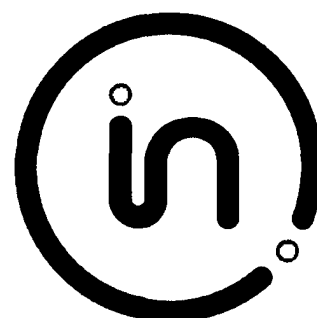


INTERTEK UK HOLDINGS LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022



INTERTEK UK HOLDINGS LIMITED

COMPANY INFORMATION

Directors	C Deasy	(Appointed 22 March 2023)
	S Eggleston	(Appointed 24 November 2022)
	I Woodger	(Appointed 31 March 2023)

Company number	00373440
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Registered office	Academy Place 1-9 Brook Street Brentwood Essex CM14 5NQ
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Independent Auditors	PricewaterhouseCoopers LLP 1 Embankment Place London WC2N 6RH
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INTERTEK UK HOLDINGS LIMITED

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INTERTEK UK HOLDINGS LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2022

The Directors of Intertek UK Holdings Limited (the "Company") present the Strategic Report and audited financial statements for the year ended 31 December 2022.

Review of the business

The results for the year and the state of affairs of the Company at 31 December 2022 are shown in the financial statements on pages 10 to 27.

Principal risks and uncertainties

The principal risks and uncertainties affecting the Company are closely aligned with those discussed in the Intertek Group plc's (the "Group") annual report, which is publicly available from the Group Company Secretary, Intertek Group plc, 33 Cavendish Square, London, W1G 0PS or on the website www.intertek.com. Risks relating specifically to the Company are as follows:

Financial risk management

Market risk

At 31 December 2022, the Company had investments in Group companies of £53,917,000 (2021: £53,917,000) and amounts due from Group companies of £3,841,000 (2021: £13,809,000). A sustained period of economic recession could impact the operating results and financial position of these Group companies and impact their carrying value and ability to repay the amounts due to the Company.

Foreign exchange risk

The amounts payable to, and receivable from, Group undertakings include amounts denominated in currencies other than sterling; therefore, fluctuations in currency exchange rates will impact the results and financial position of the Company.

Business outlook

The management expects that future performance will be in line with current performance.

Key performance indicators

As a holding company which also provides funding to other Group companies, performance is monitored by a review of the Company's investments by reference to underlying intercompany balances for their susceptibility to impairment.

Environment

The Company is committed to complying with relevant environmental legislation and preventing any adverse impact on the environment as a result of its operations. Where an adverse environmental impact is identified, a practicable, timely and environmentally sympathetic solution will be implemented. If a serious risk to the environment is identified, that activity will be halted and appropriate remedial action taken to eliminate the risk.

Political donations

The company made no political donations and incurred no political expenditure during the year (2021: £nil).

S172(1) statement and stakeholder engagement

The Directors have acted in a way that they consider, in good faith, to be most likely to promote the long-term success of the Company for the benefit of the shareholders as a whole while having regard for all stakeholders. Stakeholder engagement is managed in accordance with the Group policies and procedures which are discussed on pages 58 to 64 of book one of the annual report for the year ended 31 December 2022 of Intertek Group plc, which does not form part of this report.

INTERTEK UK HOLDINGS LIMITED

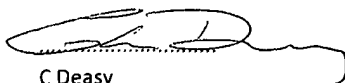
STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

Employees

The Company employed no people on average in 2022 (2021: none).

On behalf of the Board



C Deasy

Director

29/09/23

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INTERTEK UK HOLDINGS LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2022

The Directors present their annual report and audited financial statements for the year ended 31 December 2022.

Principal activities

The principal activity of the Company is, and will continue to be, that of a parent undertaking with interests in subsidiary undertakings which provide testing, inspection and certification services.

Results and dividends

The results for the year are set out on page 10.

Income from shares in Group undertakings of £77,000 (2021: £172,000) was received in the year.

Dividends of £Nil (2021: £Nil) were paid in the year. The Directors do not propose the payment of any further dividends in respect of the year.

Directors

The Directors who held office during the year and up to the date of signature of the financial statements are as follows:

F M Evans	(Resigned 31 March 2023)
J Hedley	(Resigned 24 November 2022)
J Timmis	(Resigned 22 March 2023)
C Deasy	(Appointed 22 March 2023)
S Eggleston	(Appointed 24 November 2022)
I Woodger	(Appointed 31 March 2023)

Future developments

The Company will continue to be a holding company for its subsidiary companies for the foreseeable future. The entity continues to operate as a going concern as discussed within note 1.2 on page 16.

