Actuant Acquisitions Limited

Annual report and financial statements

for the year ended 31 August 2018

Registered number: 07633576

Actuant Acquisitions Limited Registered number 07633576

Annual report and financial statements for the year ended 31 August 2018

Strategic report
for the year ended 31 August 2018

The directors present their strategic report on the company for the year ended 31 August 2018.

Pricipal activities and business review
The principal activity of the company is that of an intermediate holding company for subsidiaries in the United Kingdom and abroad.

The ultimate parent undertaking is Actuant Corporation Inc., a company incorporated in the United States of America (see note 15).

The directors consider that the results for the year and the financial position at the end of the year were satisfactory.

During the year, $141,106,000 (2017: nil) of share premium was cancelled and credited to distributable reserves.

Principal risks and uncertainties
The management of the business are subject to a number of risks. The principal risks and uncertainties impacting the company are discussed in the ultimate parent undertaking Actuant Corporation Inc. financial statements.

Key performance indicators ("KPIs")
The directors of Actuant Corporation Inc., the ultimate holding company, manage operations on a group basis. For this reason the company's directors are of the opinion that analysis using KPIs is not necessary for an understanding of the development or position of this business

Approved by the board of directors and signed on behalf of the Board.

Wayne Dennis
Director 19/12/2018

Directors' report
for the year ended 31 August 2018

The directors present their report together with the audited financial statements of the company for the year ended 31 August 2018.

Results and dividends
The results for the financial year and the company's financial position at the end of the year are shown in the attached financial statements. The directors consider that the results for the year and the financial position at the end of the year were satisfactory. Dividends of $28,821,616 were paid in the year (2017: None).

Functional currency
The financial statements of the company are expressed in US Dollars ("USD"). The company's functional currency is the USD, the currency of the primary economic environment in which it operates.

Directors
The following directors were in office during the year and up to the date of signing the financial statements:

Wayne Dennis
Nicholas Gemmell (resigned 15 Aug 2018) (re-appointed 30 Aug 2018)
Richard Roman (appointed 18 Dec 2017)
Terence Braatz (resigned 18 Dec 2017)

Going concern
The directors have prepared the financial statements on the going concern basis as they have received from the parent group confirmation of such financial support as necessary to enable the company to meet its obligations as they fall due at least 12 months from the date when the financial statements are approved.

Directors' report
for the year ended 31 August 2018 (continued)

Financial Risk Management

The company's operations expose it to a variety of financial risks that include the effects of changes in liquidity risk and interest rate risk. The company has in place a risk management programme that seeks to limit the adverse effects on the financial performance of the company by monitoring these risks.

Liquidity risk

The company works with the ultimate parent company's treasury function to minimise exposures to liquidity risk. Whilst the company has net current liabilities its parent company has put in place a letter of support to provide liquidity for the company.

Interest rate risk

The company has minimal risks from interest rate exposure due to the nature of the borrowings and lendings are all made with group entities with fixed interest rates or at 2% above LIBOR for variable interest rate. The company has no third party interest bearing borrowing or lending.

Statement of directors' responsibilities in respect of the financial statements
The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

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

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102, 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.

Qualifying third party indemnity provisions

As permitted by the Articles of Association, the directors have the benefit of indemnity which is a qualifying third party indemnity provision as defined by section 234 of the Companies Act 2006. The indemnity was in force throughout the last and current financial year and at the date of approval of the financial statements.

Directors' report
for the year ended 31 August 2018 (continued)

Disclosure of information to auditors

In the case of each of the persons who are directors at the time when the report is approved under section 418 of the Companies Act 2006, the following applies:

- So far as that director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- They have taken all steps that ought to have been taken as a director in order to be aware of any information needed by the company's auditors in connection with preparing their report and to establish that the company's auditors are aware of that information.

Independent Auditors

The auditors PricewaterhouseCoopers LLP have indicated their willingness to continue in office, and a resolution concerning their reappointment will be proposed at the annual general meeting.

On behalf of the board

Wayne Dennis
Director

19/12/2018

Independent auditors' report to the members of Actuant Acquisitions Limited

Report on the audit of the financial statements

Opinion

In our opinion, Actuant Acquisitions Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 August 2018 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); 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 balance sheet as at 31 August 2018; the profit and loss account, the statement of comprehensive income, 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.

Our audit approach

Overview

- Overall materiality: USD6,700,000 (2017: USD6,714,000), based on 1% of total assets.
- The company is an intermediate holding company. The company has investments in subsidiary undertakings and intercompany loans due from or to fellow group subsidiary undertakings. The company has investment income, interest receivable from and payable to other group subsidiaries, as well as gains on disposal of investments. All material financial statement line items are in our audit scope.
- Valuation of investments in subsidiary undertakings, intercompany receivables and loan notes issued.

