

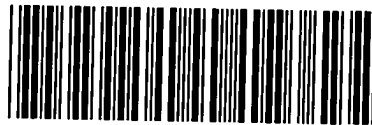
# VWR Jencons USA Limited

Annual report and financial statements

Registered number 06555715

31 December 2018

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## **Contents**

Strategic report	1
Directors' report	2
Directors responsibility statement	3
Independent auditor's report to the members of VWR Jencons USA Limited	4
Profit and loss account	10
Balance sheet	11
Statement of changes in equity	12
Notes	13

## **Strategic report**

### **Business review**

The company acts solely as a holding company for the acquisition of companies within the VWR group. There are no plans to change the company's operations.

The company has incurred a loss of \$2,610,000 (2017:loss \$41,104,000) in the year as shown on page 11 in the profit and loss account.

An impairment review takes place at the end of each financial year. For the year ending December 2018 the impairment review has not resulted any impairment losses in relation to investments in subsidiaries.

### **Principal risks and uncertainties**

The principal risk of the company is the carrying value of its investments. The performance on the underlying subsidiaries is periodically reviewed in order to mitigate this risk and any adjustment in relation to carrying values are made as necessary.

Having no commercial operations, the company is not subject to any material Brexit related risks. However, there is a potential impact of Brexit on its subsidiary companies. A statement to that effect and the risk and mitigating activities that the directors consider to be relevant have been included in the statutory accounts for those entities.

### **Key performance indicators**

The company has not identified any key performance indicators due to the nature of its operations as a holding company.

Approved by the board and signed on its behalf:



**K Pulford**

*Company Secretary*

Hunter Boulevard  
Magna Park  
Lutterworth  
Leicestershire  
LE17 4XN

24 September 2019

## Directors' report

The directors present their report and audited financial statements for the year ended 31 December 2018.

### Principal activities

The principal activity of the Company during the period was that of a holding company. Details on financial risk management and future developments are stated in the strategic report on page 1 and form part of this report by cross-reference. The directors do not plan to change the nature of the business.

### Results

The result for the period after tax amounted to a loss of \$2,610,000 (2017: loss \$41,104,000).

### Proposed dividend

The directors do not recommend the payment of a dividend (2017: \$Nil).

### Directors

The directors who held office during the year and up to the date of signing the financial statements were as follows:

W P Hogan  
H Russmann (resigned 1<sup>st</sup> October 2018)  
J Kalinovich (resigned 7<sup>th</sup> August 2019)  
B Goell (appointed 1<sup>st</sup> October 2018)  
M Jones (appointed 7<sup>th</sup> August 2019)

### Going concern

The financial statements have been prepared using the going concern basis of accounting as described further in Note 1.

### Other information

There were no contributions to political organisations, charitable donations or third party indemnities in the year (2017: £nil).

### Subsequent events

There were no subsequent events.

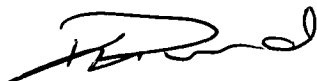
### Auditor

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

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

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006. The auditor, Deloitte LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006. Deloitte have expressed their willingness to continue in office as auditor and appropriate arrangements are being made for them to be deemed reappointed as auditor in the absence of an Annual General Meeting.

Approved by the board and signed on its behalf:



**K Pulford**  
Company Secretary

Hunter Boulevard  
Magna Park  
Lutterworth  
Leicestershire  
LE17 4XN  
25 September 2019

## **Directors' responsibilities statement**

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 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 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; 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. 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.

## Independent auditor's report to the members of VWR Jencons USA Limited

In our opinion the financial statements of VWR Jencons USA Limited (the 'company'):

- give a true and fair view of the state of the company's affairs as at 31 December 2018 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the profit and loss account;
- the balance sheet;
- the statement of changes in equity; and
- the related notes 1 to 14.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

### 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 auditor's responsibilities for the audit of the financial statements section of our report.

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 Financial Reporting Council's (the 'FRC's') Ethical Standard as applied to listed entities, 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.