Independent Auditors

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

Strategic Report

The Company has chosen in accordance with Companies Act 2006, s.414C(11) to set out in the Company's Strategic Report information required by Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, Sch. 7 to be contained in the Directors' Report. It has done so in respect of:

- principal risks and uncertainties; and
- financial key performance indicators.

Statement of disclosure to independent auditors

So far as each person who was a Director at the date of approving this report is aware, there is no relevant audit information of which the Company's independent auditors are unaware. Additionally, the Directors individually have taken all the necessary steps that they ought to have taken as Directors in order to make themselves aware of all relevant audit information and to establish that the Company's independent auditors are aware of that information.

Going concern

The Directors believe that preparing the financial statements on the going concern basis is appropriate due to the continued financial support of a fellow Group undertaking, Intertek Finance plc. The Directors have received confirmation that Intertek Finance plc intends to support the Company for at least one year after these financial statements are signed.

INTERTEK UK HOLDINGS LIMITED

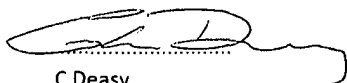
DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

Directors' indemnities

As permitted by the Articles of Association, the Company purchased and maintained throughout the financial year Directors' and Officers' liability insurance in respect of itself and its directors. No qualifying third party indemnity provisions for the benefit of its Directors were made during the year.

The financial statements on pages page 10 to 27 were approved by the Board of Directors on 29/09/23 and signed on its behalf by



C Deasy
Director

Date: 29/09/23

INTERTEK UK HOLDINGS LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2022

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 prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", 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;
- state whether applicable UK Accounting Standards, comprising FRS 101, have been followed, subject to any material departures disclosed and explained in the financial statements; and
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are 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.

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.

INTERTEK UK HOLDINGS LIMITED

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF INTERTEK UK HOLDINGS LIMITED

Report on the audit of the financial statements

Opinion

In our opinion, Intertek UK Holdings Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2022 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, including 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 and Financial Statements (the "Annual Report"), which comprise: the balance sheet as at 31 December 2022; the statement of comprehensive income and 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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

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

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

INTERTEK UK HOLDINGS LIMITED

INDEPENDENT AUDITORS' REPORT (CONTINUED)

TO THE MEMBERS OF INTERTEK UK HOLDINGS LIMITED

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Strategic report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

Strategic Report and Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and Directors' Report for the year ended 31 December 2022 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

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

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

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

INTERTEK UK HOLDINGS LIMITED

INDEPENDENT AUDITORS' REPORT (CONTINUED)

TO THE MEMBERS OF INTERTEK UK HOLDINGS LIMITED

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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to the Companies Act 2006, and we considered the extent to which non-compliance might have a material effect on the financial statements. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate or fictitious journal entries to manipulate the financial performance or financial position of the company. Audit procedures performed by the engagement team included:

- Enquiring of management, those charged with governance and legal counsel around actual and potential fraud and non-compliance with laws and regulations;
- Auditing the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness and evaluating the business rationale of any significant transactions outside the normal course of business; and
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

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.

INTERTEK UK HOLDINGS LIMITED

INDEPENDENT AUDITORS' REPORT (CONTINUED)

TO THE MEMBERS OF INTERTEK UK HOLDINGS LIMITED

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 obtained 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.



Daniel Chan (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
29 September 2023

INTERTEK UK HOLDINGS LIMITED

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2022

	Note	2022 £'000	2021 £'000
Administrative expenses		(11)	(13)
Income from shares in Group undertakings		77	172
Interest receivable from Group undertakings		143	105
Interest payable to Group undertakings	5	(5,582)	(4,097)
Loss before taxation		(5,373)	(3,833)
Tax on loss	6	1,034	752
Loss and total comprehensive expense for the financial year		(4,339)	(3,081)

The statement of comprehensive income has been prepared on the basis that all operations are continuing operations.

