


Company Number: 09955278

TITANIUM UK HOLDCO 1 LIMITED

ANNUAL REPORT

31 DECEMBER 2018

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TITANIUM UK HOLDCO 1 LIMITED

DIRECTORS' REPORT

The directors present their report and the audited financial statements for the year ended 31 December 2018. A strategic report has not been prepared as the company is entitled to the small companies exemption under section 414B of the Companies Act 2006.

1. Introduction

The principal activity of Titanium UK Holdco 1 Limited (the company) is to hold investments in a subsidiary, which holds investments in equity investments.

The company's ultimate parent undertaking and controlling entity is The Goldman Sachs Group, Inc. (Group Inc.). Group Inc. is a bank holding company and a financial holding company regulated by the Board of Governors of the Federal Reserve System. In relation to the company, 'group undertaking' means Group Inc. or any of its subsidiaries. Group Inc., together with its consolidated subsidiaries, form 'GS Group'. GS Group is a leading global investment banking, securities and investment management firm that provides a wide range of financial services to a substantial and diversified client base that includes corporations, financial institutions, governments and individuals.

The company primarily operates in a U.S. dollar environment as part of GS Group. Accordingly, the company's functional currency is the U.S. dollar and these financial statements have been prepared in that currency.

2. Financial overview

The financial statements have been drawn up for the year ended 31 December 2018. Comparative information has been presented for the year ended 31 December 2017.

The results for the year are shown in the profit and loss account on page 7. Profit before taxation for the year ended 31 December 2018 was US\$ 826 (2017: profit before taxation of US\$ 3,288,959).

The company had total assets of US\$ 618,101,269 (31 December 2017: US\$ 700,571,947).

During March 2018, the company issued 85,970,622 ordinary shares of £1 each for a total consideration of US\$ 192,181,138 resulting in share premium of US\$ 72,519,522. The company used the proceeds to acquire a further 138,215,066 shares of £1 each in Titanium Luxco 2 S.a.r.l., its subsidiary undertaking, for a total consideration of US\$ 192,184,173.

3. Future Outlook

The directors consider that the year-end financial position of the company was satisfactory and do not anticipate any significant changes in its activities in the forthcoming year.

4. Dividends

The directors do not recommend the payment of a dividend in respect of the year (31 December 2017: US\$ 48,915,246).

5. Exchange rate

The British pound / U.S. dollar exchange rate at the balance sheet date was £/US\$ 1.2743 (31 December 2017: £/US\$ 1.3524). The average rate for the year was £/US\$ 1.3297 (31 December 2017: £/US\$ 1.3020).

6. Financial risk management

The company's risk management objectives and policies, as well as its risk exposures, are described in note 20 to the financial statements.

DIRECTORS' REPORT (continued)

7. Disclosure of information to auditors

In the case of each of the persons who are directors of the company at the date when this report was approved:

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

8. Independent auditors

The auditors, PricewaterhouseCoopers LLP, are deemed to be reappointed under section 487(2) of the Companies Act 2006.

9. Directors

The directors of the company who served throughout the year and to the date of this report, except where noted, were:

Name	Appointed	Resigned
S. Agnew		25 April 2018
N. Ross	25 April 2018	
R. J. Spencer		
M. Olivier	21 May 2018	

No director had, at the year-end, any interest requiring note herein.

10. Statement of directors' responsibilities

The directors are responsible for preparing 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 period which give a true and fair view of the state of affairs of the company as at the end of the financial period and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable 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 which 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.

TITANIUM UK HOLDCO 1 LIMITED

DIRECTORS' REPORT (continued)

11. Date of authorisation of issue

The financial statements were authorised for issue by the Board of Directors on 24 Jun 2019.

ON BEHALF OF THE BOARD


Director

MARK OLIVIER

Independent auditors' report to the members of TITANIUM UK HOLDCO 1 LIMITED

Report on the audit of the financial statements

Opinion

In our opinion, Titanium UK Holdco 1 Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2018 and of its 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 101 "Reduced Disclosure Framework", 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, which comprise: the Balance Sheet as at 31 December 2018; the Profit and Loss Account, 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, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

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.