### Summary of our audit approach

<b>Key audit matter</b>	The key audit matter that we identified in the current year was: <ul style="list-style-type: none"> <li>• Impairment of investment in subsidiaries</li> </ul>
<b>Materiality</b>	The materiality that we used in the current year was \$3,069,375 (2017: \$164,000) which was determined on the basis of total investments. We revised the basis upon which materiality was calculated from net equity in the prior year to total investments in the current year, given the sole activity of the business is that of an investment holding company and this more accurately reflects the level of activity within the business and the interests of its shareholders. Furthermore, the business acquired investments of \$98 million in the current year which further increased the base under both methods.
<b>Scoping</b>	Audit work to respond to the risks of material misstatement was performed directly by the audit engagement team.
<b>Significant changes in our approach</b>	There were no changes in our approach.

## Conclusions relating to going concern

We are required by ISAs (UK) to report in respect of the following matters where:




- the directors' use of the going concern basis of accounting in 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.

**We have nothing to report in respect of these matters.**

## Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our 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) that we identified. These matters included 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 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.

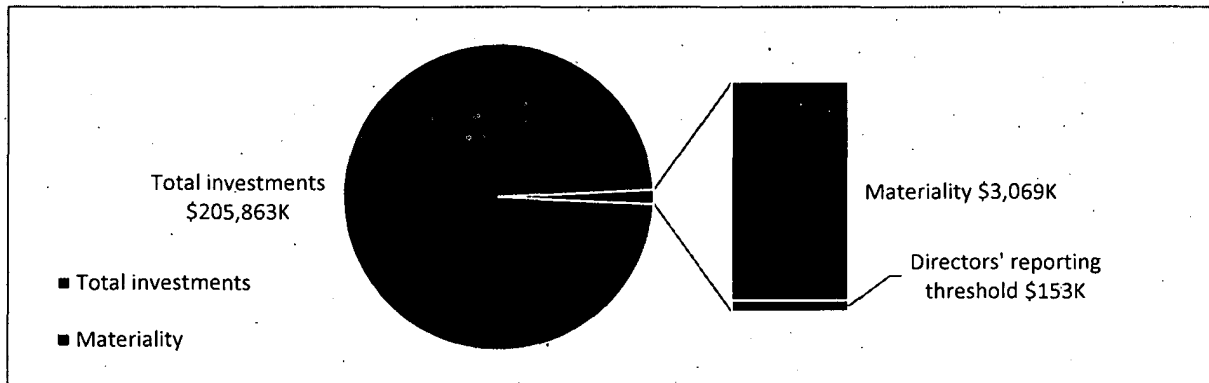
Impairment of investment in subsidiaries	
<p><b>Key audit matter description</b></p> 	<p>The entity is a non-trading holding company. It holds investments of \$205,863,000 (2017: \$107,862,000) in various companies as disclosed in Note 6 and this accounts for 99% of total assets.</p> <p>The investment in subsidiaries was assessed by the directors for indicators of impairment at year-end. Some impairment indicators were identified which thus resulted in a full impairment assessment.</p> <p>The identification of impairment indicators and the determination of the impairment charge require the application of significant judgment by management. There is a risk that management fail to identify an impairment event or the quantum of the impairment charge is inaccurate. The Company's impairment policy is disclosed in note 1 to the financial statements. The key sources of estimation uncertainty in relation to impairment are disclosed in note 13 to the financial statements.</p>
<p><b>How the scope of our audit responded to the key audit matter</b></p> 	<p>We reviewed management's assessment as to whether indicators of impairment exist. Where such indicators were identified we obtained copies of the valuation models used to determine the value in use or fair value less costs of disposal of the relevant asset.</p> <p>We challenged the assumptions made by management in relation to these models, including the discount rate used, revenue growth rate, EBITDA as a percentage of revenue and capital expenditure, by comparison to actual historical information, consultation with operational management and consideration of sensitivity analyses.</p>
<p><b>Key observations</b></p> 	<p>We found that in the context of overall materiality and the headroom within the model, that the assumptions used by management appeared reasonable.</p>

## Our application of materiality

We define materiality as the magnitude of misstatement in the financial statements that makes it probable that the economic decisions of a reasonably knowledgeable person would be changed or influenced. We use materiality both in planning the scope of our audit work and in evaluating the results of our work.

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

<b>Materiality</b>	\$3,069,375 (2017: \$164,000)
<b>Basis for determining materiality</b>	1.5% of total investments (2017: 3% of net assets)
<b>Rationale for the benchmark applied</b>	The total investments balance is the most relevant balance as it reflects the nature and purpose of the company. It is also the most stable benchmark for the company.