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 Actuant Acquisitions Limited (continued)

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. This is not a complete list of all risks identified by our audit.

Key audit matter	*How our audit addressed the key audit matter*
Valuation of investments in subsidiary undertakings, intercompany receivables and loan notes issued Changes to investments in subsidiaries, intercompany receivables and loan notes in the year, including any related interest income/ expense, may not be recognised in accordance with the requirements of FRS 102. In addition, investments in subsidiary undertakings and loan receivable balances may be impaired.	We have reviewed legal agreements and other audit evidence that supports any material movements in investments and loan balances in the year. In addition, we have assessed and checked these transactions are recorded and accounted for in accordance with FRS 102. We have reviewed the directors' assessment of potential impairment triggers. We have found the valuation of investments in subsidiary undertakings and loan receivables to be consistent with the evidence obtained.

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.

The principal activity of the company is that of an intermediate holding company for subsidiary undertakings owned by the Actuant Corporation Inc. The company's investments are financed by the issue of share capital and loan notes to other Actuant Corporation Inc subsidiaries including USD 78 million debt listed on The International Stock Exchange. Our audit scope includes investments in subsidiary undertakings, loan notes issued and interest balances.

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	USD6,700,000 (2017: USD6,714,000).
How we determined it	1% of total assets.
Rationale for benchmark applied	We believe that total assets is the primary measure used by the shareholders in assessing the performance of the entity, 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 USD335,000 (2017: USD335,000) as well as misstatements below that amount that, in our view, warranted reporting for qualitative reasons.

Conclusions relating to going concern

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

- 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.

Independent auditors' report to the members of Actuant Acquisitions Limited (continued)

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern.

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 August 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 in respect of the financial statements set out on page 2, 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.

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.

Independent auditors' report to the members of Actuant Acquisitions Limited (continued)

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.

Matthew Walker

Matthew Walker (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Birmingham
19 December 2018

Profit and loss account
for the year ended 31 August 2018

	Note	2018	2017
		US$'000	US$'000
(Administrative expenses) / Other operating income		**(604)**	1,700
Operating (loss) / profit	5	**(604)**	1,700
Impairment of investment in group undertakings		-	(2,151)
Gain on disposal of investment in group undertakings		-	1,188
Income from shares in group undertakings		**29,233**	5,353
Interest receivable and similar income (including loan waiver of $Nil (2017:$30,972,000))	6	**5,350**	35,914
Interest payable and similar expenses	7	**(20,026)**	(17,999)
Profit before taxation		**13,953**	24,005
Tax on profit	9	-	-
Profit for the financial year		**13,953**	24,005

The above results relate entirely to continuing activities.

There is no material difference between the reported profit before taxation and profit for the financial years and their historical cost equivalents.

Statement of comprehensive income
for the year ended 31 August 2018

	2018	2017
	US$'000	US$'000
Profit for the financial year	**13,953**	24,005
Total comprehensive income for the year	**13,953**	24,005

Balance sheet
as at 31 August 2018

	Note	2018 US$'000	2017 US$'000
Fixed assets			
Investments	10	**531,478**	531,478
Current assets			
Debtors: including amounts falling due after more than one year $144,695,000 (2017: $143,206,000)	11	**146,251**	144,706
Cash at bank and in hand		**216**	2
		146,467	144,708
Creditors: amounts falling due within one year	12a	**(4,882)**	(4,775)
Net current assets		**141,585**	139,933
Total assets less current liabilities		**673,063**	671,411
Creditors: amounts falling due after more than one year	12b	**(384,311)**	(367,790)
Net assets		**288,752**	303,621
Capital and reserves			
Called up share capital	14	**77,680**	77,680
Share premium account		**141,107**	282,213
Profit and loss account		**69,965**	(56,272)
Total shareholders' funds		**288,752**	303,621

The notes on the pages 11 to 20 form part of these financial statements.