INTERTEK UK HOLDINGS LIMITED

BALANCE SHEET

AS AT 31 DECEMBER 2022

	Note	2022 £'000	2021 £'000
Fixed assets			
Tangible assets	8	1,340	1,374
Investments	9	53,917	53,917
		<u>55,257</u>	<u>55,291</u>
Current assets			
Debtors	12	4,882	14,565
Cash at bank and in hand		89	279
		<u>4,971</u>	<u>14,844</u>
Creditors due within one year			
Creditors	13	(96,812)	(102,380)
Net current liabilities		<u>(91,841)</u>	<u>(87,536)</u>
Total assets less current liabilities		<u>(36,584)</u>	<u>(32,245)</u>
Net liabilities		<u>(36,584)</u>	<u>(32,245)</u>
Capital and reserves			
Called up share capital	15	8,918	8,918
Share premium account		641	641
Profit and loss reserves		(46,143)	(41,804)
Total equity		<u>(36,584)</u>	<u>(32,245)</u>

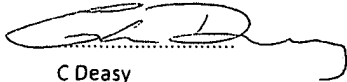
The notes to the financial statements on pages 14 to 27 form an integral part of these financial statements.

INTERTEK UK HOLDINGS LIMITED

BALANCE SHEET (CONTINUED)

AS AT 31 DECEMBER 2022

The financial statements were approved by the Board of Directors and authorised for issue on 29/09/23..... and are signed on its behalf by:



C Deasy
Director

Company Registration No. 00373440

INTERTEK UK HOLDINGS LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2022

	Called up share capital	Share premium account	Profit and loss reserves	Total
	£'000	£'000	£'000	£'000
Balance at 1 January 2021	8,918	641	(38,723)	(29,164)
Year ended 31 December 2021:				
Loss and total comprehensive expense for the financial year	-	-	(3,081)	(3,081)
Balance at 31 December 2021	8,918	641	(41,804)	(32,245)
Year ended 31 December 2022:				
Loss and total comprehensive expense for the financial year	-	-	(4,339)	(4,339)
Balance at 31 December 2022	8,918	641	(46,143)	(36,584)

INTERTEK UK HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

Company information

Intertek UK Holdings Limited (the "Company") is a private company limited by shares incorporated and domiciled in England and Wales. The registered office address is Academy Place, 1-9 Brook Street, Brentwood, Essex, CM14 5NQ.

1.1 Accounting convention

The financial statements have been prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101) and in accordance with applicable accounting standards. In preparing these financial statements, the Company applied the recognition, measurement and disclosure requirements of the International Financial Reporting Standards as adopted by the United Kingdom ("UK-adopted international accounting standards"), but makes amendments where necessary in order to comply with Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the Company. Monetary amounts in these financial statements are rounded to the nearest £'000.

The financial statements have been prepared on the historical cost basis. The principal accounting policies adopted are set out below.

These accounting policies have been applied consistently, other than where new policies have been adopted.

During the year no new accounting standards were adopted.

The Company has taken advantage of the following disclosure exemptions under FRS 101:

- the requirements of paragraphs 45(b) and 46-52 of IFRS 2 Share based Payment;
- the requirements of paragraphs 62, B64(d), B64(e), B64(g), B64(h), B64(j) to B64(m), B64(n)(ii), B64 (o)(ii), B64 (p), B64(q)(ii), B66 and B67 of IFRS 3 Business Combinations. Equivalent disclosures are included in the consolidated financial statements of Intertek Group plc in which the entity is consolidated;
- the requirements of paragraph 33 (c) of IFRS 5 Non-current Assets Held for Sale and Discontinued Operations;
- the requirements of IFRS 7 Financial Instruments: Disclosures;
- the requirements of paragraphs 91-99 of IFRS 13 Fair Value Measurement;
- the requirement in paragraph 38 of IAS 1 'Presentation of Financial Statements' to present comparative information in respect of: (i) paragraph 79(a) (iv) of IAS 1, (ii) paragraph 73(e) of IAS 16 Property Plant and Equipment and (iii) paragraph 118 (e) of IAS 38 Intangibles Assets;
- the requirements of paragraphs 10(d), 10(f), 16, 38A to 38D, 40A to 40D, 111 and 134-136 of IAS 1 Presentation of Financial Statements;
- the requirements of IAS 7 Statement of Cash Flows;
- the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors;
- the requirements of paragraph 17, 18(a) of IAS 24 Related Party Disclosures;
- the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member;
- the requirements of paragraphs 130(f)(ii), 130(f)(iii), 134(d)-134(f) and 135(c)-135(e) of IAS 36 Impairment of Assets; and
- the requirements of paragraph 16(b) of IAS 27 Separate Financial Statements.

