

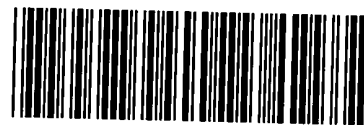
Coltec Finance Company Limited

Registered number: 04509708

Directors' Report and Financial Statements

For the Year Ended 31 December 2017

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Coltec Finance Company Limited

Company Information

Directors	J M Childress II R S McLean C Ravenberg
Company secretary	R S McLean & J Fogg
Registered number	04509708
Registered office	11th Floor Two Snowhill Birmingham West Midlands B4 6WR
Independent auditors	Haines Watts Chartered Accountants & Statutory Auditors Advantage 87 Castle Street Reading Berkshire RG1 7SN

Coltec Finance Company Limited

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Coltec Finance Company Limited

**Directors' Report
For the Year Ended 31 December 2017**

The directors present their report and the financial statements for the year ended 31 December 2017.

Principal activity

The Company's principal activity during the year was the global management of cash for affiliates of the Company, all of whom have the same parent undertaking, EnPro Industries Inc., incorporated in the United States of America. The global management of cash includes a multilateral netting program to simplify the settlement of inter-company transactions between affiliates of the Company, and a cross-border cash pooling program, which was launched to concentrate funds to provide better investment returns, to reduce the need for individual affiliates of the Company to borrow from financial institutions, to increase visibility and to control cash reserves.

Directors

The directors who served during the year were:

J M Childress II
R S McLean
C Ravenberg (appointed 24 July 2017)
R Vanover (resigned 17 March 2017)

Directors' responsibilities statement

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

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

- select suitable accounting policies for the Company's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Coltec Finance Company Limited

**Directors' Report (continued)
For the Year Ended 31 December 2017**

Disclosure of information to auditors

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

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

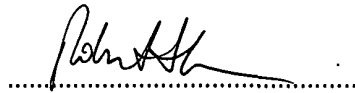
Auditors

Under section 487(2) of the Companies Act 2006, Haines Watts will be deemed to have been reappointed as auditors 28 days after these financial statements were sent to members or 28 days after the latest date prescribed for filing the accounts with the registrar, whichever is earlier.

Small companies note

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

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



R S McLean
Director

Date: 11 July 2018

Coltec Finance Company Limited

Independent Auditors' Report to the Shareholders of Coltec Finance Company Limited

Opinion

We have audited the financial statements of Coltec Finance Company Limited (the 'Company') for the year ended 31 December 2017, which comprise the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2017 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

Other information

The 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 Auditors' Report thereon. 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

Coltec Finance Company Limited

Independent Auditors' Report to the Shareholders of Coltec Finance Company Limited (continued)

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.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Directors' Report and from the requirement to prepare a Strategic Report.

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement on page 1, 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.

Coltec Finance Company Limited

Independent Auditors' Report to the Shareholders of Coltec Finance Company Limited (continued)

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditors' Report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' Report.

Use of our report

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



Adrian Williams ACA FCCA (Senior Statutory Auditor)

for and on behalf of
Haines Watts

Chartered Accountants
Statutory Auditors

Advantage
87 Castle Street
Reading
Berkshire
RG1 7SN

Date: 11 July 2018

Coltec Finance Company Limited

**Statement of Comprehensive Income
For the Year Ended 31 December 2017**

	Note	2017 £000	2016 £000
Administrative expenses		(331)	238
Operating (loss)/profit		<u>(331)</u>	<u>238</u>
Interest receivable and similar income		3,550	2,986
Interest payable and expenses		(1,620)	(875)
Profit before tax		<u>1,599</u>	<u>2,349</u>
Tax on profit		(322)	(461)
Profit for the financial year		<u><u>1,277</u></u>	<u><u>1,888</u></u>
Other comprehensive income for the year			
Total comprehensive income for the year		<u><u>1,277</u></u>	<u><u>1,888</u></u>

There were no recognised gains and losses for 2017 or 2016 other than those included in the statement of comprehensive income.

The notes on pages 9 to 13 form part of these financial statements.

Coltec Finance Company Limited
Registered number: 04509708

Balance Sheet
As at 31 December 2017

	Note	2017 £000	2016 £000
Current assets			
Debtors: amounts falling due within one year	4	74,955	75,357
Investments	5	-	21,069
Cash at bank and in hand	6	105,574	47,622
		<u>180,529</u>	<u>144,048</u>
Creditors: amounts falling due within one year	7	(176,824)	(141,620)
Net current assets		3,705	2,428
Net assets		3,705	2,428
Capital and reserves			
Called up share capital	9	-	-
Profit And Loss Account	10	3,705	2,428
		<u>3,705</u>	<u>2,428</u>

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

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



.....
C Ravenberg
Director

Date: 7/11/18 (11 July 2018)

The notes on pages 9 to 13 form part of these financial statements.