We have nothing to report in respect of the above matters.

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. For example, the terms on which the United Kingdom may withdraw from the European Union are not clear, and it is difficult to evaluate all of the potential implications on the company's trade, customers, suppliers and the wider economy.

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 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.

Independent auditors' report to the members of TITANIUM UK HOLDCO 1 LIMITED

Directors' Report

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

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

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of directors' responsibilities set out on page 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.

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.

Entitlement to exemptions

Under the Companies Act 2006 we are required to report to you if, in our opinion, the directors were not entitled to take advantage of the small companies exemption from preparing a strategic report. We have no exceptions to report arising from this responsibility.

**Independent auditors' report to the members of
TITANIUM UK HOLDCO 1 LIMITED**

Nick Morrison (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London

24 June 2019

TITANIUM UK HOLDCO 1 LIMITED

PROFIT AND LOSS ACCOUNT

for the year ended 31 December 2018

		Year ended 31 December 2018	Year ended 31 December 2017
	Note	US\$	US\$
Interest receivable and similar income	5	1,819,443	-
Interest payable and similar expenses	6	(1,818,571)	-
Administrative (expenses)/income	7	(46)	3,288,959
PROFIT/(LOSS) BEFORE TAXATION		826	3,288,959
Tax on profit/(loss)	10	(157)	(666,110)
PROFIT/(LOSS) FOR THE FINANCIAL YEAR		669	2,622,849

The profits/(losses) of the company are derived from continuing operations in the current and prior years.

The company has no recognised gains and losses other than those included in the profit and loss account for the years shown above and therefore no separate statement of comprehensive income has been presented.

The accompanying notes are an integral part of these financial statements.

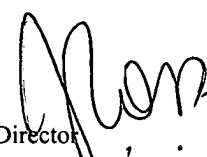
TITANIUM UK HOLDCO 1 LIMITED

BALANCE SHEET

as at 31 December 2018

		<u>31 December 2018</u>	<u>31 December 2017</u>
	Note	US\$	US\$
FIXED ASSETS			
Investments	11	612,798,356	420,614,183
CURRENT ASSETS			
Debtors: Amounts falling due within one year	12	5,302,913	5,367,846
Debtors: Amounts falling due after more than one year	13	-	274,589,918
		5,302,913	279,957,764
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	14	(32,703)	(95,270)
NET CURRENT ASSETS		5,270,210	279,862,494
TOTAL ASSETS LESS CURRENT LIABILITIES		618,068,566	700,476,677
CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR	15	-	(274,589,918)
NET ASSETS		618,068,566	425,886,759
CAPITAL AND RESERVES			
Called up share capital	16	565,622,724	445,961,108
Share premium account	16	72,519,522	-
Profit and loss account		(20,073,680)	(20,074,349)
TOTAL SHAREHOLDERS' FUNDS		618,068,566	425,886,759

The financial statements were approved by the Board of Directors on 24/6/2019 and signed on its behalf by:


 Director
MARC OLIVIER

The accompanying notes are an integral part of these financial statements.
 Company number: 09955278

TITANIUM UK HOLDCO 1 LIMITED

STATEMENT OF CHANGES IN EQUITY

for the year ended 31 December 2018

	Called up share capital	Share premium	Other reserves	Profit and loss account	Total shareholders' funds
Note	US\$	US\$	US\$	US\$	US\$
Balance as at 1 January 2017	470,904,144	-	-	(22,697,198)	448,206,946
Profit for the financial year	-	-	-	2,622,849	2,622,849
Proceeds from shares issued	23,972,210	-	-	-	23,972,210
Share capital reduction	(48,915,246)	-	48,915,246	-	-
Dividend	-	-	(48,915,246)	-	(48,915,246)
Balance at 31 December 2017	445,961,108	-	-	(20,074,349)	425,886,759
Profit for the financial year	-	-	-	669	669
Proceeds from shares issued	119,661,616	72,519,522	-	-	192,181,138
Balance at 31 December 2018	565,622,724	72,519,522	-	(20,073,680)	618,068,566

No dividends were paid in 2018 (2017: US\$ 48,915,246).

The accompanying notes are an integral part of these financial statements.