As permitted by FRS 101, the Company has taken advantage of the disclosure exemptions available under that standard in relation to share based payments, financial instruments, capital management, presentation of a cash flow statement, presentation of comparative information in respect of certain assets, standards not yet effective, impairment of assets, business combinations, discontinued operations and related party transactions.

INTERTEK UK HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

(Continued)

1.1 Accounting convention (continued)

Where required, equivalent disclosures are given in the Group financial statements of Intertek Group plc. The Group financial statements of Intertek Group plc are available to the public and can be obtained as set out in note 17.

The Company has taken advantage of the exemption under section 400 of the Companies Act 2006 not to prepare consolidated financial statements. The financial statements present information about the Company as an individual entity and not about its group.

Intertek UK Holdings Limited is a wholly owned subsidiary of Intertek Group plc, the ultimate parent undertaking, and the results of Intertek UK Holdings Limited are included in the consolidated financial statements of the Company which are available from 33 Cavendish Square, London, W1G 0PS or on the website www.intertek.com.

1.2 Going concern

The Company's business activities, together with the factors likely to affect its future development and position, are set out in the Directors' Report on pages 3 and 4. The Company generated a loss of £4,339,000 (2021: a loss of £3,081,000) in the year and has net current liabilities of £91,841,000 (2021: £87,536,000) as at 31 December 2022. The Company participates in the Group's centralised treasury arrangements and so shares banking arrangements with its parent and fellow subsidiaries.

The Directors believe that preparing the financial statements on the going concern basis is appropriate due to the continued financial support of a fellow Group undertaking, Intertek Finance plc. The Directors have received confirmation that Intertek Finance plc intends to support the Company for at least one year after these financial statements are signed.

1.3 Tangible Fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Freehold property and Total	2% straight-line basis
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1.4 Fixed asset investments

Interests in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

1.5 Impairment of tangible and intangible assets

At each reporting end date, the Company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

INTERTEK UK HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

(Continued)

1.5 Impairment of tangible and intangible assets (Continued)

Recoverable amount is the higher of fair value less costs to sell and value in use. 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 which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.6 Fair value measurement

IFRS 13 establishes a single source of guidance for all fair value measurements. IFRS 13 does not change when an entity is required to use fair value, but rather provides guidance on how to measure fair value under IFRS when fair value is required or permitted. The Company is exempt under FRS 101 from the disclosure requirements of IFRS 13.

1.7 Financial assets

Financial assets are recognised in the Company's balance sheet when the Company becomes party to the contractual provisions of the instrument. Financial assets are classified into specified categories, depending on the nature and purpose of the financial assets.

At initial recognition, financial assets classified as fair value through profit and loss are measured at fair value and any transaction costs are recognised in profit or loss. Financial assets not classified as fair value through profit and loss are initially measured at fair value plus transaction costs.

INTERTEK UK HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

(Continued)

1.7 Financial assets (continued)

Financial assets held at amortised cost

Trade debtors are recognised initially at the value of the invoice sent to the customer and subsequently at the amounts considered recoverable (amortised cost). Estimates are used in determining the level of debtors that will not, in the opinion of the Directors, be collected. The Company applies the simplified approach permitted by IFRS 9, which requires the use of the lifetime expected loss provision for all debtors, including contract assets.

The provision calculations are based on historic credit losses and specific country-risk classifications with higher default rates applied to older balances. This approach is followed for all debtors unless there are specific circumstances, such as the bankruptcy of a customer or emerging market risks, which would render the debtor irrecoverable and therefore require a specific provision. A provision is made against trade debtors and contract assets until such time as the Company believes the amount to be irrecoverable, after which the trade debtors or contract assets balance is written off.

Other debtors that have fixed or determinable payments that are not quoted in an active market are classified as 'other debtor'. Other debtors are measured at amortised cost using the effective interest method, less any impairment.

Interest is recognised by applying the effective interest rate, except for short-term debtors when the recognition of interest would be immaterial. The effective interest method is a method of calculating the amortised cost of a debt instrument and of 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 debt instrument to the net carrying amount on initial recognition.

Financial assets at fair value through other comprehensive income

Debt instruments are classified as financial assets measured at fair value through other comprehensive income where the financial assets are held within the company's business model whose objective is achieved by both collecting contractual cash flows and selling financial assets, and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt instrument measured at fair value through other comprehensive income is recognised initially at fair value plus transaction costs directly attributable to the asset. After initial recognition, each asset is measured at fair value, with changes in fair value included in other comprehensive income. Accumulated gains or losses recognised through other comprehensive income are directly transferred to profit or loss when the debt instrument is derecognised.