Coltec Finance Company Limited

**Statement of Changes in Equity
For the Year Ended 31 December 2017**

	Called up share capital £000	Profit and loss account £000	Total equity £000
At 1 January 2017	-	2,428	2,428
Comprehensive income for the year			
Profit for the year	-	1,277	1,277
At 31 December 2017	<u>-</u>	<u>3,705</u>	<u>3,705</u>

**Statement of Changes in Equity
For the Year Ended 31 December 2016**

	Called up share capital £000	Profit and loss account £000	Total equity £000
At 1 January 2016	-	10,040	10,040
Comprehensive income for the year			
Profit for the year	-	1,888	1,888
Dividends: Equity capital	-	(9,500)	(9,500)
At 31 December 2016	<u>-</u>	<u>2,428</u>	<u>2,428</u>

The notes on pages 9 to 13 form part of these financial statements.

Coltec Finance Company Limited

**Notes to the Financial Statements
For the Year Ended 31 December 2017**

1. General information

Coltec Finance Company Limited is a private company limited by shares, incorporated in England. Its primary trading activity, which is the global management of cash for affiliates of the Company, derives from its address in Birmingham, West Midlands.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The following principal accounting policies have been applied:

2.2 Financial reporting standard 102 - reduced disclosure exemptions

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

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

This information is included in the consolidated financial statements of EnPro Industries, Inc. as at 31 December 2017 and these financial statements may be obtained from 5605 Carnegie Boulevard, Suite 500, Charlotte, North Carolina 28209.

2.3 Valuation of investments

Short term deposits and other assets intended to be invested for a period of less than one year are classified as current asset investments and are valued at open market value less any provision for impairment.

2.4 Debtors

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

Coltec Finance Company Limited

**Notes to the Financial Statements
For the Year Ended 31 December 2017**

2. Accounting policies (continued)

2.5 Cash and cash equivalents

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

2.6 Financial instruments

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

2.7 Creditors

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

2.8 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

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

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

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

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Statement of Comprehensive Income within 'finance income or costs'. All other foreign exchange gains and losses are presented in the Statement of Comprehensive Income within 'other operating income'.

2.9 Finance costs

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

Coltec Finance Company Limited

**Notes to the Financial Statements
For the Year Ended 31 December 2017**

2. Accounting policies (continued)

2.10 Dividends

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

2.11 Interest income

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

2.12 Taxation

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

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

3. Employees

The Company has no employees other than the directors, who did not receive any remuneration (2016 - £NIL).

4. Debtors

	2017 £000	2016 £000
Amounts owed by group undertakings	74,892	75,319
Other debtors	63	38
	<u>74,955</u>	<u>75,357</u>

All amounts due from group undertakings are repayable within twelve months, carry no security and interest is charged at a rate comparable to similar transactions with unrelated third parties acting at arm's length.

Coltec Finance Company Limited

**Notes to the Financial Statements
For the Year Ended 31 December 2017**

5. Current asset investments

	2017 £000	2016 £000
Time deposits	-	21,069
	<u>-</u>	<u>21,069</u>

The market value of the investments is not materially different from their carrying amount.

6. Cash and cash equivalents

	2017 £000	2016 £000
Cash at bank and in hand	105,574	47,622
	<u>105,574</u>	<u>47,622</u>

7. Creditors: Amounts falling due within one year

	2017 £000	2016 £000
Amounts owed to group undertakings	176,707	141,596
Other creditors	117	24
	<u>176,824</u>	<u>141,620</u>

All amounts due to group undertakings are repayable within twelve months, carry no security and interest is charged at a rate comparable to similar transactions with unrelated third parties acting at arm's length.

8. Financial instruments

	2017 £000	2016 £000
Financial assets		
Financial assets measured at fair value through profit or loss	<u>105,574</u>	<u>47,622</u>

Financial assets measured at fair value through profit or loss comprise cash and cash equivalents.

Coltec Finance Company Limited

**Notes to the Financial Statements
For the Year Ended 31 December 2017**

9. Share capital

	2017 £	2016 £
Authorised, allotted, called up and fully paid		
100 Ordinary shares of £1 each	<u>100</u>	<u>100</u>

10. Reserves

Profit & loss account

The Profit and loss account represents cumulative profits and losses net of dividends and other adjustments.

11. Related party transactions

The Company has taken advantage of the exemption under paragraph 33.1A of FRS 102 not to disclose transactions with other wholly owned group members.

12. Ultimate parent undertaking and controlling party

The Company's ultimate parent undertaking and controlling party is EnPro Industries, Inc. a company incorporated in the United States of America. Copies of its group financial statements, which include the Company and its subsidiaries, are available from 5605 Carnegie Boulevard, Suite 500, Charlotte, North Carolina 28209.