TITANIUM UK HOLDCO 1 LIMITED

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2018

1. GENERAL INFORMATION

The company is a private limited liability company and is incorporated and domiciled in England and Wales. The address of its registered office is Peterborough Court, 133 Fleet Street, London, EC4A 2BB, United Kingdom.

The immediate parent undertaking is ELQ Investors VIII Limited, a company incorporated and domiciled in England and Wales.

The ultimate parent undertaking and the parent company of the largest group for which consolidated financial statements are prepared is The Goldman Sachs Group, Inc., a company incorporated in the United States of America. Copies of its consolidated financial statements can be obtained from Investor Relations, 200 West Street, New York, NY 10282, United States of America, or at www.goldmansachs.com/shareholders/.

2. ACCOUNTING POLICIES

a. Basis of preparation

These financial statements have been prepared on the going concern basis, under the historical cost convention and in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101) and the Companies Act 2006. The company has additionally early adopted all amendments to FRS 101 as a result of the 'Triennial Review 2017 amendments' issued by the Financial Reporting Council (FRC) in December 2017.

The following exemptions from disclosure requirements of International Financial Reporting Standards (IFRS) as adopted by the E.U. have been applied in the preparation of these financial statements in accordance with FRS 101:

- (i) IFRS 2 'Share-based Payment' paragraph 45(b) and 46 to 52. These disclosures are provided in the consolidated financial statements of Group Inc.;
- (ii) IAS 1 'Presentation of Financial Statements' paragraph 38 to present comparative information in respect of IAS 1 'Presentation of Financial Statements' paragraph 79(a)(iv);
- (iii) IAS 1 'Presentation of Financial Statements' paragraphs 10(f), 16 and 40A-D;
- (iv) IAS 7 'Statement of Cash Flows';
- (v) IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' paragraphs 30 and 31;
- (vi) IAS 24 'Related Party Disclosures' paragraph 17; and
- (vii) IAS 24 'Related Party Disclosures' requirements to disclose transactions with companies also wholly owned within GS Group.

The company is a subsidiary undertaking of Group Inc., a company incorporated within the United States of America, whose consolidated financial statements include the company and its subsidiaries, and are publicly available. As a result the company has elected not to prepare consolidated financial statements as permitted by section 401 of the Companies Act 2006.

TITANIUM UK HOLDCO 1 LIMITED

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2018

2. ACCOUNTING POLICIES (continued)

b. Changes in accounting policies

From 1 January 2018 the company adopted IFRS 9 'Financial Instruments' as issued by the IASB in July 2014.

As permitted by the transitional provisions of IFRS 9, the company elected not to restate comparative figures. The consequential amendments to IFRS 7 disclosures have only been applied in the current year.

The adoption of IFRS 9 has resulted in changes in the company's accounting policies for, classification and measurement of financial assets and liabilities – refer to notes 2f for further details.

Set out below are disclosures relating to the impact of the adoption of IFRS 9 on the company.

(i) Classification and measurement

The company performed a detailed analysis of its business models for managing financial assets and, where required, subsequent analysis of cash flow characteristics on individual financial assets.

There were no changes to the carrying amount of financial assets as a result of the adoption of IFRS 9. At 1 January 2018, the company had US\$ 274,589,918 of financial assets classified as loans and receivables under IAS 39. These financial assets were reclassified as measured at amortised cost under IFRS 9.

There were no changes to the classification and measurement of financial liabilities.

(ii) Impairment

The company has developed and tested an impairment model that complies with the key requirements of IFRS 9. The results calculated by the model were not material and therefore the company has not recorded any credit losses as a result of adopting IFRS 9.

c. Dividends

Final equity dividends are recognised as a liability and deducted from equity in the period in which the dividends are approved by the company's shareholders. Interim equity dividends are recognised and deducted from equity when paid.

d. Foreign currencies

The company's financial statements are presented in U.S. dollars, which is also the company's functional currency. Transactions denominated in foreign currencies are translated into U.S. dollars at rates of exchange ruling on the date the transaction occurred. Monetary assets and liabilities denominated in foreign currencies are translated into U.S. dollars at rates of exchange ruling at the balance sheet date. Foreign exchange gains and losses are recognised in the profit and loss account.

e. Fixed asset investments

Fixed asset investments comprises an investments in a subsidiary undertaking and is stated at cost less provision for any impairment. Dividends receivable are recognised when the right to receive payment has been established.

