Company Registration No. 00910858 (England and Wales)

ASSA ABLOY ENTRANCE SYSTEMS LTD

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

ASSA ABLOY ENTRANCE SYSTEMS LTD

COMPANY INFORMATION

Directors	John Steven Burton Marina Lindholm Mikko Viitala
Company number	00910858
Registered office	7 Churchill Way Chapeltown Sheffield Yorkshire S35 2PY UNITED KINGDOM
Independent auditors	Ernst & Young LLP 1 Colmore Square Birmingham B4 6HQ

ASSA ABLOY ENTRANCE SYSTEMS LTD

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ASSA ABLOY ENTRANCE SYSTEMS LTD

STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2022

The directors of ASSA ABLOY Entrance Systems Ltd (or the "Company") present the strategic report and financial statements for the year ended 31 December 2022.

Review of the business

The Company's principal activities during the year were the supply, installation and servicing of industrial doors and docking equipment. The narrative below relates to the Company's continuing activities.

Increased competition combined with rising inflationary pressures brought increased challenges to the business post COVID-19 particularly related to recruitment and retention of staff in key areas of qualified technical personnel which impacted to a degree our operational execution. While the market conditions improved, significantly higher material costs, material shortages and logistical challenges put pressure on our operations. Thanks to the strong individual efforts of our employees, we were able to limit the impact.

The Company ended 2022 with a strong order book in a challenging, competitive marketplace, however we continue to face several challenges due to significantly higher raw material costs, increased freight and logistics costs. The business is working closely with its supply chain and the directors continue to monitor the financial impacts closely.

The directors are pleased to report a return to growth in revenue on prior year and there is a continued focus on actions to support the revenue and operating profitability growth combined with management of costs within the business.

The Company recorded an impairment charge in the year in respect of its investment in Industrial Door Engineering Limited to reflect the downturn in business performance following the loss of key customer contracts (see note 13).

No interim dividend was paid for the year ended 31 December 2022 (2021 - £15,000,000).

Key performance indicators

The directors consider that the growth in turnover, operating profit percentage and net profit percentage to be the most appropriate performance indicators for the Company.

Statement on engagement with suppliers, customers and others in a business relationship with the Company

The directors recognise the importance of considering all stakeholders in its decision making. By responsibly using human capital, natural resources and capital, we continuously create sustainable value for all our stakeholders.

Customers

The ASSA ABLOY group is present in more than 70 countries across America, Europe, Middle East, Africa and Asia Pacific. Wherever we do business, we follow our code of conduct and abide to the laws and regulations governing business ethics in the countries in which we operate. We require all of our partners to do the same.

Our ambition is to supply high quality, durable products that meet and exceed customer requirements, are manufactured with minimal use of resources, and have a minimal environmental impact throughout their life cycle. End-users can vary from large institutional and commercial businesses to small and medium-sized customers, including residential end-users. We believe that continued growth starts with understanding our customers and being relevant to their needs.

Insights into our markets, competitors and customers are important to identify and prioritise opportunities. We continuously monitor the operating environment and how it is changing through on-going dialogue with our customers. Customer experience is at the centre of everything we do and the experience we deliver to them must always meet their expectations. We gain regular feedback from customers and use customer relationship management systems to prioritise our sales efforts and engage appropriately with our customers with the right information to hand.

Suppliers and Partners

Every year the Company purchases a considerable amount of material, components, and products from other companies within the ASSA ABLOY group. All suppliers are expected to follow our ASSA ABLOY Code of Conduct and suppliers in risk areas are evaluated from a sustainability perspective on a regular basis. Both ASSA ABLOY and supplier facilities undergo sustainability audits on a regular basis to ensure manufacturing activities are carried out in a safe way and with the lowest possible environmental impact.

Professional sourcing and sourcing policies allow us to engage with our strategic suppliers and partners fairly but ensures competitiveness through improved quality, better delivery times and cost reductions.

Employees

Our people are our most important asset and our future depends on continuing to attract, retain and develop the right people and evolve with them. Our employees are provided with opportunities, responsibilities, and the authority to act. The Company promotes continuous employee development and employees are actively encouraged to seek out opportunities to develop their own career. Group-wide job vacancies posted on the Company's intranet inform employees of career opportunities throughout the ASSA ABLOY Group. There is a strong culture of local ownership and decentralised decision-making despite being part of a global organisation.

The Company must manage social and ethical issues and observes high standards of integrity and responsible practices. Ethical employee behaviour is central to this and is promoted among employees through the Group-wide ASSA ABLOY Code of Conduct. The Code of Conduct is a key component of the ASSA ABLOY induction program, and all employees are expected to follow it from day one. The Code of Conduct underlines ASSA ABLOY's commitment to fair employment conditions and labour rights, and takes a clear stand against human rights abuses, child labour and forced labour of any kind.

The directors make numerous site visits throughout the year and engage directly with employees through regular town hall style employee cascades. A Group-wide employee survey is also conducted every second year. The survey is an important tool to engage with employees and understand how they feel about their workplace, as well as issues such as professional development, diversity, and equality.

Society
Our vision is to be the global leader in automated entrance solutions. We want to lead in innovation and provide well-designed, convenient, safe and secure, and sustainable solutions that give true added value to our customers. We also want to offer an attractive Company to our employees. We are the fastest growing Company in the door industry today, achieved by a combination of organic growth and acquisitions.

Our strategy is based on four strategic cornerstones which are valid for the whole of ASSA ABLOY Group:
1. Growth through customer relevance
2. Product leadership through innovation
3. Cost efficiency in everything we do
4. Evolution through people

These are our guiding principles in everything we do, and our strategy aims to make us grow faster than anybody else in the industry and to constantly improve our profitability, outperforming the competition.

ASSA ABLOY compliance programmes
ASSA ABLOY has specific global compliance programs and policies within the areas of anti-corruption, anti-trust, export control and data protection, which supplement and build on the Code of Conduct.

ASSA ABLOY code of conduct
The groupwide code of conduct covers business ethics, communication, human rights and labour standards, the environment, and health and safety. It provides the framework for ASSA ABLOY's daily operations and dealings with external stakeholders. The full version is given to all managers, relevant employees, and union representatives. The short version is communicated and made available to all employees. New employees are required to read the code of conduct within three months of joining the Company, and agree to abide by it and any related policies.