The financial statements on pages 8 to 20 were approved by the board on 19/12/2018 and were signed on its behalf by:

Wayne Dennis
Director

Statement of changes in equity
for the year ended 31 August 2018

	Called up share capital US$'000	Share premium account US$'000	Profit and loss account US$'000	Total shareholders' funds / (deficit) US$'000
As at 1st September 2016	77,500	-	(80,277)	(2,777)
Profit for the financial year	-	-	24,005	24,005
Total comprehensive income for the year	-	-	24,005	24,005
Ordinary shares issued	180	282,213	-	282,393
Total transactions with owners recognised directly in equity	180	282,213	-	282,393
As at 31st August 2017	**77,680**	**282,213**	**(56,272)**	**303,621**
As at 1st September 2017	77,680	282,213	(56,272)	303,621
Profit for the financial year	-	-	13,953	13,953
Total comprehensive income for the year	-	-	13,953	13,953
Dividends paid	-	-	(28,822)	(28,822)
Cancellation of share premium	-	(141,106)	141,106	-
Total transactions with owners recognised directly in equity	-	(141,106)	112,284	(28,822)
As at 31st August 2018	**77,680**	**141,107**	**69,965**	**288,752**

Notes to the financial statements
for the year ended 31 August 2018

1 General Information

Actuant Acquisitions Limited's principal activity is that of an intermediate holding company for subsidiaries in the United Kingdom and abroad.

The company is a private company limited by shares and is incorporated in England.

The address of its registered office is Unit 601, Axcess 10 Business Park, Bentley Road South, Darlaston West Midlands, WS10 8LQ.

2 Statement of compliance

The financial statements of Actuant Acquisitions Limited have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, ''The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland'' (''FRS 102'') and the Companies Act 2006.

3 Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

a) Basis of preparation

These financial statements are prepared on the going concern basis, under the historical cost convention, and in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom. Accounting policies have applied consistent classifications with prior year treatment.

The company's primary purpose is to service long - term US dollar denominated debt. As such the Directors have considered the factors described in FRS 102 and have determined that the Company's operating currency, the currency of the primary economic environment in which the Company operates is the US dollar. Accordingly these financial statements are presented in US dollars.

b) Going concern

The directors have prepared the financial statements on the going concern basis as they have received from the parent group confirmation of such financial support as is necessary to enable the company to meet its obligations as they fall due at least 12 months from the date when the financial statements are approved.

c) Exemptions for qualifying entities under FRS 102

FRS 102 allows a qualifying entity certain disclosure exemptions, subject to certain conditions, which have been complied with, including notification of, and no objection to, the use of exemptions by the Company's shareholders.

The Company has taken advantage of the following exemptions:

- from disclosing the Company key management personnel compensation, as required by FRS 102 paragraph 33.7;
- from disclosing share based payment arrangements, required under FRS 102 paragraphs 26.18(c), 26.19 to 26.21 and 26.23, concerning its own equity instruments;
- from preparing a statement of cash flows, on the basis that it is a qualifying entity and the consolidated statement of cash flows, included in these financial statements, includes the Company's cash flows;
- from the disclosure of the fair value of basic financial instruments required under FRS 102 paragraph 11.41;
- from disclosing inter group related party transactions; and
- from disclosing impact of standards issued but not effective.

Notes to the financial statements
for the year ended 31 August 2018 (continued)

3 Summary of significant accounting policies (continued)

d) Current taxation

The tax charge is based on taxable profit for the year. Taxable profit differs from accounting profit as reported in the profit and loss account because it excludes items of income and expense that are taxable or deductible in other years and it further excludes items which are never taxable or deductible. The company's liability for current tax is calculated using average tax rates that have been enacted or substantively enacted at the balance sheet date.

e) Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date, where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date.

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

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

f) Cash flow statement

The company has taken advantage of the exemption conferred under Section 7 of FRS 102 and p3.17(d) not to prepare a cash flow statement as its cash flows are included in the consolidated financial statements of Actuant Corporation (see note 15).

g) Investments

Fixed asset investments are stated at cost less any provision for impairment.

Interests in subsidiaries are assessed for impairment at each reporting date. Where an impairment trigger is identified then the recoverable amount is assessed, based on value in use free cashflow models.
Any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

h) Related party disclosures

As the company is a wholly owned subsidiary of Actuant Corporation Inc it has taken advantage of the exemption under the terms of FRS 102 from disclosing related party transactions with entities that are part of Actuant Corporation Inc or investees in the Actuant Corporation group.

i) Foreign currencies

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date. All differences are taken to the profit and loss account.

Notes to the financial statements for the year ended 31 August 2018 (continued)

3 Summary of significant accounting policies (continued)

j) Financial instruments

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the entity after deducting all of its financial liabilities.

Where the contractual obligations of the financial instruments (including share capital) are equivalent to a similar debt instrument, those financial instruments are classed as financial liabilities. Financial liabilities are presented as such in the balance sheet. Finance costs and gains or losses relating to financial liabilities are included in the profit and loss account. Finance costs are calculated so as to produce a constant rate of return on the outstanding liability.