TITANIUM UK HOLDCO 1 LIMITED

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2018

2. ACCOUNTING POLICIES (continued)

f. Financial assets and financial liabilities

(i) Recognition and derecognition

Financial asset and financial liabilities are recognised when the company becomes party to the contractual provisions of the instrument.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire or if the company transfers the financial asset and the transfer qualifies for derecognition. A transferred financial asset qualifies for derecognition if the company transfers substantially all the risks and rewards of ownership of the financial asset or does not retain control. Financial liabilities are derecognised only when they are extinguished (i.e. when the obligation specified in the contract is discharged or cancelled or expires).

(ii) Classification and measurement

Financial assets comprise all of the company's current assets, and financial liabilities comprise all of the company's creditors.

From 1 January 2018 the company has adopted IFRS 9 and classifies financial assets into Financial assets measured at amortised cost on the basis of both the company's business model for managing financial assets and the contractual cash flow characteristics of the financial assets. The company's business model is to hold the assets to collect contractual cash flows and the cash flows represent solely payments of principal and interest. If these conditions were not met, the financial assets would be mandatorily measured at fair value through profit or loss.

• Financial assets measured at amortised cost

Financial assets measured at amortised cost are initially measured at fair value plus transaction costs and subsequently at amortised cost using the effective interest method. The effective interest method is a method of calculating the amortised cost of a financial instrument and allocating the interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset or, when appropriate, a shorter period to the net carrying amount of the financial asset. When calculating the effective interest rate, the company estimates cash flows considering all contractual terms of the financial asset but does not consider future credit losses. All finance income is recognised in the profit and loss account.

• Financial liabilities measured at amortised cost

Financial liabilities measured at amortised cost are initially recognised at fair value plus transaction costs and subsequently measured at amortised cost using the effective interest method (see above). Finance costs, including discounts allowed on issue, are recorded in interest payable and similar expenses.

(iii) Offsetting financial assets and financial liabilities

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet where there is:

- (i) currently a legally enforceable right to set off the recognised amounts; and
- (ii) intent to settle on a net basis or to realise the asset and settle the liability simultaneously.

Where these conditions are not met, financial assets and financial liabilities are presented on a gross basis on the balance sheet.

TITANIUM UK HOLDCO 1 LIMITED

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2018

2. ACCOUNTING POLICIES (continued)

g. Current and deferred tax

The tax expense comprises current and deferred tax. Tax is recognised in the profit and loss account.

Current tax is calculated on the basis of the tax laws enacted or substantially enacted at the balance sheet date in the countries where the company operates and generates taxable income.

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

(i) Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying temporary differences can be deducted.

(ii) Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the years in which temporary differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the amounts recognised in these financial statements. The nature of estimation means that actual outcomes could differ from those estimates. In the opinion of management, there were no judgements made that had a significant effect on amounts recognised in the financial statements.

4. SEGMENTAL REPORTING

The directors manage the company's activities as a single business in the same geographical region and accordingly no segmental analysis has been provided.

5. INTEREST RECEIVABLE AND SIMILAR INCOME

	Year ended 31 December 2018	Year ended 31 December 2017
	US\$	US\$
Interest on loans to group undertakings (see note 13)	1,819,443	-
	<u>1,819,443</u>	<u>-</u>

6. INTEREST PAYABLE AND SIMILAR EXPENSES

	Year ended 31 December 2018	Year ended 31 December 2017
	US\$	US\$
Interest on loans from group undertakings (see note 15)	1,818,571	-
	<u>1,818,571</u>	<u>-</u>

TITANIUM UK HOLDCO 1 LIMITED

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2018

7. ADMINISTRATIVE (EXPENSES)/INCOME

	Year ended 31 December 2018	Year ended 31 December 2017
	US\$	US\$
Foreign exchange (losses)/gains	(46)	3,317,077
Auditors' remuneration - audit services	-	(28,118)
	(47)	3,288,959

The auditors' remuneration for the current year of £10,000 (US\$ 11,920) (2017: £11,000 (US\$ 14,059)) has been borne by a group undertaking.