ASSA ABLOY's business partner code of conduct is based on the pillars and frameworks of the code of conduct, but is adapted to external partners. The code includes principles that apply globally to suppliers, business partners and other stakeholders such as third parties acting on behalf of ASSA ABLOY and they are all required to comply with it.

Principal risks and uncertainties
The Company's operations expose it to a variety of risks. The Company has examined all major risks to its business and considers the main risks to be the financial risks disclosed in the Directors' Report, together with risks arising as a result of, competition/macroeconomic factors, Brexit or Health & Safety.

Macroeconomic factors
To mitigate the risk in changes in the economic and political environment, relevant economic indicators are reviewed by the management team on a regular basis. We manage customer buying patterns and behavior by continuously reviewing our customers and supplier database.

Global conflict
The war in Ukraine, and the conflict between Israel and Palestine could have a negative business impact on the Company and ASSA ABLOY group, both short and long-term. The impact on the business is very difficult to predict due to the uncertainty of market conditions, but the health and safety of our employees is our first priority.

Health & Safety
Due to the nature of the business and the manufacturing working environment, the Company highlights Health and Safety as a principal risk. The Company has significantly invested in Health and Safety and through regular monitoring have noted marked improvements in this area.

Section 172(1) statement

The directors' overarching duty is to promote the success of the Company for the benefit of its shareholders, with consideration of stakeholder's interests, as set out in section 172 Companies Act 2006. The board regards a well-governed business as essential for the successful delivery of its principal activity.

The directors are aware of their duty under section 172 Companies Act 2006 to act in the way which they consider, in good faith, would be most likely to promote the success of the Company for the benefit of its members as a whole and, in doing so, to have regard (amongst other matters) to:

a) The likely consequences of any decision in the long-term;
b) The interests of the Company's employees;
c) The need to foster the Company's business relationships with suppliers, customers and others;
d) The impact of the Company's operations on the community and the environment;
e) The desirability of the Company to maintain a reputation for high standards of business conduct; and
f) The need to act fairly as between members of the Company.

The Company is a UK subsidiary of ASSA ABLOY Ltd. The ASSA ABLOY Group is the global leader in opening solutions, dedicated to satisfying end-user needs for security, safety and convenience.

The Company forms part of the Opening Solutions EMEA division of ASSA ABLOY AB. The board of ASSA ABLOY AB manages the Group's operations on a global and divisional basis. From the perspective of the board, because of the Group governance structure, the matters for which it is responsible under section 172 Companies Act 2006 are considered to an appropriate extent by the board in relation both to the Group and to this entity. The board has also considered relevant matters where appropriate.

To the extent necessary for an understanding of the development, performance and position of the entity, the Company's directors believe that the requirements of section 172(1)(a)-(f) are discussed in detail in the ASSA ABLOY AB Annual Report which does not form part of this report. Further detail in relation to the Company is also set out in this Strategic Report.

On behalf of the board

DocuSigned by:
John Burton
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J Burton

Director

Date: 06 March 2024

The directors present their annual report and financial statements for the year ended 31 December 2022. The disclosure of some required information has been shown in the strategic report and is incorporated by reference.

Principal activities
The principal activity of the Company continued to be that of the importation and installation of automatic door opening equipment, industrial doors and docking equipment and the subsequent service and maintenance of these products. The Company operates a branch in the Republic of Ireland.

Directors
The directors of the Company who were in office during the year and up to the date of signing the financial statements were:

J Burton
L Ynner (resigned 2 January 2023)
M Lindholm
M Viitala (appointed 2 January 2023)

Results and dividends
The results for the year are set out in the Profit and Loss Account on Page 12 and discussed in the Strategic Report.

The directors did not approve an interim dividend in respect of the results for the year ended 31 December 2022 (2021: £15,000k).

Going concern

The Company operates within a cash pool with other entities within the ASSA ABLOY AB Group ("the Group") and has access to an overdraft facility within the Group operated cash pool of c.£ 15.6m, all of which is monitored through the Group treasury function and has no fixed term. At the year end the Company had cash and cash equivalents of £5.1m, which includes the Company's net cash pool balance. A key assumption in the Directors cash flow forecasts is the continuing availability of the cash pool facilities.

The Company's intermediate parent company, ASSA ABLOY Limited, has received a letter of financial support from its immediate parent company, ASSA ABLOY AB, confirming that the Group will, if required, provide financial support to ASSA ABLOY Limited for the period to 31 March 2025. ASSA ABLOY Limited has in turn provided a letter of support to the Company for the period until 31 March 2025.

The Directors of ASSA ABLOY Limited have considered information regarding the Group's ability to provide financial support to ASSA ABLOY Limited. This information includes the Group's unaudited financial information for the 12-month period to 31 December 2023 and the Group's Annual Report and Accounts for the year ended 31 December 2022. The Directors of the Company have in turn made enquiries of the Directors of ASSA ABLOY Limited to confirm that ASSA ABLOY Limited has the ability to provide financial support.

The Directors have concluded that, if required, ASSA ABLOY Limited will be able to provide financial support to the Company until 31 March 2025, noting the financial position of the Group. Accordingly, the Directors are satisfied that they have a reasonable basis upon which to conclude the Company is able to meet its liabilities as they fall due in the foreseeable future, and it remains appropriate to prepare the financial statements on a going concern basis.

Subsequent events
No subsequent events to disclose.

Future developments
A focus on customer value and innovations continues to accelerate growth and profitability. The Company expects to continue to be acquisitive if the right opportunities present themselves in the future. Further detail on the matters impacting the performance in 2023 are set out in the Strategic Report.

Environment
Sustainability is vital to economic and industrial development and is a strategic priority of the ASSA ABLOY Group. The Company is committed to the Group's five-year sustainability programme, demonstrating the willingness to lead our industry to a more sustainable future, further improving our competitiveness with more sustainable products, solutions and operations.

