generating unit to which the asset has been allocated) is tested for impairment. 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 (or CGU's) fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (CGUs). Non-financial assets that have been previously impaired are reviewed at each balance sheet date to assess whether there is any indication that the impairment losses recognised in prior periods may no longer exist or may have decreased.

2.10 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

The carrying value of investments are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

Where group reconstruction relief is applicable, the cost of the investment in a subsidiary undertaking is measured at the book value of the investment in the transferor company's accounting records immediately before the transfer

2.11 Debtors

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

2.12 Cash and cash equivalents

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

2.13 Creditors

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

2.14 Financial Instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

STE UK HOLDCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

2. Accounting policies (continued)

2.15 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

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

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the period. However, the nature of estimation means that actual outcomes could differ from those estimates. The following judgments (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

Impairment reviews of investments in subsidiaries

The Directors have used their judgement when performing impairment reviews of the subsidiary investments as the process includes judgments relating to the future profitability of the Company which are based on current results and future prospects, and also applying a discount rate to those cashflows.

4. Operating loss

The operating loss is stated after charging:

	Year ended 31 March 2019	25 weeks ended 31 March 2018
	\$	\$
Exchange differences	718	9,645

5. Auditors' remuneration

	Year ended 31 March 2019	25 weeks ended 31 March 2018
	\$	\$
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	14,040	11,407

STE UK HOLDCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

6. Directors' remuneration

The Company does not have any employees as it is a non trading holding company.

The Directors' remuneration has been borne by another group company.

The Directors are also directors or officers of a number of group companies. The Directors' services to the Company do not occupy a significant amount of their time. As such, the Directors do not consider that they have received any remuneration for their incidental services for the period.

7. Interest receivable

	Year ended 31 March 2019 \$	25 weeks ended 31 March 2018 \$
Other interest receivable	1,458	-

8. Interest payable and similar expenses

	Year ended 31 March 2019 \$	25 weeks ended 31 March 2018 \$
Loans from group undertakings	-	297,578

9. Taxation

	Year ended 31 March 2019 \$	25 weeks ended 31 March 2018 \$
Corporation tax		
Current tax on profits for the period	(6,720)	2,754,392
Total current tax	(6,720)	2,754,392
Taxation on profit on ordinary activities	(6,720)	2,754,392

STE UK HOLDCO LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019**

9. Taxation (continued)

Factors affecting tax (credit)/charge for the year/period

The tax assessed for the year/period is lower than (2018 - lower than) the standard rate of corporation tax in the UK of 19% (2018 - 19%). The differences are explained below:

	Year ended 31 March 2019 \$	25 weeks ended 31 March 2018 \$
Profit on ordinary activities before tax	<u>27,972,524</u>	<u>28,197,083</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2018 - 19%)	5,314,780	5,357,446
Effects of:		
Non-tax deductible impairment/(reversal)	(5,321,500)	5,321,499
Exempt dividends	-	(10,741,662)
Withholding tax on foreign dividends	-	2,817,109
Total tax (credit)/charge for the year/period	<u>(6,720)</u>	<u>2,754,392</u>

Factors that may affect future tax charges

The UK government has announced an intention to reduce the UK corporation tax rate to 19% from 1 April 2017 with a further reduction to 17% from 1 April 2020. This rate was enacted at the year end.

10. Dividends

	2019 \$	2018 \$
Dividends	<u>-</u>	<u>53,200,000</u>

STE UK HOLDCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

11. Fixed asset investments

	Investments in subsidiary companies \$
Cost	
At 1 April 2018	28,016,237
Additions	7,518,926
At 31 March 2019	35,535,163
At 1 April 2018	28,007,892
Reversal of impairment losses	(28,007,892)
At 31 March 2019	-
Net book value	
At 31 March 2019	35,535,163
At 31 March 2018	8,345

STE UK HOLDCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

11. Fixed asset investments (continued)

During the year, capital contributions were made to two subsidiary companies in the year totalling \$7,518,926.

Following a review of forecast future performance of STERIS Brazil Holdings, LLC and its subsidiary Sercon Industria e Comercio in the prior year the investment was fully impaired. Following restructuring in the current year improving the outlook of the business, the impairment in the investment has been fully reversed. The key assumptions in the current year forecast include growth in sales of 5% over a 5 year period, a terminal value of 2% and a pre-tax discount rate of 9.21%. A 1% increase in the discount rate would also lead to impairment being fully reversed and likewise a reduction in the terminal growth rate to 1% would also result in the impairment being fully reversed.

The following steps relate to the period to 31 March 2018.

The Company formed STE UK Sub Holdco Limited on 6 October 2017.

The Company acquired STERIS Canada Inc. in a share for share exchange on 13 November 2017 from Isomedix Operations Inc.

100% of the equity in STERIS Canada Inc was secured therefore under section 611 of the Companies Act 2006 the Company may take advantage of group reconstruction relief. Under section 611 of the Companies Act 2006 the Company has elected to state the investment at the amount stated in the transferor company's accounting records immediately before the transfer.

Through the acquisition of STERIS Canada Inc the Company became indirect owners of Brazil Holdings, LLC. On 14 November 2017 the investment in Brazil Holdings, LLC was transferred via a dividend in specie to the Company. The investment was recorded at nil value as the investments remain unchanged.

