

**REGISTERED NUMBER: 05293427 (England and Wales)**

**STRATEGIC REPORT, REPORT OF THE DIRECTORS AND  
AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016  
FOR  
ESAB GROUP RUSSIA LIMITED**

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**ESAB GROUP RUSSIA LIMITED (REGISTERED NUMBER: 05293427)**

**CONTENTS OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2016**

	<b>Page</b>
<b>Company Information</b>	<b>1</b>
<b>Strategic Report</b>	<b>2</b>
<b>Report of the Directors</b>	<b>3</b>
<b>Report of the Independent Auditors</b>	<b>5</b>
<b>Income Statement</b>	<b>7</b>
<b>Other Comprehensive Income</b>	<b>8</b>
<b>Balance Sheet</b>	<b>9</b>
<b>Statement of Changes in Equity</b>	<b>10</b>
<b>Notes to the Financial Statements</b>	<b>11</b>

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**ESAB GROUP RUSSIA LIMITED (REGISTERED NUMBER: 05293427)**

**COMPANY INFORMATION  
FOR THE YEAR ENDED 31 DECEMBER 2016**

**DIRECTORS:**

K Atkins  
W B Flexon  
M P Lehman  
D A Pryor  
A L Puckett  
E A Raperport  
G Rostron

**REGISTERED OFFICE:**

322 High Holborn  
6th Floor  
London  
WC1V 7PB  
United Kingdom

**COMPANY SECRETARY:**

Tmf Corporate Administration Services Limited  
5<sup>th</sup> Floor, 6 St. Andrew Street  
London  
EC4A 3AE

**REGISTERED NUMBER:**

05293427 (England and Wales)

**AUDITORS:**

Ernst & Young LLP, London

**ESAB GROUP RUSSIA LIMITED (REGISTERED NUMBER: 05293427)**

**STRATEGIC REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2016**

The directors present their strategic report for the year ended 31 December 2016.

**REVIEW OF BUSINESS**

The principal activity of the company in the year under review was that of acting as a general commercial company and no change is planned in its activities in the year to 31 December 2017.

The profit for the year, after taxation, was RUR 680,318,000 (2015: RUR 666,089,000).

The financial position at the year end was considered satisfactory.

**PRINCIPAL RISKS AND UNCERTAINTIES**

The company is a wholly owned subsidiary of Colfax Corporation. From the perspective of the company, the principal risks and uncertainties and financial risk management are aligned with the principal risks and uncertainties and financial risk management of Colfax Corporation and its subsidiaries. The principal risks and uncertainties and financial risk management of Colfax Corporation and its subsidiaries, which include those of the company, are discussed in the annual report of Colfax Corporation, which does not form part of this report.

**ON BEHALF OF THE BOARD:**

  
.....  
G Rostron - Director

Date: 28 July 17

**ESAB GROUP RUSSIA LIMITED (REGISTERED NUMBER: 05293427)**

**REPORT OF THE DIRECTORS  
FOR THE YEAR ENDED 31 DECEMBER 2016**

The directors present their report with the financial statements of the company for the year ended 31 December 2016.

**DIVIDENDS**

No dividends will be distributed for the year ended 31 December 2016.

**DIRECTORS**

The directors shown below have held office during the whole of the period from 1 January 2016 to the date of this report.

K Atkins  
W B Flexon  
M P Lehman  
D A Pryor  
A L Puckett  
E A Raperport  
G Rostron

Other changes in directors holding office are as follows:  
C S Brannan - resigned 30 September 2016

**DIRECTORS' QUALIFYING THIRD PARTY INDEMNITY PROVISION**

A L Puckett, D A Pryor, M P Lehman, W B Flexon, E A Raperport and G Rostron have been granted a qualifying third party indemnity, as defined in the Companies Act 2006, by the ultimate parent company, Colfax Corporation, to the extent permitted by law in respect of certain liabilities incurred as a result of their office in associated companies. They are indemnified against liability to third parties, excluding criminal liability and regulatory penalties and certain other liabilities. In addition, Colfax Corporation may pay the directors' legal costs as they are incurred, subject to reimbursement if the director is convicted, or if judgement is given against the director in an action brought against the company. Such indemnities survive the resignation of each director.

**AUDITORS**

In accordance with section 485 of the Companies Act 2006, a resolution is to be proposed at the Annual General Meeting for reappointment of Ernst & Young LLP as auditor of the company.

**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The directors are responsible for preparing the Report of the Directors 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). 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 accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and 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.