During the prior year, amendments to the Large and Medium-Sized Companies and Groups (Accounts and Reports) Regulations 2018 came into force ("the 2018 Regulations"), in particular adding a Part 7A to Schedule 7 and bringing in additional requirements for Companies to disclose their annual energy use, greenhouse gas emissions, and related information. The Group accounts of ASSA ABLOY AB have been prepared for the same period as the Company and include full details of greenhouse gas emissions, energy consumption and energy efficiency equivalent to those required by the 2018 Regulations. As a result, these disclosures have not been repeated within these Financial Statements.

Financial risk management
Liquidity risk
The Company actively maintains a mixture of long term and short-term debt finance through the ASSA ABLOY AB Group treasury function that is designed to ensure the Company has sufficient available funds for its operations and planned expansions. The directors have obtained a pledge of continued financial support from the parent Company.

Interest rate risk
The Company is exposed to fair value interest rate risk on its fixed rate borrowings and cash flow interest rate risk on floating rate deposits, bank overdrafts and loans. This risk is managed at a group level.

Foreign exchange risk
The Company is exposed to currency risk when it has binding commercial or financial obligations in a currency other than its functional currency and the related cash inflows and outflows are not equal in amounts and timing. Activities are focused on transactional cash flows which arise predominantly from receivables and payables. The Company operates a number of currency accounts within the ASSA ABLOY AB Group treasury function which seeks to mitigate foreign exchange risk at a Group level.

Credit risk
The Company has implemented policies that require appropriate credit checks on potential customers before sales are made. The amount of exposure to any individual counterparty is subject to a limit, which is regularly reassessed by the management of the Company.

Disclosure of information to independent auditor
So far as each Director is aware, there is no relevant audit information of which the Company's auditor is unaware, and all steps have been taken to ensure that each Director is aware of any relevant information and to establish

Independent auditor
Ernst & Young LLP is deemed to be re-appointed under section 487(2) of the Companies Act 2006.

Directors' Indemnity
The directors confirm that none of the directors had the benefit of any indemnity which is a qualifying third-party indemnity provision, as defined by Section 234 of the Companies Act 2006, at any time from 1 January 2020 up to the date of signature of this report. Directors' and Officers' liability insurance for all group companies, including ASSA ABLOY Entrance Systems Ltd, is maintained by ASSA ABLOY AB, the ultimate parent undertaking.

Statement of directors' responsibilities in respect of the financial statements
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;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 101, have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 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. 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.

Under applicable law and regulations, the directors are also responsible for preparing a strategic report, and directors' report that comply with that law and those regulations. The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website.

Directors' confirmations
In the case of each director in office at the date the Directors' Report is approved:

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

On behalf of the board

DocuSigned by:
John Burton
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J Burton
Director
Date: 06 March 2024

REPORT OF THE INDEPENDENT AUDITOR'S TO THE MEMBERS OF ASSA ABLOY ENTRANCE SYSTEM LTD

Opinion

We have audited the financial statements of Assa Abloy Entrance System Ltd (or "the Company") for the year ended 31 December 2022 which comprise the Income Statement, Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity and the related notes 1 to 26, 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 FRS 101 "Reduced Disclosure Framework" ("FRS 101") (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view 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; 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 Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC'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

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.*

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 to 31 March 2025.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the Company's ability to continue as a going concern.

Other information

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

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

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 course of 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 this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions 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 Strategic Report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and

- the Strategic Report and Report of the Directors have 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 Strategic Report or Report of the Directors.

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.

Responsibilities of Directors

As explained more fully in the Statement of Directors Responsibilities set out on page 7, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. 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. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Company and determined that the most significant are those that relate to reporting framework (FRS 101, Companies Act 2006) and compliance with the relevant tax regulations in the jurisdictions in which the Company operates, notably in the UK. In addition, we concluded that there are certain laws and regulations that may have an effect on the determination of the amounts and disclosures in the financial statements and those laws and regulations relating to health and safety, employee, climate and environmental, General Data Protection Regulation (GDPR) and bribery corruption practices;

- We understood how the Company is complying with those frameworks by making enquiries of management and those responsible for legal and compliance procedures to understand how the Company maintains and communicates its policies and procedures in these areas. We corroborated our enquiries through our review of Board minutes. There was no contradictory evidence;

- We assessed the susceptibility of the Company's financial statements to material misstatement, including how fraud might occur through meeting management to understand where they considered there was susceptibility to fraud. We also considered performance targets and the potential incentives or opportunities to manage earnings. We considered the processes and controls that the entity has established to address identified risks, or that otherwise prevent or detect fraud; and how management monitors those processes and controls. We considered the possibility of fraud through management override and, in response, we incorporated data analytics across manual journal entries, in particular in respect of adjustments to revenue, into our audit approach. Where unusual results or anomalies were identified through our data analytics, we performed additional audit procedures to address each identified risk. These procedures included testing transactions back to source information and were designed to provide reasonable assurance that the financial statements were free from material fraud or error; and

- Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures involved testing details of journal entries which met our defined risk criteria based on our understanding of the business, enquiries of management, inspecting internal audit reports and enquiries of the existence of whistleblowing events during the year.

We did not identify any instances of non-compliance with laws and regulations that, in our opinion, could have an impact on the financial statements that would be more than inconsequential.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at https://www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's 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 auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

DS
Ernst & Young LLP

Nicholas Pritchard (Senior Statutory Auditor)
for and on behalf of Ernst & Young LLP
Statutory Auditor
Birmingham, UK
Date: 06 March 2024

ASSA ABLOY ENTRANCE SYSTEMS LTD

INCOME STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2022

	Note	2022 £'000	2021 £'000
Revenue	3	23,986	22,671
Cost of sales		(16,402)	(15,256)
Gross profit		**7,584**	**7,415**
Distribution costs		(3,280)	(2,662)
Administrative expenses		(3,792)	(4,722)
Other operating income		-	152
Gain on disposal of operations		-	299
Operating profit and profit before investment loss, interest and taxation	**4**	**512**	**482**
Impairment loss on investments	13	(13,000)	-
Finance income	7	204	2
Finance expenses	8	(91)	(14)
		(12,887)	**(12)**
(Loss) / profit before taxation		**(12,375)**	**470**
Tax	9	79	71
(Loss) / *profit for the financial year*		**(12,296)**	**541**