Impairment of financial assets

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at each reporting end date. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership to another entity.

INTERTEK UK HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

(Continued)

1.8 Financial liabilities

The Company recognises financial debt when the Company becomes a party to the contractual provisions of the instruments. Financial liabilities are classified as either 'financial liabilities at fair value through profit or loss' or 'other financial liabilities'.

Financial liabilities at fair value through profit or loss

Financial liabilities are classified as measured at fair value through profit or loss when the financial liability is held for trading. A financial liability is classified as held for trading if:

- it has been incurred principally for the purpose of selling or repurchasing it in the near term, or
- on initial recognition it is part of a portfolio of identified financial instruments that the company manages together and has a recent actual pattern of short-term profit taking, or
- it is a derivative that is not a financial guarantee contract or a designated and effective hedging instrument.

Financial liabilities at fair value through profit or loss are stated at fair value with any gains or losses arising on remeasurement recognised in profit or loss.

Other financial liabilities

Other financial liabilities, including loans and overdrafts, trade creditors and other short-term monetary liabilities, are initially measured at fair value net of transaction costs directly attributable to the issuance of the financial liability. They are subsequently measured at amortised cost using the effective interest method. For the purposes of each financial liability, interest expense includes initial transaction costs and any premium payable on redemption, as well as any interest or coupon payable while the liability is outstanding.

Derecognition of financial liabilities

Financial liabilities are derecognised when, and only when, the Company's obligations are discharged, cancelled, or they expire.

1.9 Equity instruments

Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the Company.

1.10 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

INTERTEK UK HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

(Continued)

1.10 Taxation (continued)

Deferred tax

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the Company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.11 Dividends on shares presented within shareholders' funds

Dividend income is recognised in profit or loss on the date that the Company's right to receive payment is established.

Dividends unpaid at the balance sheet date are only recognised as a liability at that date to the extent that they are appropriately authorised and are no longer at the discretion of the Company. Unpaid dividends that do not meet these criteria are disclosed in the notes to the financial statements.

2 Critical accounting estimates and judgements

In the application of the Company's accounting policies, the Directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. *The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.*

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are outlined below.

Critical judgements

Recoverability of debtors

Amounts owed by Group undertakings are recognised initially at the value of the invoice or loan raised and subsequently at the amounts considered recoverable (amortised cost). Estimates are used in determining the level of debtors that will not, in the opinion of the Directors, be collected. The Company applies the simplified approach permitted by IFRS 9, which requires the use of the lifetime expected loss provision for all debtors. The provision calculations are based on a review of all debtors to see if there are specific circumstances which would render the debtor irrecoverable and therefore require a specific provision.

INTERTEK UK HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

2 Critical accounting estimates and judgements

(Continued)

Investments impairment review

Interests in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. Estimates are used in determining the level of investment that will not, in the opinion of the Directors be recoverable.

3 Operating loss

	2022 £'000	2021 £'000
Operating loss for the year is stated after charging:		
Fees payable to the Company's independent auditors for the audit of the Company's financial statements	1	1
Depreciation of property, plant and equipment	34	34

Amounts disclosed above reflect services provided by the Company's auditors in respect of auditing these financial statements. These amounts, however, have been paid by the ultimate parent company, Intertek Group plc.

4 Employees

The Company employed no persons in the year (2021: none).

5 Interest payable and similar expenses

	2022 £'000	2021 £'000
Interest on financial liabilities measured at amortised cost:		
Interest payable to Group undertakings	5,582	4,097

6 Tax on loss

	2022 £'000	2021 £'000
Current tax		
UK corporation tax on losses for the current year	(1,041)	(755)
Foreign taxes and reliefs	7	3
Taxation (credit)	(1,034)	(752)

The main rate of UK corporation tax is 19.00% and it has been substantively enacted on 24 May 2021 that the rate will increase to 25.00% from 1 April 2023.