We agreed with the directors that we would report to them all audit differences in excess of \$153,000, as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds. We also report to the directors on disclosure matters that we identified when assessing the overall presentation of the financial statements.

## An overview of the scope of our audit

Our audit was scoped by obtaining an understanding of the entity and its environment, including internal control, and assessing the risks of material misstatement. Audit work to respond to the risks of material misstatement was performed directly by the audit engagement team.

## **Other information**

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The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon.

*We have nothing to report in respect of these matters.*

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our 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 this other information, we are required to report that fact.

## **Responsibilities of directors**

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As explained more fully in the directors' responsibilities statement, 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.

## **Auditor's responsibilities for the audit of the financial statements**

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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 auditor's 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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

## Report on other legal and regulatory requirements

### Opinions on other matters prescribed by the Companies Act 2006

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

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

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 any material misstatements in the strategic report or the directors' report.

### Matters on which we are required to report by exception

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#### *Adequacy of explanations received and accounting records*

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns.

***We have nothing to report in respect of these matters.***

#### *Directors' remuneration*

Under the Companies Act 2006 we are also required to report if in our opinion certain disclosures of directors' remuneration have not been made.

***We have nothing to report in respect of this matter.***

## Use of our report

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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 auditor's 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.

R Duffy

Ryan Duffy (Senior statutory auditor)

For and on behalf of Deloitte LLP  
Statutory Auditor  
Birmingham  
United Kingdom

26/9/2019

**Profit and loss account**  
for the year ended 31 December 2018

	<i>Note</i>	<b>2018</b> <b>\$000</b>	2017 \$000
Administrative expenses		<b>(27)</b>	-
		<hr/>	<hr/>
<b>Operating loss</b>		<b>(27)</b>	(53)
Interest payable and similar expenses	4	<b>(9,450)</b>	(3,248)
Impairment expense	6	-	(40,423)
Dividend received	6	<b>6,840</b>	2,620
		<hr/>	<hr/>
<b>Loss before taxation</b>		<b>(2,610)</b>	(41,104)
Tax on loss	5	-	-
		<hr/>	<hr/>
<b>Loss for the financial year</b>		<b>(2,610)</b>	(41,104)
		<hr/> <hr/>	<hr/> <hr/>

All results derive from continuing operations.

The company has no recognised gains and losses other than those included in the results above, and therefore no separate statement of other comprehensive income has been presented.

The accompanying notes form part of the financial statements.

**Balance sheet**  
 As at 31 December 2018

	<i>Note</i>	<b>2018</b> <b>\$000</b>	2017 \$000
<b>Fixed assets</b>			
Investments	6	<b>205,863</b>	107,862
		<hr/>	<hr/>
<b>Current assets</b>			
Debtors		<b>2,200</b>	-
Cash at bank and in hand		<b>746</b>	1,671
		<hr/>	<hr/>
		<b>2,946</b>	1,671
<b>Creditors: amounts falling due within one year</b>	7	<b>(9,070)</b>	(2,348)
		<hr/>	<hr/>
<b>Net current liabilities</b>		<b>(6,124)</b>	(677)
		<hr/>	<hr/>
<b>Total assets less current liabilities</b>		<b>199,739</b>	107,186
<b>Creditors: amounts falling due after more than one year</b>	8	<b>(173,409)</b>	(101,718)
		<hr/>	<hr/>
<b>Net assets</b>		<b>26,330</b>	5,468
		<hr/> <hr/>	<hr/> <hr/>
<b>Capital and reserves</b>			
Called up share capital	11	-	-
Share premium account	11	<b>71,752</b>	46,622
Profit and loss account		<b>(45,422)</b>	(41,155)
		<hr/>	<hr/>
<b>Shareholders' funds</b>		<b>26,330</b>	5,467
		<hr/> <hr/>	<hr/> <hr/>

These financial statements were approved by the board of directors on 25<sup>th</sup> September 2019 and were signed on its behalf by:

  
**B Goell**  
 Director

Company registered number: 06555715

## Statement of changes in equity

for the year ended 31 December 2018

	Called up share capital \$000	Share premium account \$000	Profit and loss account \$000	Total equity \$000
Balance at 1 January 2017	-	46,622	(51)	46,571
<b>Total comprehensive income for the year</b>				
Loss for the period	-	-	(41,104)	(41,104)
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Balance at 31 December 2017</b>	<b>-</b>	<b>46,622</b>	<b>(41,155)</b>	<b>5,467</b>
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
	Called up share capital \$000	Share premium account \$000	Profit and loss account \$000	Total equity \$000
Balance at 1 January 2018	-	46,622	(41,155)	5,467
<b>Total comprehensive loss for the year</b>				
Loss for the period	-	-	(2,610)	(2,610)
Capital contribution	=	25,130	(1,657)	23,473
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Balance at 31 December 2018</b>	<b>-</b>	<b>71,752</b>	<b>(45,422)</b>	<b>26,330</b>
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

## Notes

*(forming part of the financial statements)*

### 1 Accounting policies

VWR Jencons USA Limited (the “Company”) is a private company limited by shares and incorporated and domiciled in the United Kingdom (England and Wales). The registered number is 06555715 and the registered address is Hunter Boulevard, Magna Park, Lutterworth, Leicestershire, LE17 4XN.

The Company is exempt by virtue of s400 of the Companies Act 2006 from the requirement to prepare group financial statements. These financial statements present information about the Company as an individual undertaking and not about its group.

These financial statements were prepared in accordance with Financial Reporting Standard 102 *The Financial Reporting Standard* applicable in the UK and Republic of Ireland (“FRS 102”). Functional and presentational currency of these financial statements is US Dollars. All amounts in the financial statements have been rounded to the nearest \$1,000.

The Company’s immediate parent undertaking, Avantor Inc. includes the Company in its consolidated financial statements. The consolidated financial statements of Avantor Inc. are prepared in accordance with the generally accepted accounting principles adopted in the United States of America and may be obtained from Avantor Inc., Radnor Corporate Centre, Building One, Suite 200, PO Box 6660100, Matsonford Road, Radnor PA19087.

In these financial statements, the company is considered to be a qualifying entity (for the purposes of this FRS) and has applied the exemptions available under FRS 102 in respect of the following disclosures:

- Cash Flow Statement and related notes;
- Related party transactions, and;
- Key Management Personnel compensation.

As the consolidated financial statements of Avantor Inc. include the equivalent disclosures, the Company has also taken the exemptions under FRS 102 available in respect of the following disclosures:

- Certain disclosures required by FRS 102.26 *Share Based Payments*; and,
- Certain disclosures required by FRS 102.11 *Basic Financial Instruments* and FRS 102.12 *Other Financial Instrument Issues* in respect of financial instruments not falling within the fair value accounting rules of Paragraph 36(4) of Schedule 1.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

During the course of business the Company made multiple acquisitions. As a result of such activities, the results of the business reflect primarily the costs of acquisitions together with any distributions received from its subsidiary undertakings and costs of financing those acquisitions.

#### **Measurement convention**

The financial statements are prepared on the historical cost basis.

#### **1.1. Going concern**

The directors have prepared the financial statements of the Company on a going concern basis. Furthermore, VWR Jencons USA Limited has received a commitment from Avantor Inc, the ultimate parent company, to provide continued financial and other support as necessary, for at least 12 months from the date of approval of these financial statements, to enable it to continue to trade and meet its obligations. As such, the directors have formed the view that, at the time of approving the financial statements, there is a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future.

## Notes (continued)

### 1 Accounting policies (continued)

#### 1.2. Classification of financial instruments issued by the Company

In accordance with FRS 102.22, financial instruments issued by the Company are treated as equity only to the extent that they meet the following two conditions:

- (a) they include no contractual obligations upon the company to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the company; and
- (b) where the instrument will or may be settled in the company's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the company's own equity instruments or is a derivative that will be settled by the company's exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability. Where the instrument so classified takes the legal form of the company's own shares, the amounts presented in these financial statements for called up share capital and share premium account exclude amounts in relation to those shares.

#### 1.3. Basic financial instruments

##### *Trade and other creditors*

Trade and other creditors are recognised initially at transaction price plus attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate of instrument for a similar debt instrument.

##### *Investments in subsidiaries*

These are separate financial statements of the company. Investments in subsidiaries are carried at cost less impairment.