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

ASSA ABLOY ENTRANCE SYSTEMS LTD

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2022

	Note	2022 £'000	2021 £'000
(Loss) / profit for the financial year		(12,296)	541
Other comprehensive income/(expense)			
Items that will not be reclassified to profit or loss			
Foreign currency translation		(134)	240
Actuarial gain on defined benefit pension schemes	21	4,365	2,294
Movement on deferred tax relating to pension gain	9	(1,528)	(384)
Total other comprehensive income		2,703	2,150
Total comprehensive (loss) / income for the year		(9,593)	2,691

ASSA ABLOY ENTRANCE SYSTEMS LTD

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2022

	Note	2022 £'000	2021 £'000
Fixed assets			
Right-of-use assets	**12**	889	369
Property, plant and equipment	**11**	44	48
Investments	**13**	6,053	19,053
Defined benefit pension scheme asset	**21**	4,950	-
		11,936	19,470
Current assets			
Inventories	**14**	1,957	1,333
Trade and other receivables	**16**	7,439	5,131
Deferred tax asset	**15**	-	256
Bank and Cash	**17**	5,122	6,204
		14,518	12,924
Creditors: amounts falling due within one year			
Borrowings	**18**	241	68
Trade and other payables	**19**	7,224	5,515
		7,465	5,583
Net current assets		7,053	7,341
Total assets less current liabilities		18,989	26,811
Creditors: amounts due after more than one year	**20**	667	118
Provisions for liabilities			
Retirement benefit obligations	**21**	-	166
Provisions for liabilities	**15**	1,388	-
Net assets		**16,934**	**26,527**
Capital and reserves			
Called up share capital	**22**	50	50
Capital contribution account		16,200	16,200
Profit and Loss Account		684	10,277
Total shareholders' funds		**16,934**	**26,527**

The financial statements on pages 15 to 44 were approved by the Board of Directors and authorised for issue on 06 March 2024

Signed on its behalf by:

DocuSigned by:

John Burton

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J Burton

Director

Company Registration No. 00910858

The notes on pages 15 to 44 form part of the financial statements.

ASSA ABLOY ENTRANCE SYSTEMS LTD

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2022

	Called up share capital	Capital contribution	Profit and loss account	Total shareholders' funds
	£'000	**£'000**	**£'000**	**£'000**
Balance at 1 January 2021	50	16,200	22,586	38,836
Profit for the financial year	-	-	541	541
Other comprehensive income for the year	-	-	2,150	2,150
Total comprehensive income for the year	-	-	2,691	2,691
Dividends	-	-	(15,000)	(15,000)
Total transactions with owners	-	-	(15,000)	(15,000)
Balance at 31 December 2021	**50**	**16,200**	**10,277**	**26,527**
Loss for the financial year	-	-	(12,296)	(12,296)
Other comprehensive income for the year	-	-	2,703	2,703
Total comprehensive loss for the year	-	-	(9,593)	(9,593)
Dividends	-	-	-	-
Total transactions with owners	-	-	-	-
Balance at 31 December 2022	**50**	**16,200**	**684**	**16,934**

The total realised profits for the Company, within the definition of the Companies Act 2006, comprise both the Capital contribution account and the Profit and loss account.

1 Summary of significant accounting policies

1.1 General information

The principal activity of ASSA ABLOY Entrance Systems Ltd is the importation and installation of automatic door opening equipment, industrial doors, and docking equipment, and the subsequent service and maintenance of these products. The Company is a private Company limited by shares and is incorporated and domiciled in England. The address of its registered office is 7 Churchill Way, Chapeltown, Sheffield, Yorkshire S35 2PY.

All amounts in the financial statements and notes have been rounded off to the nearest thousand Sterling Pound, unless otherwise stated.

1.2 Basis of preparation

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. The financial statements of ASSA ABLOY Entrance Systems Ltd have been prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101). The financial statements have been prepared under the historical cost convention, as modified by the revaluation of certain instruments held at fair value, and in accordance with the Companies Act 2006 as applicable to companies using FRS 101. The preparation of financial statements in conformity with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 2.

The following exemptions from the requirements of international accounting standards in conformity with the requirements of the Companies Act 2006 (IFRS) have been applied in the preparation of these financial statements, in accordance with FRS 101:

- Paragraph 33(c) of IFRS 5 'Non-Current Assets Held for Sale and Discontinued Operations'.
- Paragraphs 45(b) and 46 to 52 of IFRS 2, 'Share-based payment' (details of the number and weighted-average exercise prices of share options, and how the fair value of goods or services received was determined).
- IFRS 7, 'Financial Instruments: Disclosures'.
- Paragraphs 91 to 99 of IFRS 13, 'Fair value measurement' (disclosure of valuation techniques and inputs used for fair value measurement of assets and liabilities).
- Paragraph 38 of IAS 1, 'Presentation of financial statements' comparative information requirements in respect of:
  (i) paragraph 79(a)(iv) of IAS 1;
  (ii) paragraph 73(e) of IAS 16 'Property, plant and equipment';
  (iii) paragraph 118(e) of IAS 38 'Intangible assets' (reconciliations between the carrying amount at the beginning and end of the period).
- The requirements of paragraph 52, the second sentence of paragraph 89, and paragraphs 90, 91 and 93 of IFRS 16 Leases.
- The following paragraphs of IAS 1, 'Presentation of financial statements':
  (i) 10(d), (statement of cash flows),
  (ii) 16 (statement of compliance with all IFRS),
  (iii) 38A (requirement for minimum of two primary statements, including cash flow statements),
  (iv) 38B-D (additional comparative information),
  (v) 111 (cash flow statement information), and
  (vi) 134-136 (capital management disclosures).
- IAS 7, 'Statement of cash flows'.
- Paragraph 30 and 31 of IAS 8 'Accounting policies, changes in accounting estimates and errors' (requirement for the disclosure of information when an entity has not applied a new IFRS that has been issued but is not yet effective).
- Paragraph 17 of IAS 24, 'Related party disclosures' (key management compensation).
- The requirements in IAS 24, 'Related party disclosures' to disclose related party transactions entered into between two or more members of a group.