INTERTEK UK HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

6 Tax on loss

(Continued)

The credit for the year can be reconciled to the loss per the profit and loss account as follows:

	2022 £'000	2021 £'000
Loss before taxation	(5,373)	(3,833)
Expected tax (credit)/charge based on a corporation tax rate of 19.00% (2020: 19.00%)	(1,021)	(728)
Effect of expenses not deductible in determining taxable profit	8	6
Income not taxable	(14)	(33)
Group relief	(14)	-
Effect of overseas tax rates	7	3
Taxation credit for the year	(1,034)	(752)

7 Directors' remuneration

None of the Directors were remunerated directly by the Company or any of its subsidiaries (2021: none). The Directors of the Company are remunerated by Group companies, due to no qualifying services being provided in relation to the Company during the year.

INTERTEK UK HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

8 Tangible assets

Property, plant and equipment

	Freehold property and Total £'000
Cost	
At 1 January 2022	1,675
At 31 December 2022	1,675
Accumulated depreciation and impairment	
At 1 January 2022	301
Charge for the year	34
At 31 December 2022	335
Carrying amount	
At 31 December 2022	1,340
At 31 December 2021	1,374

INTERTEK UK HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

9 Investments

	2022 £'000	2021 £'000
Investments in subsidiaries	53,917	53,917
	<u>53,917</u>	<u>53,917</u>

Fair value of financial assets carried at amortised cost

Except as detailed below, the Directors believe that the carrying amounts of financial assets carried at amortised cost in the financial statements approximate to their fair values.

Movements in fixed asset investments

	Shares in Group undertakings £'000
Cost or valuation	
At 1 January 2022 & 31 December 2022	53,917
	<u>53,917</u>
Carrying amount	
At 31 December 2022	53,917
	<u>53,917</u>
At 31 December 2021	53,917
	<u>53,917</u>

10 Credit risk

Credit risk arises in relation to loans receivable from other Group entities.

The carrying amount of financial assets recorded in the financial statements, which is net of impairment losses, represents the Company's maximum exposure to credit risk.

The Company does not hold any collateral or other credit enhancements to cover this credit risk.

Past due and impaired financial asset investments

A credit loss assessment was made under IFRS 9 for all current debtors. It was determined, based on an assessment of current liquidity and the availability of future operating cash flows, that amounts due from Group undertakings should be reported net of accumulated impairment provisions of £Nil (2021: £Nil).

INTERTEK UK HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

11 Subsidiaries

Details of the Company's subsidiaries as at 31 December 2022 are as follows:

Name of undertaking	Country of incorporation	Ownership interest (%)	Class of shares	Address
Esperanza Guernsey Holdings Limited	Guernsey	100%	Ordinary	PO Box 472, St Julian's Court, St Julian's Avenue, St Peter Port, GY1 6AX, Guernsey
Intertek Surveying Services UK Limited	United Kingdom	100%	Ordinary	Averon House, 3 Dail Nan Rocas, Teaninich Industrial Estate, Alness, IV17 0PH, United Kingdom
Intertek Testing & Certification Limited	United Kingdom	100%	Ordinary	Academy Place, 1-9 Brook Street, Brentwood, Essex, CM14 5NQ, England
ITS Testing Services (UK) Limited	United Kingdom	100%	Ordinary	Academy Place, 1-9 Brook Street, Brentwood, Essex, CM14 5NQ, England
Melbourn Scientific Limited	United Kingdom	100%	Ordinary	Melbourn Scientific, Saxon Way, Melbourn, Hertfordshire, Royston, SG8 6DN, United Kingdom
N T A Monitor Limited	United Kingdom	100%	Ordinary	Academy Place, 1-9 Brook Street, Brentwood, Essex, CM14 5NQ, England

A full list of indirect related undertakings of Intertek UK Holdings Limited and their country of incorporation are shown below:

Intertek Aruba N.V.	Aruba	100%	Ordinary	Lago Heights Straat 28A, San Nicolas, Aruba
Intertek Azeri Limited	Azerbaijan	100%	Ordinary	2236 Mirza Davud Str., Xatai District, Baku, AZ 1026, Azerbaijan
Intertek Curacao N.V.	Curacao	100%	Ordinary	Barendslaan #3, Rio Canario Willemstad, Curacao, Netherlands Antilles
Intertek Ltd	Bahamas	100%	Ordinary	Borco Administration Bldg, West Sunrise Highway, Freeport, Grand Bahama, Bahamas
Intertek Statius N.V.	St Eustatius	100%	Ordinary	Man 'O' War #B3, Oranjestad, St. Eustatius, Netherlands Antilles
Intertek Surveying Services (USA), LLC	United States	100%	Membership unit	16441 Space Center Boulevard, Suite D-100, Houston TX 77058, United States
IntertekGenalysis SI Limited	Solomon Islands	100%	Ordinary	c/o Baoro & Associates, Top Floor, Y. Sato Building, Point Cruz, Honiara, Solomon Islands