#### 1.4. Impairment

##### *Non-financial assets*

The carrying amounts of the Company's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit"). The goodwill acquired in a business combination, for the purpose of impairment testing is allocated to cash-generating units, or ("CGU") that are expected to benefit from the synergies of the combination. For the purpose of goodwill impairment testing, if goodwill cannot be allocated to individual CGUs or groups of CGUs, the company tests the impairment of goodwill by determining the recoverable amount of the entity in its entirety, including the integrated acquired operations.

An impairment loss is recognised if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the units, and then to reduce the carrying amounts of the other assets in the unit (group of units) on a *pro rata* basis.

**Notes** *(continued)*

**1 Accounting policies** *(continued)*

**1.4. Impairment** *(continued)*

An impairment loss is reversed if and only if the reasons for the impairment have ceased to apply.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

**1.5. Expenses**

*Interest payable*

Interest payable is recognised in profit or loss as it accrues, using the effective interest method.

**1.6. Taxation**

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on timing differences which arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements. The following timing differences are not provided for: differences between accumulated depreciation and tax allowances for the cost of a fixed asset if and when all conditions for retaining the tax allowances have been met; and differences relating to investments in subsidiaries, to the extent that it is not probable that they will reverse in the foreseeable future and the reporting entity is able to control the reversal of the timing difference. Deferred tax is not recognised on permanent differences arising because certain types of income or expense are non-taxable or are disallowable for tax or because certain tax charges or allowances are greater or smaller than the corresponding income or expense.

Deferred tax is measured at the tax rate that is expected to apply to the reversal of the related difference, using tax rates enacted or substantively enacted at the balance sheet date.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

**1.7. Revenue**

*Dividends*

Dividend income is recognised in the profit or loss account on the date the company's right to receive the payments is established.

**2 Expenses and auditor's remuneration**

*Auditor's remuneration:*

	<b>2018</b>	<b>2017</b>
	<b>\$000</b>	<b>\$000</b>
Amounts receivable by the company's auditor and its associates in respect of:		
Audit of these financial statements	7	3
	<u>7</u>	<u>3</u>

The audit fee is borne by VWR International Limited, a member of the VWR Group.

**Notes** *(continued)*

**3 Staff numbers and costs**

The company had no employees other than the directors, who did not receive any remuneration for their services to the Company during the year (2017: nil).

**4 Interest payable and similar charges**

	2018	2017
	\$000	\$000
Interest on loan from group undertakings	9,450	3,248
Total other interest payable and similar charges	9,450	3,248

**5 Taxation**

**Total tax expense recognised in the profit and loss account and equity**

	2018	2017
	\$000	\$000
<i>Current tax</i>		
Current tax on income for the period		
Adjustments in respect of prior periods	-	-
Total current tax	-	-
<i>Deferred tax</i>		
Origination and reversal of timing differences		
Change in tax rate	-	-
Total deferred tax	-	-
Total tax	-	-

**Reconciliation of effective tax rate**

	2018	2017
	\$000	\$000
Loss for the year	(2,610)	(41,104)
Total tax expense	-	-
Loss excluding taxation	(2,610)	(41,104)
Tax using the UK corporation tax rate of 19% (2017:19.25%)	(496)	(7,913)
Group relief	1,796	635
Permanent differences	-	7,782
Dividend received	(1,300)	(504)
Total tax expense included in profit or loss	-	-

**Notes** *(continued)*

**5 Taxation (continued)**

Reductions to the rate of corporation tax to 19% (effective 1 April 2017) and 17% (effective 1 April 2020) have now been enacted. This will reduce the company's future tax charges accordingly.

**6 Fixed asset investments**

	<b>Shares in group undertakings \$000</b>
<i>Cost</i>	
At beginning of year	148,285
Additions	98,001
	246,286
At end of year	246,286
<i>Provisions</i>	
At beginning and end of year	(40,423)
Impairment Loss	-
At end of year	(40,423)
<i>Net book value</i>	
At 31 December 2018	205,863
At 31 December 2017	107,862

Additions for the year include increases in investments in VWR Chemicals LLC of \$90,000,000 and PAW Bioscience Products LLC of \$3,000,000 together with a \$5,000,000 earnout payment in respect of Therapak LLC.