**ESAB GROUP RUSSIA LIMITED (REGISTERED NUMBER: 05293427)**

**REPORT OF THE DIRECTORS  
FOR THE YEAR ENDED 31 DECEMBER 2016 - CONTINUED**

**STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS**

So far as the directors are each aware, there is no relevant audit information (that is, information needed by the company's auditors in connection with preparing their report) of which the company's auditors are unaware, and each director has taken all the steps they ought to have taken as a director, in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

**ON BEHALF OF THE BOARD:**

  
.....  
G Rostron - Director

Date: 28 July 17

## **REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF ESAB GROUP RUSSIA LIMITED**

We have audited the financial statements of ESAB Group Russia Limited for the year ended 31 December 2016 on pages 7 to 14 which comprise the Income statement, Statement of Comprehensive Income, Balance Sheet, Statement of Changes in Equity and related notes 1 to 9. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

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 a Report of the Auditors 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.

### **Respective responsibilities of directors and auditors**

As explained more fully in the Statement of Directors' Responsibilities set out on page 3 and 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Strategic Report, the Report of the Directors and Audited Financial Statements to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

### **Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2016 and of its profit 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.

### **Opinion on other matter prescribed by the Companies Act 2006**

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

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

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF  
ESAB GROUP RUSSIA LIMITED - CONTINUED**

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

In light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have identified no material misstatements in the Strategic Report or Directors' Report.

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

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

*Ernst & Young LLP*

James Hilditch (Senior Statutory Auditor)  
for and on behalf of Ernst & Young LLP, London, Statutory Auditor  
London

Date: *28 July 2017*



**ESAB GROUP RUSSIA LIMITED (REGISTERED NUMBER: 05293427)**

**INCOME STATEMENT  
FOR THE YEAR ENDED 31 DECEMBER 2016**

	Notes	2016 RUR'000	2015 RUR'000
<b>TURNOVER</b>		<u>-</u>	<u>-</u>
<b>OPERATING RESULT</b>	2	-	-
Interest receivable and similar income	3	<u>680,318</u>	<u>666,089</u>
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		680,318	666,089
Tax on profit on ordinary activities	4	<u>-</u>	<u>-</u>
<b>PROFIT FOR THE FINANCIAL YEAR</b>		<u>680,318</u>	<u>666,089</u>

The notes form part of these financial statements

**ESAB GROUP RUSSIA LIMITED (REGISTERED NUMBER: 05293427)**

**OTHER COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 DECEMBER 2016**

	Notes	2016 RUR'000	2015 RUR'000
<b>PROFIT FOR THE YEAR</b>		680,318	666,089
<b>OTHER COMPREHENSIVE INCOME</b>		<u>-</u>	<u>-</u>
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		<u>680,318</u>	<u>666,089</u>

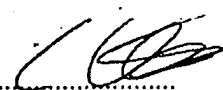
The notes form part of these financial statements

**ESAB GROUP RUSSIA LIMITED (REGISTERED NUMBER: 05293427)**

**BALANCE SHEET  
31 DECEMBER 2016**

	Notes	2016 RUR'000	2015 RUR'000
<b>CURRENT ASSETS</b>			
Debtors	5	<u>6,632,759</u>	<u>5,952,441</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>6,632,759</u>	<u>5,952,441</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	6	-	-
Share premium	7	4,466,838	4,466,838
Retained earnings	7	<u>2,165,921</u>	<u>1,485,603</u>
<b>SHAREHOLDERS' FUNDS</b>	8	<u>6,632,759</u>	<u>5,952,441</u>

The financial statements were approved by the Board of Directors on 20 July 17 and were signed on its behalf by:

  
G. Röström - Director

The notes form part of these financial statements

**ESAB GROUP RUSSIA LIMITED (REGISTERED NUMBER: 05293427)**

**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2016**

	Retained earnings RUR'000	Share premium RUR'000	Total equity RUR'000
<b>Balance at 1 January 2015</b>	819,514	4,466,838	5,286,352
<b>Changes in equity</b>			
Total comprehensive income	<u>666,089</u>	<u>-</u>	<u>666,089</u>
<b>Balance at 31 December 2015</b>	<u>1,485,603</u>	<u>4,466,838</u>	<u>5,952,441</u>
<b>Changes in equity</b>			
Total comprehensive income	<u>680,318</u>	<u>-</u>	<u>680,318</u>
<b>Balance at 31 December 2016</b>	<u><u>2,165,921</u></u>	<u><u>4,466,838</u></u>	<u><u>6,632,759</u></u>

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The notes form part of these financial statements

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2016**

**1. ACCOUNTING POLICIES**

**Basis of preparing the financial statements**

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

ESAB Group Russia Limited is a limited liability company incorporated in England. The Registered Office is 322 High Holborn, 6th Floor, London, WC1V 7PB.

**Financial reporting standard 102 - reduced disclosure exemptions**

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

- the requirements of Section 7 Statement of Cash Flows;
- the requirement of Section 33 Related Party Disclosures paragraph 33.7.

**Deferred tax**

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 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.