1 Summary of significant accounting policies (continued)

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.

ASSA ABLOY Entrance Systems Ltd is a wholly owned subsidiary of ASSA ABLOY Entrance Systems AB and the results of the Company are included in the consolidated financial statements of ASSA ABLOY AB which are publicly available from: ASSA ABLOY AB, Klarabergsviadukten 90, Box 70340, S-10723 Stockholm, Sweden.

There are no amendments to accounting standards, or IFRIC interpretations that are effective for the year ended 31 December 2022 that have a material impact on the Company's financial statements.

1.3 Going concern

The Company operates within a cash pool with other entities within the ASSA ABLOY AB Group ("the Group") and has access to an overdraft facility within the Group operated cash pool of c.£ 15.6m, all of which is monitored through the Group treasury function and has no fixed term. At the year end the Company had cash and cash equivalents of £5.1m, which includes the Company's net cash pool balance. A key assumption in the Directors cash flow forecasts is the continuing availability of the cash pool facilities.

The Company's intermediate parent company, ASSA ABLOY Limited, has received a letter of financial support from its immediate parent company, ASSA ABLOY AB, confirming that the Group will, if required, provide financial support to ASSA ABLOY Limited for the period to 31 March 2025. ASSA ABLOY Limited has in turn provided a letter of support to the Company for the period until 31 March 2025.

The Directors of ASSA ABLOY Limited have considered information regarding the Group's ability to provide financial support to ASSA ABLOY Limited. This information includes the Group's unaudited financial information for the 12-month period to 31 December 2023 and the Group's Annual Report and Accounts for the year ended 31 December 2022. The Directors of the Company have in turn made enquiries of the Directors of ASSA ABLOY Limited to confirm that ASSA ABLOY Limited has the ability to provide financial support.

The Directors have concluded that, if required, ASSA ABLOY Limited will be able to provide financial support to the Company until 31 March 2025, noting the financial position of the Group. Accordingly, the Directors are satisfied that they have a reasonable basis upon which to conclude the Company is able to meet its liabilities as they fall due in the foreseeable future, and it remains appropriate to prepare the financial statements on a going concern basis.

1.4 Revenue

Revenue is recognised in relation to the sale and installation of doors at the point that the performance obligation to deliver or install the door is met. Contracted and service maintenance revenues are spread over the contract life, as this is the period over which the performance obligation is satisfied. Revenue represents amounts receivable for goods and services net of discounts and VAT.

The Company recognises revenue from contracts with customers based on the five-step process described in IFRS 15. Revenue is recognised when the entity satisfies a performance obligation by transferring a promised good or service to a customer. The good or service is transferred when the customer acquires control over the asset, which may happen either over time or at a particular point in time.

Under the five-step process an entity must complete the following steps before revenue can be recognised: Identify contracts with customers, identify performance obligations, determine the transaction price, allocate the transaction price to each of the separate performance obligations, and finally recognise the revenue attributable to each performance obligation.

At the beginning of the customer contract the Company determines whether the goods and/or services that are promised in the agreement comprise one performance obligation or several separate performance obligations.

A performance obligation is defined as a distinct promise to transfer a good or a service to the customer. A promised good or service is distinct if both of the following criteria are met: a) the customer can benefit from the good or service separately or together with other resources that are readily available to the customer and b) the Company's promise to transfer the good or service to the customer is separately identifiable from other promises in the contract.

The Company provides a standard 12-month warranty to customers. The obligation to repair or replace faulty products under these warranty terms is recognised within accruals (see Note 19).

1 Summary of significant accounting policies (continued)

1.4 Revenue (continued)

When determining the transaction price, which is the amount of consideration promised in the contract, the Company takes into account any variable considerations, such as cash discounts, volume-based discounts, and right of returns. The transaction price includes variable consideration only if it is highly probable that a significant reversal of the revenue is not expected to occur in a future period.

The Company receives payment in advance from customers to a limited extent. No customer contracts within the Company relating to the sale of goods or services are assessed to contain a significant financing component. The Company does not recognise any contract costs since the Company applies the practical expedient permitted by the standard, under which incremental costs of obtaining a contract are recognised as an expense when incurred if the amortisation period of the asset that the Company otherwise would have recognised is one year or less.

The Company allocates the transaction price for each performance obligation on the basis of a standalone selling price. The standalone selling price is the price for which the Company would sell the good or service separately to a customer. In cases where a standalone selling price is not directly observable, it is usually calculated based on the adjusted market assessment approach or the expected cost plus a margin approach.

Any discounts are allocated proportionately to all performance obligations in the contract, provided there is not observable evidence that the discount does not relate to all performance obligations.

The Company recognises revenue when the Company satisfies a performance obligation by transferring control of the goods or service to a customer, i.e. as the customer gains control over the asset. A performance obligation is met either over time or at a particular point in time. The Company recognises revenue over time if any of the following criteria are met:

a) The customer simultaneously receives and consumes the benefits provided by the Company's performance as the Company performs an obligation;
b) The Company's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
c) The Company's performance does not create an asset with an alternative use to the Company and the Company has an enforceable right to payment for performance completed to date.

The Company's revenue mainly consists of product sales. Service related to products sold represents a limited share of revenue. Revenue for the sale of the Company's products is recognised at a given point in time when the customer gains control over the product, usually at the time of delivery. The Company also carries out installation services, which are recognised over time, with reference to the percentage of completion. For shorter installation jobs, revenue is recognised in practice upon completion of installation. Revenue from service contracts is recognised over time. For product sales, a receivable is recognised when the goods have been delivered, since this is usually the point in time when the consideration becomes unconditional. Payment terms for trade receivables differ among geographic markets. The average collection period for trade receivables in 2022 was 64 days (2021: 56 days).

1.5 Investments in subsidiaries

Investments in subsidiary undertakings are recorded at cost plus incidental expenses less any provision for impairment. Impairment reviews are performed by the directors when there has been an indication of potential impairment.

The gain or loss arising on the disposal of an investment is determined as the difference between the sale proceeds and the carrying value of the net assets disposed of, and is recognised in the income statement.