The Company acquired Isomedix Corporation in a share for share exchange on 17 November 2017 from Isomedix Operations Inc.

100% of the equity in Isomedix Corporation was secured therefore under section 611 of the Companies Act 2006 the Company may take advantage of group reconstruction relief. Under section 611 of the Companies Act 2006 the Company has elected to state the investment at the amount stated in the transferor company's accounting records immediately before the transfer.

On 20 November 2017, the Company received a loan of \$28,007,892 from a group company to be repaid on demand no later than 21 May 2018. \$28,007,892 was then immediately paid to STERIS Brazil Holdings, LLC as a contribution to capital.

Isomedix Corporation changed its name to STERIS Applied Sterilization Technologies Inc. during the period. It subsequently changed its name to STERIS Applied Sterilization Technologies ULC.

The Company formed Dover UK I Limited on 8 March 2018.

The Company contributed all of its shares in STERIS Applied Sterilization Technologies ULC to Dover UK Limited on 21 March 2018 in a share for share exchange.

STERIS Canada Inc. changed its name to STERIS Canada Sales Inc. during the period. It subsequently changed its name to STERIS Canada Sales ULC.

STE UK HOLDCO LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019**

11. Fixed asset investments (continued)

The Company formed Dover UK II Limited on 8 March 2018.

The Company contributed all of its shares in STERIS Canada Sales ULC to Dover UK II Limited on 22 March 2018 in a share for share exchange.

In line with policy, the investments in subsidiaries have been reviewed for evidence of impairment and as a result the investment in Brazil Holdings, LLC was fully impaired in the period ended 31 March 2018.

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Registered office	Principal activity	Class of shares	Holding
Dover UK I Limited	Bridgwater House Jays Close, Viables, Basingstoke, Hampshire, United Kingdom, RG22 4AX	Holding company	Ordinary	100%
Dover UK II Limited	Bridgwater House Jays Close, Viables, Basingstoke, Hampshire, United Kingdom, RG22 4AX	Holding company	Ordinary	100%
STE UK Sub HoldCo Limited	Bridgwater House Jays Close, Viables, Basingstoke, Hampshire, United Kingdom, RG22 4AX	Holding company	Ordinary	100%
STERIS Brazil Holdings, LLC	CT Corporation, Corporation Trust Center, 1209 Orange Street, Wilmington, Delaware 19801, United States	Holding company	Ordinary	100%
Sercon Industria e Comercio De Aparelhos Medicos E Hospitalares Ltda.*	Rua Tenente Onofre Rodrigues de Aguiar, 1201 S. 12 Q. 077, Un. 011 Villa Industrial, Mogi das Cruzes, State of Sao Paulo 08770-040, Brazil	Manufacture, distribution and post-sale service support of medical devices	Ordinary	100%

12. Debtors

	2019	2018
	\$	\$
Amounts owed by group undertakings	68,720	62,719

STE UK HOLDCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS
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13. Creditors: Amounts falling due within one year

	2019	2018
	\$	\$
Amounts owed to group undertakings	6,441	6,441
Accruals and deferred income	28,080	22,815
	<u>34,521</u>	<u>29,256</u>

14. Share capital

	2019	2018
	\$	\$
Allotted, called up and fully paid		
12 (2018 - 12) Ordinary shares of £0.10 each	<u>2</u>	<u>2</u>

15. Reserves

Share premium account

The share premium reserve represents the amount, above the nominal value, received for shares sold, less transaction costs.

Other reserves

The other reserve consists of a capital contribution of \$7,518,926 in the current year and a \$28,007,892 capital contribution reserve arising on the waiver of an intercompany loan in the prior period.

Profit and loss account

Profit and loss reserves represent the cumulative earnings of the business, net of distributions to owners.

STE UK HOLDCO LIMITED

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16. Related party transactions

The Company has taken advantage of the exemption conferred by section 33 of FRS 102 "Related party disclosures" not to disclose transactions with wholly owned members of the group headed by STERIS plc.

17. Post balance sheet events

On 10 May 2019 the Company received a capital contribution of \$3,719,630 from its parent company. The Company then made capital contributions to two of its subsidiaries for the same amount.

18. Controlling party

The Company's immediate parent undertaking is Isomedix Operation Inc, a company incorporated in the US.

The ultimate parent undertaking at the year end is STERIS plc, a company incorporated and domiciled in Ireland.

The largest and smallest group for which consolidated financial statements are prepared is STERIS plc. Copies of the consolidated financial statements are available from its registered office at 70 Sir John Rogerson's Quay, Dublin 2, Ireland.

On 28 March 2019, the previous ultimate parent undertaking, STERIS plc, a public limited company organised under the laws of England and Wales ("STERIS UK"), was party to a redomiciliation of the ultimate parent company from the United Kingdom to Ireland (the "Redomiciliation"). The Redomiciliation was achieved through the insertion of a new Irish public limited holding company (STERIS plc) on top of STERIS UK pursuant to a court-approved scheme of arrangement under English law (the "Scheme"). Following the Scheme effectiveness, STERIS UK was re-registered as a private limited company with the name STERIS Limited.