Where the contractual terms of share capital do not have any terms meeting the definition of a financial liability then this is classed as an equity instrument. Dividends and distributions relating to equity instruments are debited directly to equity.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at the present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not the market rate or in the case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the profit and loss account.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

4 Critical accounting judgements and estimation uncertainty

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

(a) Critical judgements in applying the company's accounting policies

There are no critical judgements to be disclosed.

(b) Key accounting estimates and assumptions

The company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

(i) Carrying value of investments

The company has significant investments in its subsidiaries. Each year the investments are reviewed to see whether any events have occurred which suggest there should be an impairment in the investment. If such a trigger is identified then an assessment of the long term trading performance anticipated and underlying net assets in those subsidiaries is made, which requires some judgement and assumptions including discount rates, in order to consider whether those values could be justified.

Assumptions including revenue growth, sales mix and volumes, rental values and increases and customer attrition rates. In addition the use of discount rates requires judgement. The long term growth assumption embedded in the valuation of fixed asset investments is 3%.

(ii) Recovery of intercompany receivables

The company has significant receivables from related parties in the balance sheet at the end of the accounting period. An assessment has been made in respect of the likelihood of recovery of these receivables, which has required some judgement. This assessment includes assumptions in respect of the parent company and its approach to supporting its subsidiaries.

Notes to the financial statements for the year ended 31 August 2018 (continued)

5 Operating (Loss) / profit

The audit fee relating to this company has been met by a fellow group company Hydratight Limited $10,625 (2017:$9,527).

The other operating income / administrative expenses wholly relate to exchange gains or losses on the translation of foreign currency transactions and year end balances.

6 Interest receivable and similar income

	2018	2017
	US$'000	US$'000
Interest receivable from group undertakings	**5,350**	4,942
Loan Waiver Income	-	30,972
Total interest receivable and other income	**5,350**	35,914

A balance of interest accrued over previous financial years owed to a fellow group company amounting to $30,972,000 was waived in the prior year.

7 Interest payable and similar expenses

	2018	2017
	US$'000	US$'000
Interest payable to group undertakings	**20,026**	17,999

8 Directors' emoluments and staff costs

The directors of the company have not received any emoluments during the year 2018 (2017: $nil). These costs were borne by Hydratight Limited and are disclosed in the financial statements of that company. No recharge was made to the company in respect of directors' emoluments. The company has no other staff in 2018 (2017: none).

Notes to the financial statements for the year ended 31 August 2018 (continued)

9 Tax on profit

(a) Analysis of tax on profit for the year

	2018 US$'000	2017 US$'000
Tax on profit	**-**	-

(b) Factors affecting tax charge for the year

The tax assessed on the profit for the year is lower (2017: lower) than the standard rate of corporation tax in the UK of 19% (2017: 19.58%), the differences are explained below:

	2018 US$'000	2017 US$'000
Profit before taxation	**13,953**	24,005
Profit before taxation multiplied by the standard rate of corporation tax in the UK of 19% (2017: 19.58%)	**2,651**	4,700
Expenses not tax deductible and other permanent differences	**-**	189
Loan waiver not taxable	**-**	(6,064)
Income not taxable for tax purposes	**(5,554)**	(1,048)
Group relief surrendered for no value	**2,903**	2,223
Total tax for the year	**-**	-

(c) Factors affecting future tax charges

Changes to the UK corporation tax rates were substantively enacted as part of the Finance Bill 2015 (on 26 October 2015) and Finance Bill 2016 (on 7 September 2016). These include reductions to the main rate to reduce the rate to 19% from 1 April 2017 and to 17% from 1 April 2020.

Notes to the financial statements for the year ended 31 August 2018 (continued)

10 Investments

	Shares in group undertakings US$'000
Cost as at 1 September 2017	577,195
Additions in the year	25,088
Disposal	(25,088)
Cost as at 31 August 2018	**577,195**
Impairment as at 1 September 2017	45,717
Impairment as at 31 August 2018	**45,717**
Net Book Value	
At 31 August 2018	**531,478**
At 31 August 2017	531,478

During the year the company disposed of its shares in Actuant Limited in exchange for 43 shares in HT Global Holdings Ltd, which represents a 4.3% interest.

Company	Shares No.	Cost $
Actuant Limited	1,520,704	25,088,265

Notes to the financial statements
for the year ended 31 August 2018 (continued)

10 Investments

At 31 August 2018 the company had the following directly (*) and indirectly wholly owned subsidiary undertakings.