During the year the Company received dividends from its subsidiaries of \$6,840,000 (2017: \$2,620,000).

Impairments and reversal of impairments of fixed asset investments are included in a separate line item in the profit and loss account.

**Notes** *(continued)*

**6 Fixed asset investments (continued)**

The companies in which the company's interest at the year end is more than 20% are as follows:

	Aggregate of capital and reserves \$000	Profit/(loss) for the year \$000	Country of incorporation	Class of shares held	Ownership 2018	Ownership 2017
Jencons LLC	1,883	25	USA	Ordinary	100%	100%
Purification Technologies	-	-	USA	Ordinary	N/A	N/A
VWR Chemicals LLC	189,655	24,572	USA	Ordinary	100%	100%
PAW Bioscience Products LLC	22,514	2,545	USA	Ordinary	100%	100%
Reliable Biopharmaceutical LLC	37,005	(2,014)	USA	Ordinary	100%	100%
Therapak LLC	49,036	2,855	USA	Ordinary	100%	100%

The registered address for all the entities listed above is Radnor Corporate Centre, Building One, Suite 200, PO Box 6660100, Matsonford Road, Radnor PA 19087, USA.

**7 Creditors: amounts falling due within one year**

	2018 \$000	2017 \$000
Amounts owed to group undertakings	9,070	2,348
	<u>8,622</u>	<u>2,348</u>

Amounts owed to group undertakings are unsecured, non-interest bearing and repayable on demand.

**8 Creditors: amounts falling due after more than one year**

	2018 \$000	2017 \$000
Amounts owed to group undertakings	173,409	101,718
	<u>173,409</u>	<u>101,718</u>

**Notes** *(continued)*

**9 Interest bearing loans and borrowings**

This note provides information about the contractual terms of the Company's interest-bearing loans and borrowings, which are measured at amortised cost.

	2018 \$000	2017 \$000
<b>Creditors falling due after more than one year</b>		
Amounts owed to group undertakings	173,409	101,718
	173,409	101,718
	173,409	101,718

*Terms and debt repayment schedule*

	Currency	Nominal interest rate	Year of maturity	Repayment schedule	2018 \$000	2017 \$000
Amounts owed to group undertakings due after more than one year	USD	LIBOR plus 3.25%	December 2020	At maturity date	173,409	101,718
					173,409	101,718
					173,409	101,718

The outstanding interest bearing loans are listed on the Channel Islands Stock Exchange.

**10 Financial Instruments**

The carrying amounts of the financial assets and liabilities include:

	2018 \$000	2017 \$000
Assets measured at amortised cost	2,200	-
Liabilities measured at amortised cost	182,479	104,066
	182,479	104,066
	182,479	104,066

**11 Capital and reserves**

**Share capital**

	2018 \$000	2017 \$000
<i>Allotted, called up and fully paid</i>		
3 (2017: 3) ordinary shares of \$1 each	-	-
	-	-
	-	-

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company.

## Notes (continued)

### 12 Ultimate parent company and parent company of larger group

The Company is a subsidiary undertaking of Avantor Inc. Avantor Inc is the smallest and largest group that prepares group financial statements. Avantor Inc. includes the Company in its consolidated financial statements. The consolidated financial statements of Avantor Inc. are prepared in accordance with the generally accepted accounting principles adopted in the United States of America and may be obtained from Avantor Inc., Radnor Corporate Centre, Building One, Suite 200, PO Box 6660100, Matsonford Road, Radnor PA19087 or by accessing the United States Securities and Exchange Commission's EDGAR filing website ([www.sec.gov](http://www.sec.gov)).

### 13 Subsequent Events

There are no significant subsequent events requiring disclosure.

### 14 Accounting Estimates and judgements

#### *Key sources of estimation uncertainty*

#### *Impairment*

The company acts solely as a holding company for acquisitions within the Avantor group. The directors state a requirement to assess the carrying values of the investments each year using an impairment testing template.

The investments are assessed using a discounted cash flows method which takes into consideration expected growth to form an adjusted debt free cash flow. This is then assessed against the carrying value of the investment. The directors deemed that no impairment adjustments were required for year ended 31<sup>st</sup> December 2018.

There are no other significant judgements made in the preparation of the financial statements.