8. STAFF COSTS

As in the prior year, the company has no employees. All persons involved in the company's operations are employed by group undertakings and no costs are borne by the company.

9. DIRECTORS' EMOLUMENTS

The directors did not receive any remuneration from the company in the current or prior years and no contributions were made by the company under defined benefit or defined contribution pension schemes. The directors are employed by other group undertakings and their remuneration is borne by those companies. The directors do not consider that a significant proportion of their remuneration relates to the qualifying services provided to the company.

10. TAX ON PROFIT/(LOSS)

	Year ended 31 December 2018	Year ended 31 December 2017
	US\$	US\$
Current tax:		
U.K. corporation tax	157	666,110
Total current tax	157	666,110

The table below presents a reconciliation between tax on profit/(loss) and the amount calculated by applying the weighted average rate of U.K. corporation tax applicable to the company for the year of 19.00 % (2017: 19.25%) to the profit/(loss) before taxation:

	Year ended 31 December 2017	Year ended 31 December 2017
	US\$	US\$
Profit/(loss) before taxation	826	3,288,959
Profit/(loss) multiplied by the weighted average rate in the U.K. of 19.00% (2017: 19.25%)	157	633,125
Exchange differences and other	-	32,985
Total tax on profit	157	666,110

TITANIUM UK HOLDCO 1 LIMITED

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2018

11. FIXED ASSET INVESTMENTS

Fixed asset investments, which are unlisted and stated at cost less provision for any impairment, comprise investment in a subsidiary undertaking:

	US\$
At 31 December 2017	420,614,183
Additions	192,184,173
At 31 December 2018	612,798,356

In March 2018, the company acquired 138,215,066 ordinary shares of £1 in its subsidiaries Titanium Luxco 2 S.a.r.l. each for a total consideration of US\$ 181,095,322.

The subsidiary over which the company exercises control via ordinary shares held directly by the company at the year-end is:

Name of company	Nature of business	Proportion of nominal value held	Class of shares held
Titanium Luxco 2 S.a.r.l. ¹	Investment company	95.00%	Ordinary shares

The subsidiaries over which the company exercises control via ordinary shares held by its subsidiary undertaking at the year-end are:

Name of Company	Nature of business	Proportion of nominal value held	Class of shares held
Titanium UK Asset Co Limited ²	In liquidation	95.00%	Ordinary shares
The Place for Living Limited ²	In liquidation	95.00%	Ordinary shares

Registered office address at:

¹ 2, rue du Fosse, L - 1536 Luxembourg

² 15 Canada Square, London, E14 5GL, United Kingdom

12. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31 December 2018 US\$	31 December 2017 US\$
Amounts due from group undertakings	528,650	-
Group relief receivable	4,774,263	5,367,846
	5,302,913	5,367,846

Amounts due from group undertakings includes US\$ 252,641 (31 December 2017: US\$ nil) in cash balances held on account by a fellow group undertaking.

TITANIUM UK HOLDCO 1 LIMITED

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2018

13. DEBTORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	31 December 2018	31 December 2017
	US\$	US\$
Long term loan due from group undertakings	-	274,589,918
	-	274,589,918

The long-term loan due from group undertakings represented a GBP denominated facility advanced by the company to its subsidiary undertaking, Titanium Luxco 2 S.a.r.l. under the terms of the loan agreement dated 20 December 2017. The loan was unsecured, carried interest at a fixed rate of 3.00% per annum and had a final maturity of 19 December 2022. The loan was repaid in full on 12 March 2018.