Name of undertaking	Country of incorporation	Principal activity
Weasler Engineering Inc (*)	USA	Sale/hire of bolt working equipment and services
Registered address:	P.O. Box 3241, Milwaukee Wisconsin 53201, USA	
Weasler Engineering BV	Netherlands	Sale/hire of bolt working equipment and services
Registered address:	Nijmegen, The Netherlands	
Weasler Engineering Kft.	Hungary	Sale/hire of bolt working equipment and services
Registered address:	Istvan Kiraly krt 24, H-6000 Kecskemet, Hungary	
CAM 1 Limited (*)	United Kingdom	Holding company
Registered address:	Unit 601 Axcess 10 Business Park, Bentley Road South, Darlaston, West Midlands, England, WS10 8LQ	
Actuant Acquisitions Finance Limited (*)	United Kingdom	Holding company
Registered address:	Unit 601 Axcess 10 Business Park, Bentley Road South, Darlaston, West Midlands, England, WS10 8LQ	

The directors consider that the value of the investments are supported by their underlying assets.

At 31 August 2018 the company had the following directly (*) and indirectly partially owned subsidiary undertakings in which it has an interest of more than 10%.

Name of undertaking	Country of incorporation	Principal activity	Proportion of Ordinary shares held
Venice Topco Limited (*)	UK	Holding Company	75.00%
Registered address:	Unit 601 Axcess 10 Business Park, Bentley Road South, Darlaston, West Midlands, England, WS10 8LQ		
Venice Fundco Limited	UK	Holding Company	75.00%
Registered address:	Unit 601 Axcess 10 Business Park, Bentley Road South, Darlaston, West Midlands, England, WS10 8LQ		

The directors consider that the value of the investments are supported by their underlying assets.

Notes to the financial statements for the year ended 31 August 2018 (continued)

11 Debtors: amounts falling due within one year

	2018	2017
	US$'000	US$'000
Amounts owed by group undertakings	**1,556**	1,500

The amounts owed by group undertakings are repayable on demand and bear an interest of 6 months LIBOR +2%.

Debtors: amounts falling due after one year

	2018	2017
	US$'000	US$'000
Amounts owed by group undertakings	**144,695**	143,206

The amounts owed by group undertakings wholly relate to a $121,428,663 (€104,647,222) (2017: $124,624,377 (€104,647,222)) loan with Actuant Europe Holdings SASU and its accrued interest. It bears interest at at 4.25% and is repayable, along with the accrued interest, on 25 February 2024.

	2018	2017
	US$'000	US$'000
Total Debtors	**146,251**	144,706

12a Creditors: amounts falling due within one year

	2018	2017
	US$'000	US$'000
Amounts owed to group undertakings (note 13)	**4,882**	4,775

The above amounts include the principal loan amounts (detailed in note 13) along with any accrued interest.

12b Creditors: amounts falling due after more than one year

	2018	2017
	US$'000	US$'000
Amounts owed to group undertakings (note 13)	**384,311**	367,790

The above amounts include the principal loan amounts (detailed in note 13) along with any accrued interest.

Notes to the financial statements for the year ended 31 August 2018 (continued)

13 Loans and other borrowings

	2018 US$'000	2017 US$'000
Non interest bearing, on demand	**2,599**	1,471
6.67% loan, January 31 2018 or earlier	**688**	688
LIBOR +2% loan, 31 August 2018	**1,467**	-
6.67% Loan, 31 January 2022 or earlier	**78,000**	78,000
4% loan of €104,647,222, 25 February 2024	**121,428**	126,007
6.67% Loan , 31 January 2022	**153,000**	-
6.67% Loan , 31 January 2027	**-**	153,000
	357,182	359,166

None of the loans are secured.

Maturity of financial liabilities:

	2018 US$'000	2017 US$'000
Less than one year	**4,754**	2,159
In more than one year, but not more than two years	**-**	-
In more than two years, but not more than five years	**231,000**	78,000
In more than five years	**121,428**	279,007
	357,182	359,166

14 Called up share capital

	2018 US$'000	2017 US$'000
Allotted and fully paid ordinary shares		
77,679,584 (2017: 77,679,584) ordinary shares of $1 each	**77,680**	77,680

15 Ultimate parent undertaking and controlling party

The ultimate parent undertaking and controlling party is Actuant Corporation Inc., a company incorporated in the United States of America, and which is listed on the NYSE. The immediate parent undertaking is Actuant Holding Inc.

The smallest and largest group of which the company is a member and for which group financial statements are drawn up is that headed by Actuant Corporation Inc. The consolidated financial statements of Actuant Corporation Inc can be obtained from its website at www.actuant.com or the following address: N86 W12500 Westbrook Crossing Menomonee Falls WI 53051.