1 Summary of significant accounting policies (continued)

1.6 Business combinations under common control

An acquisition that results from a Group restructuring where the entities are under common control are excluded from the provisions of IFRS 3 Business Combinations and are not subject to fair value adjustment. In these transactions, predecessor accounting is applied.

1.7 Property, plant and equipment

Property, plant and equipment are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Property plant and equipment is stated at historical cost less depreciation.

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:

Fixtures, fittings & equipment	15 - 50%
Plant and machinery	25%
Motor vehicles	25 - 33%

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset and is recognised in the income statement.

1.8 Impairment of non-financial assets

At each reporting end date, the Company reviews the carrying amounts of its non-financial 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.

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 Summary of significant accounting policies (continued)

1.9 Inventories

Inventories are stated at the lower of cost and net realisable value. The Company holds parts and materials for use in repairs and servicing. Work in progress and finished goods comprise direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition.

Net realisable value is the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

1.10 Cash and cash equivalents

Cash and cash equivalents include cash and bank balances, and short-term financial investments that mature within three months of the acquisition date. The Company is also part of an ASSA ABLOY AB Group cash pooling arrangement. Amounts held by the Company within the cash pool are included within cash and cash equivalents. Bank overdrafts are shown within borrowings in currently liabilities.

1.11 Financial assets

Financial assets are recognised in the Company's statement of financial position when the Company becomes party to the contractual provisions of the instrument.

Financial assets are classified into specified categories. The classification depends on the nature and purpose of the financial assets and is determined at the time of recognition.

Financial assets are initially measured at fair value plus transaction costs, other than those classified as fair value through profit and loss, which are measured at fair value.

Trade receivables, loans and other receivables

Trade receivables, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables 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 receivables when the recognition of interest would be immaterial. The effective interest method is a method of calculating the amortized 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.

Impairment of financial assets

The Company assesses at each year end date the expected credit losses of a financial asset or a group of financial assets with consideration given to the risk of default occurring. Expected credit losses are the difference between the contractual cash flows due to the Company and the cash flows the Company expects to receive.

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.

1.12 Financial liabilities

Financial liabilities are classified as either financial liabilities at fair value through profit or loss or other financial liabilities.

1 Summary of significant accounting policies (continued)

Other financial liabilities

Other financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs. They are subsequently measured at amortized cost using the effective interest method, with interest expense recognised on an effective yield basis.

The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability to the net carrying amount on initial recognition.

Derecognition of financial liabilities

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

1.13 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 income statement 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.

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 utilized. 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 realized. Deferred tax is charged or credited in the income statement, 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 Summary of significant accounting policies (continued)

1.14 Provisions

Provisions are recognised when the Company has a legal or constructive present obligation as a result of a past event and it is probable that the Company will be required to settle that obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting end date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

1.15 Employee benefits

For defined contribution retirement benefit schemes the Company makes payments into personal pension plans for eligible employees. The expenses are included within the financial statements as part of employment costs on an accruals basis.

For defined benefit schemes the amounts charged to operating profit are the current service costs and gains and losses on settlement and curtailments. They are included as part of staff costs. Past service costs are recognised immediately in the profit and loss account if the benefits have vested. The interest cost and the expected return on assets are shown as a net amount of other finance expenses. Actuarial gains and losses are recognised immediately in the statement of comprehensive income. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit method and discounted at a rate equivalent to the current rate of return on a high-quality corporate bond. The actuarial valuations are obtained at least triennially and are updated at the relevant balance sheet date. The resulting defined benefit asset or liability is presented separately after other net assets on the face of the balance sheet.

1.16 Foreign exchange

(a) Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates ('the functional currency'). The financial statements are presented in 'Pounds Sterling' (£'000), which is also the Company's functional currency.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement, except when deferred in other comprehensive income as qualifying cash flow hedges.

(c) Overseas branch

Monetary assets and liabilities of branch operations in foreign currencies are translated into sterling at rates ruling at the end of the financial year and the results of the foreign branch are translated at the average exchange rate for the year. Exchange differences arising from the translation of the opening net investment in branch operations, and from the translation of those results at an average rate, are taken to reserves and reported in the statement of comprehensive income.

1 Summary of significant accounting policies (continued)

1.17 Share Capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction, net of tax, from the proceeds.

1.18 Capital contribution reserve

The capital contribution reserve contains amounts received by the Company with no pre-determined payback period. The amount forms part of the total realised profits of the Company, along with the profit and loss reserve, within the definition of the Companies Act 2006.

1.19 Profit and loss account

The Profit and loss account includes all current and prior period retained profits and losses.

1.20 Trade and other receivables

Trade and other receivables are amounts due from customers for merchandise sold or services performed in the ordinary course of business. If collection is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

1.21 Trade and other payables

Trade and other payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers.

Trade and other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

1.22 Interest income

Interest income is recognised using the effective interest method. When a loan and receivable is impaired, the Company reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument, and continues unwinding the discount as interest income. Interest income on impaired loan and receivables is recognised using the original effective interest rate.

1.23 Dividend distribution

Dividend distributions to the Company's shareholders are recognised as a liability in the Company's financial statements in the period in which the dividends are approved by the Company's shareholders.

1 Summary of significant accounting policies (continued)

1.24 Leases

(a) As a lessee

Within the Company there are a number of current lease contracts, mostly relating to offices, premises and vehicles.

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Company.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- Fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- Variable lease payments that are based on an index or a rate, initially measured using the index or rate as at the commencement date;
- Amounts expected to be payable by the Company under residual value guarantees;
- The exercise price of a purchase option if the Company is reasonably certain to exercise that option; and
- Payments of penalties for terminating the lease, if the lease term reflects the Company exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Company, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets are measured at cost comprising the following:

- The amount of the initial measurement of lease liability;
- Any lease payments made at or before the commencement date less any lease incentives received;
- Any initial direct costs; and
- Restoration costs.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Company is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

Payments associated with short-term leases of equipment and vehicles and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise motor vehicles.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

1 Summary of significant accounting policies (continued)

1.24 Leases (continued)

(b) As a lessor the Company determines at lease inception whether each lease is a finance lease or an operating lease. To make this assessment, the Company establishes whether the lease transfers substantially all of the risks and rewards of ownership of the underlying asset. If this is the case, the lease is a finance lease. If not, it is an operating lease.