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31 December 2018	31 December 2017
	US\$	US\$
Amounts due to group undertakings	27,583	95,270
Other	5,120	-
	32,703	95,270

15. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	31 December 2018	31 December 2017
	US\$	US\$
Long-term loan due to group undertakings	-	274,589,918
	-	274,589,918

The long-term loan due to group undertakings represented a GBP denominated facility advanced by ELQ Investors VIII Limited, the company's direct parent, under the terms of the loan agreement dated 20 December 2017. The loan was unsecured, carried interest at a fixed rate of 3.00% per annum and was repayable at the earlier of five days after the date on which the loan issued by the company for the same amount to its subsidiary, Titanium Luxco 2 S.a.r.l. was discharged in full or 19 December 2066. The loan was repaid in full on 12 March 2018.

16. CALLED UP SHARE CAPITAL

At 31 December 2018 and 31 December 2017 called up share capital comprised:

	31 December 2018		31 December 2017	
	No.	US\$	No.	US\$
<u>Alloted, called up and fully paid</u>				
Ordinary Shares of £1 each	396,411,409	565,622,724	310,440,787	445,961,108
		565,622,724		445,961,108

During March 2018, the company issued 85,970,622 ordinary shares of £1 each for a total consideration of US\$ 192,181,138 resulting in share premium of US\$ 72,519,522.

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17. DIVIDENDS PAID

	31 December 2018	31 December 2017
	US\$	US\$
Interim dividend paid	-	48,915,246
	-	48,915,246

In the prior year, on 3 November 2017 the company cancelled 37,445,645 ordinary shares of £1 each amounting to US\$ 48.9 million to create distributable reserves. These reserves were fully utilised to pay a dividend of US\$ 48,915,246 to the company's immediate parent undertaking on the same date.

18. FINANCIAL COMMITMENTS AND CONTINGENCIES

The company had no financial commitments or contingencies outstanding at the year-end (31 December 2017: US\$ nil).

19. RELATED PARTY DISCLOSURES

The company has an equity interest, along with a co-investor, in Titanium Luxco 2 S.a.r.l., a subsidiary undertaking. During the year, there were no other transactions with Titanium Luxco 2 S.a.r.l. other than those disclosed in notes 13 and 15. There were no other related party transactions during the year with non-wholly owned subsidiaries.

20. FINANCIAL RISK MANAGEMENT AND CAPITAL MANAGEMENT

The company monitors its capital on an ongoing basis. The company's objective is to be prudently capitalised in terms of the amount and composition of its equity base compared to the company's risk exposures. The appropriate level and composition of equity capital is determined by considering multiple factors including the business environment, conditions in the financial markets and assessments of potential future losses due to adverse changes in market environments.

The company is not subject to any externally imposed capital requirements.

The directors consider that the most important components of the company's financial risk are market risk, credit risk and liquidity risk. The company, as part of a global group, adheres to global risk management policies and procedures.

a. Market risk

Market risk is the risk of loss in value of investments, as well as certain other financial assets and financial liabilities, due to changes in market conditions. Risks are monitored and controlled through strong firmwide oversight and independent control and support functions across the company's business. Relevant market risk for the company is currency risk.

Currency risk results from exposures to changes in spot prices, forward prices and volatilities of currency rates.

The company's functional currency is the U.S. dollar. At 31 December 2018, the company had no material net exposures to other currencies (31 December 2017: nil).

The company manages its currency risk as part of GS Group's risk management policy, by establishing economic hedges as appropriate to the circumstances of the company.

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NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2018

20. FINANCIAL RISK MANAGEMENT AND CAPITAL MANAGEMENT (continued)

b. Credit risk

Credit risk represents the potential for loss due to the default or deterioration in the credit quality of a counterparty. Credit risk is managed by reviewing the credit quality of the counterparties and reviewing, if applicable, the underlying collateral against which the financial assets are secured. The company's maximum exposure to credit risk is equivalent to the carrying value of its financial assets as at 31 December 2018 and 31 December 2017. The company's credit exposures are described further below:

Debtors. The company is exposed to credit risk from its amounts due from group undertakings, for which the credit risk is considered minimal. As at 31 December 2018, the company had no debtors past due (31 December 2017: Nil).

c. Liquidity risk

Liquidity risk is the risk that the company does not have sufficient cash or collateral to make payments to its counterparties or customers as they fall due. The company manages its liquidity risk in accordance with GS Group's comprehensive and conservative set of liquidity and funding policies to address both company specific and broader industry or market liquidity events.