**Amounts owed by or to group undertakings**

Amounts owed by or to group undertakings are initially recorded at the present value of future payments discounted at a market rate of interest for a similar loan. Subsequently, they are measured at amortised cost using the effective interest method. Amounts that are due within one year are not discounted.

**Foreign currencies**

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

NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2016

1. ACCOUNTING POLICIES - continued

**Interest and dividends**

Interest payable or receivable on amounts due to or from group companies is calculated using the effective interest method.

Dividend distributions to the company's shareholders are recognised in the accounts in the period when paid. Dividends receivable are recognised when the company's right to receive payment has been established and is unconditional.

2. OPERATING RESULT

**Directors' emoluments**

The company's directors are employed and remunerated by a fellow subsidiary undertaking in respect of their services as a director of a number of group companies. No recharge is made to the company and it is not possible to make an accurate apportionment of their emoluments in respect of each of the group companies. Directors' emoluments are disclosed in the employing company's financial statements.

**Employees**

The company has no employees.

**Auditors' Remuneration**

Auditors' remuneration was borne by a fellow subsidiary undertaking in the current and prior year.

3. INTEREST RECEIVABLE AND SIMILAR INCOME

	2016 RUR'000	2015 RUR'000
Group interest receivable	678,295	652,694
Foreign exchange gain	<u>2,023</u>	<u>13,395</u>
	<u>680,318</u>	<u>666,089</u>

4. TAXATION

**Analysis of the tax charge**

No liability to UK corporation tax arose for the year ended 31 December 2016 nor for the year ended 31 December 2015.

**Reconciliation of total tax charge included in profit and loss**

The tax assessed for the year is lower than the standard rate of corporation tax in the UK. The difference is explained below:

	2016 RUR'000	2015 RUR'000
Profit on ordinary activities before tax	<u>680,318</u>	<u>666,089</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 20% (2015 - 20.25%)	136,064	134,883
Effects of: Unutilised group relief	<u>(136,064)</u>	<u>(134,883)</u>
Total tax charge	<u>-</u>	<u>-</u>

**ESAB GROUP RUSSIA LIMITED (REGISTERED NUMBER: 05293427)**

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2016**

**4. TAXATION - continued**

The tax assessed for the prior year is lower than the standard rate of corporation tax in the UK. The difference is explained above.

There are no unrecognised deferred tax assets or liabilities which should be disclosed in these financial statements.

Finance (No. 2) Act 2015, substantively enacted on 26 October 2015, reduced the corporate rate of income tax to 19% from 1 April 2017 and to 18% from 1 April 2020. The Finance Act 2016, substantively enacted on 6 September 2016, reduced the rate further to 17% from 1 April 2020.

**5. DEBTORS: AMOUNTS OWED BY GROUP UNDERTAKINGS**

	2016 RUR'000	2015 RUR'000
Amounts falling due within one year	3,517,504	2,225,186
Amounts falling due after more than one year	<u>3,115,255</u>	<u>3,700,255</u>
	<u>6,632,759</u>	<u>5,952,441</u>

Amounts falling due within one year are unsecured, have no fixed repayment date, are repayable on demand and interest is received at RUR LIBOR minus 1% subject to a minimum of 0%.

Amounts falling due after more than one year are unsecured, have no fixed repayment date, are repayable on demand and interest is fixed at 11%.

**6. CALLED UP SHARE CAPITAL**

Allotted, issued and fully paid:		Nominal value:	2016	2015
Number:	Class:		RUR	RUR
2	ordinary shares	RUR 1	<u>2</u>	<u>2</u>

**7. RESERVES**

	Retained earnings RUR'000	Share premium RUR'000	Totals RUR'000
At 1 January 2016	1,485,603	4,466,838	5,952,441
Profit for the year	<u>680,318</u>		<u>680,318</u>
At 31 December 2016	<u>2,165,921</u>	<u>4,466,838</u>	<u>6,632,759</u>

**ESAB GROUP RUSSIA LIMITED (REGISTERED NUMBER: 05293427)**

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2016**

**8. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS**

	2016 RUR'000	2015 RUR'000
Profit for the financial year	680,318	666,089
<b>Net addition to shareholders' funds</b>	<b>680,318</b>	<b>666,089</b>
Opening shareholders' funds	5,952,441	5,286,352
<b>Closing shareholders' funds</b>	<b>6,632,759</b>	<b>5,952,441</b>

**9. ULTIMATE PARENT COMPANY**

The company's shares are held by ESAB Holdings Limited, its immediate parent company and controlling party. The company regards Colfax Corporation, which is listed on the New York Stock Exchange, as the Company's ultimate parent company and controlling party.

The parent undertaking of the largest and smallest group of undertakings for which group financial statements for the year ended 31 December 2016 are prepared and of which the company is a member is Colfax Corporation, a company incorporated in the United States of America. Copies of its group financial statements are publicly available at [www.colfaxcorp.com](http://www.colfaxcorp.com)