INTERTEK UK HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

11 Subsidiaries

(Continued)

Name of undertaking	Country of incorporation	Ownership interest (%)	Class of shares	Address
ITS Testing Services Co. LLC	Saudi Arabia	100%	Ordinary	Ras Tanura KSA, PO Box 216, 31941, Saudi Arabia
Metoc Limited	United Kingdom	100%	Ordinary-A	Academy Place, 1-9 Brook Street, Brentwood, Essex, CM14 5NQ, England
NDT Services Limited	United Kingdom	100%	Ordinary-A	Academy Place, 1-9 Brook Street, Brentwood, Essex, CM14 5NQ, England
N T A Academy Limited	United Kingdom	100%	Ordinary	CVR Global LLP, Town Wall House, Balkerne Hill, Colchester, Essex, CO3 3AD, United Kingdom
Intertek Fujairah FZC	United Arab Emirates	100%	Ordinary	P.O. Box 1307, Fujairah, United Arab Emirates
N T A Monitor (M) Sdn Bhd	Malaysia	100%	Ordinary	No. 18-B, Jalan Kancil off Jalan Pudu, 55100 Kuala Lumpur, Wilayah Persekutuan, Malaysia

12 Debtors

	2022 £'000	2021 £'000
VAT recoverable	-	1
Amounts owed by fellow Group undertakings	3,841	13,809
Current tax recoverable	1,041	755
	<u>4,882</u>	<u>14,565</u>

Amounts owed by fellow Group undertakings includes loans of £2,579,000 (2021: £2,579,000) and carries an interest rate ranging from 4.1% to 6.7%.

All other amounts owed by fellow Group undertakings are current accounts which are interest-free and repayable on demand.

INTERTEK UK HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

13 Creditors

	2022 £'000	2021 £'000
Trade creditors	-	6
Amounts owed to fellow Group undertakings	96,812	102,374
	<u>96,812</u>	<u>102,380</u>

Amounts owed to fellow Group undertakings includes loans of £89,543,000 (2021: £89,543,000) and carries an interest rate ranging from 4.1% to 6.7%.

All other amounts owed to fellow Group undertakings are current accounts which are interest-free and repayable on demand.

14 Market risk

Market risk management

Interest rate risk

The carrying amounts of financial liabilities and applicable interest rates at the reporting date are as follows:

	Carrying amount of financial liabilities	
	2022 £'000	2021 £'000
Amounts owed to fellow Group undertakings	89,543	100,687

	Weighted average effective interest rate	
	2022	2021
Amounts owed to fellow Group undertakings	4.99%	4.07%

15 Called up share capital

	2022 £'000	2021 £'000
Ordinary share capital <i>Issued and fully paid</i> 8,918,043 (2021: 8,918,043) Ordinary Shares of £1 each	8,918	8,918

INTERTEK UK HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

16 Contingent liabilities

The Company is a member of a group of UK companies that are a part of a composite banking cross-guarantee arrangement. This is a joint and several guarantee given by all members of the Intertek UK cash pool guaranteeing the total gross liability position of the pool which was £833,000 at 31 December 2022 (2021: £401,000). The Company has also guaranteed the lease obligations of a fellow Group company.

From time to time, in the normal course of business, the Company may give guarantees in respect of certain liabilities of other Group undertakings. In this respect, the Company treats the guarantee contract as a contingent liability until such time as it becomes probable that the Company will be required to make a payment under the guarantee.

17 Controlling party

The immediate parent undertaking is Intertek Holdings Limited.

The ultimate parent undertaking and controlling party is Intertek Group plc, which is the parent undertaking of the smallest and largest group to consolidate these financial statements. Copies of Intertek Group plc's consolidated financial statements can be obtained from the Group Company Secretary, 33 Cavendish Square, London, W1G 0PS, or on the website www.intertek.com.

18 Related party transactions

Under FRS 101 reduced disclosure framework, the Company has taken advantage of the exemption from the IAS24 requirement to disclose transactions with entities that are wholly owned by the Group and disclosures in respect of the compensation of key management personnel.