When the Company is an intermediate lessor, it accounts for its interest in the head lease and the sub-lease separately. It assesses the classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Company applies the exemption described above, then it classifies the sub-lease as an operating lease.

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 higher risk of causing a material adjustment to the carrying amount of assets and liabilities are outlined below.

Critical judgements

Revenue

Some judgement can be required when assessing the cut off point for revenue in the financial year. Contracts are reviewed on an individual basis to assess the completion stage of the project and the correct amount of revenue to be recognised as prescribed under IFRS 15. Billings in excess of that to be recognised is then included as contract liabilities in the financial statements.

Key sources of estimation uncertainty

Defined benefit pension scheme

The Company has a liability under a defined benefit pension scheme. The valuation of the net closing balance involves significant estimates and assumptions which are detailed within these financial

statements. The directors mitigate the possibility of misstatement in this area by ensuring that the valuations are updated annually by a qualified actuary (see Note 21).

Following the High Court ruling in the case of Virgin Media Limited v NTL Pension Trustees II Limited and others in June 2023, it was held that section 37 of the Pension Schemes Act 1993 operates to make void any amendment to the rules of a contracted out pension scheme without written actuarial confirmation under Regulation 42(2) of the Occupational Pension Schemes (Contracting Out) Regulations 1996, in so far that the amendment relates to members' section 9(2B) rights.

The Trustees of the Scheme and the Plan (collectively the "Pension Schemes") have confirmed that;

1. Pension Schemes were contracted out of the additional state pension between 1997 and 2016; and
2. Was possible that amendments were made to the Pension Schemes that may have impacted on the members' benefits.

2 Critical accounting estimates and judgements (continued)

Defined benefit pension scheme (continued)

The Trustees of the Pension Schemes and the Directors work closely together and take appropriate legal and professional advice when making amendments to the Pension Schemes. However, at 31 December 2023, it is not currently possible to determine whether any amendments to section 9(2B) rights were made to the Pension Schemes that were not in accordance with section 37 of the Pension Schemes Act 1993 requirements. Further, it is not currently possible to reliably estimate the possible impact to the defined benefit obligations of the Pension Schemes if these amendments were not in accordance with section 37 of the Pension Schemes Act 1993 requirements.

Impairment of debtors

The Company transacts and holds receivables from a large number of customers across a variety of industries and makes an estimate of the expected credit loss of trade debtors. When assessing impairment of trade debtors, management considers factors including the expected credit losses of debtors and the ageing profile of trade receivables.

Lease accounting

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Company, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, the Company:

- Where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since the third-party financing was received;
- Uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases held by the Company, which does not have recent third-party financing; and
- Makes adjustments specific to the lease, e.g., term, currency and security.

If a readily observable amortising loan rate is available to the individual lessee (through recent financing or market data) which has a similar payment profile to the lease, then the Company uses that rate as a starting point to determine the incremental borrowing rate.

Impairment of investments

Where there are indicators of impairment of the company's investments, the company forms impairment tests based on its fair value less a value in use calculation. The value in use calculation is based on a discounted cash flow model. The cash flows are derived from the investment company's future budgets and do not include significant future investments that will enhance the asset's performance of the cash generating unit being tested. The recoverable amount is most sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash flows and the growth rate used for extrapolation purposes.

3 Revenue

An analysis of the Company's revenue is as follows:

	2022 £'000	2021 £'000
Importation and installation of door opening equipment, industrial doors and docking equipment and the service and maintenance of these products	23,986	22,671

Geographical market

	2022 £'000	2021 £'000
United Kingdom and Ireland	23,986	22,671

Contract liabilities of £484k (2021: £nil) have been recognised as current liabilities representing advances from customers.

4 Operating profit

	2022 £'000	2021 £'000
Profit for the year is stated after charging:		
Net foreign exchange (gain)/losses	(16)	223
Lease expenses for low value assets and short-term leases (note 12)	154	50
Fees payable to the Company's auditors for the audit of the Company's financial statements	56	45
Depreciation of property, plant and equipment	97	58
Depreciation of right-of-use assets	481	475
Cost of inventories recognised as an expense	10,530	12,609
Staff costs (note 5)	6,136	4,715
Impairment of trade receivables	260	62

5 Employees

The average monthly number of persons (including directors) employed by the Company during the year was:

	2022 Number	2021 Number
Selling and distribution	114	82
Administration	3	2
	117	84

Their aggregate remuneration comprised:

	2022 £'000	2021 £'000
Wages and salaries	5,316	4,218
Social security costs	646	384
Other pension costs	174	113
	6,136	4,715

Amounts of £83k (2021: £132k) have been charged to the income statement in respect of the defined benefit scheme and are not included in the disclosure above. The movements in the defined benefit scheme liability are set out in note 21.

Other pension costs stated above relates to the defined contribution scheme.

6 Directors' remuneration

	2022 £'000	2021 £'000
Remuneration for qualifying services	162	156
Company pension contributions to defined contribution schemes	6	6
	168	162

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 1 (2021: 1).

The number of directors for whom retirement benefits are accruing under defined benefit schemes amounted to Nil (2021: £Nil).

Remuneration disclosed above include the following amounts paid to the highest paid director:

	2022 £'000	2021 £'000
Remuneration for qualifying services	162	156
Company pension contributions to defined contribution schemes	6	6

Three of the directors are remunerated directly by Assa Abloy AB (2021: two). It is not possible to make an accurate apportionment of the directors' emoluments in respect of each of the group companies for whom they work and hence no recharge for these costs has been made to Assa Abloy Entrance Systems Ltd during the year, (2021 - £Nil) as they would be incidental to Directors' services to other group entities.

7 Finance income

	2022 £'000	2021 £'000
Interest income		
Interest on bank deposits	52	2
Interest income on lease receivable	152	-
Total finance income	204	2

In the prior year, interest on lease receivable was disclosed incorrectly as other operating income. This has been rectified in the current year.

8 Finance expenses

	2022 £'000	2021 £'000
Interest on bank overdrafts and loans	80	-
Interest on lease liabilities	11	14
Total finance expenses	91	14

9 Tax on profit

	2022 £'000	2021 £'000
Current tax		
Current year taxation	11	-
Adjustments in respect of prior years	(206)	(213)
	(195)	(213)
Deferred tax		
Origination and reversal of timing differences	116	208
Adjustments in respect of rate changes	-	(60)
Adjustments in respect of prior years	-	(6)
	116	142
Tax credit for the year	(79)	(71)

9 Tax on profit (continued)

The tax charge for the year can be reconciled to the profit per the income statement as

	2022 £'000	2021 £'000
(Loss)/Profit before taxation	(12,375)	470
Expected tax charge based on a corporation tax rate of 19% (2021: 19%)	(2,351)	89
Fixed asset differences	(1)	-
Expenses not deductible in determining taxable profit	2,485	45
Non-taxable income	-	(57)
Group relief surrendered for no consideration	-	84
Net tax rate changes	38	(13)
Adjustments in respect of prior years	(206)	(219)
Movements in deferred tax not recognised	(44)	-
Tax credit for the year	(79)	(71)

In addition to the amount charged to the income statement, the following amounts relating to tax have been recognised directly in other comprehensive income:

	2022 £'000	2021 £'000
Deferred tax arising on:		
Actuarial differences recognised as other comprehensive	1,528	384

In the year to 31 December 2021, the above charge to other comprehensive income is stated net of a credit of £190k arising as a result of the change in the tax rate applied when valuing deferred tax.

Tax rate changes

The current UK corporation tax rate is 19%. In March 2021, the UK Government announced their intention to increase the main rate of corporation tax from 19% to 25% from 1 April 2023. As this change to the corporation tax rate was enacted as at the balance sheet date, deferred tax balances as at 31 December 2022 have been remeasured at a rate of 25% accordingly (2021: 25%), being the rate at which temporary differences are expected to reverse unless otherwise stated.

10 Dividends

	2022 £ per share	2021 £ per share	2022 £'000	2021 £'000
Amounts recognised as distributions to equity holders:				
£1 Ordinary shares				
Dividend paid in respect of year ended 31 December 2022 (2021: 31 December 2021)	-	300	-	15,000

The dividends for the year are paid out of the total distributable profits for the Company, which is comprised of both the capital contribution account and the accumulated profit and loss.

11 Property, Plant and Equipment

	Fixtures, fittings & equipment £'000	Plant & machinery £'000	Motor vehicles £'000	Total £'000
Cost				
At 1 January 2022	542	537	51	**1,130**
Additions	42	51	-	93
Disposals	-	-	-	-
At 31 December 2022	**584**	**588**	**51**	**1,223**
Accumulated depreciation				
At 1 January 2022	534	497	51	**1,082**
Charge for the year	38	59	-	**97**
At 31 December 2022	**572**	**556**	**51**	**1,179**
Net book value				
At 31 December 2022	**12**	**32**	-	**44**
At 31 December 2021	8	40	-	**48**

12 Leases

The Company has lease contracts for various offices and motor vehicles. With the exception of short-term leases and leases of low-value underlying assets, each lease is reflected on the Balance Sheet as a right-of-use asset and a lease liability.

Right of use assets	**Buildings**	**Motor vehicles**	**Total**
	£'000	**£'000**	**£'000**
Cost			
At 1 January 2022	768	754	**1,522**
Additions	-	678	678
Disposals	-	(597)	(597)
Hive-up	322	1	323
At 31 December 2022	**1,090**	**836**	**1,926**
Accumulated depreciation			
At 1 January 2022	(671)	(482)	**(1,153)**
Charge for the year	(145)	(336)	(481)
Disposal	-	597	597
At 31 December 2022	**(816)**	**(221)**	**(1,037)**
Net book value			
At 31 December 2022	**274**	**615**	**889**
At 31 December 2021	97	272	**369**

Lease liabilities	**2022**	**2021**
	£'000	**£'000**
Current	316	466
Non-current	667	118
	983	**584**

Each lease generally imposes a restriction that, unless there is a contractual right for the Company to sublet the asset to another party, the right-of-use asset can only be used by the Company. Leases are either non-cancellable or may only be cancelled by incurring a substantive termination fee. Some leases contain an option to purchase the underlying leased asset outright at the end of the lease. The Company is prohibited from selling or pledging the underlying leased assets as security. For leases over buildings and premises the Company must keep those properties in a good state of repair and return the properties in their original condition at the end of the lease. Further, the Company must insure items of property, plant and equipment and incur maintenance fees on such items in accordance with the lease contracts.

12 Leases (continued)

The table below describes the nature of the Company's leasing activities by type of right-of-use asset recognised on the balance sheet at the 31 December 2022:

	No. of right of use asset leases	Range of remaining term	Average remaining lease term	No. of leases with extension options
Land & buildings	1	1 – 2 years	1 year	-
Motor vehicles	37	1 – 7 years	3 years	-

The lease liabilities are secured by the related underlying assets. Future minimum lease payments at 31 December 2022 were as follows:

	Within 1 year	1 – 5 years	Over 5 years	Total
	£'000	£'000	£'000	£'000
Lease payments	367	621	80	1,068
Finance charge	(23)	(59)	(3)	(85)
	344	**562**	**77**	**983**

The Company has elected not to recognise a lease liability for short term leases (leases with an expected term of 12 months or less) or for leases of low value assets. Payments made under such leases are expensed on a straight-line basis. The expense relating to payments not included in the measurement of the lease liability is £154k (2021: £50k). At 31 December 2022 the Company was committed to make payments under short-term and low value leases and the total commitment at that date was £6k (2021: £2k). The Company had not committed to any leases which had not yet commenced.

Finance lease asset receivables

The Company sub-leases an office building to another entity. The sub-lease has been classified as a finance lease because the sub-lease is for the whole remaining term of the head-lease. As at 31 December 2022, the undiscounted lease payments were £93k (2021: £159k) with unearned interest income of £7k (2021: £14k) resulting in a net investment in the lease of £86k (2021: £238k)

	Within 1 year	1 – 5 years	Over 5 years	Total
	£'000	£'000	£'000	£'000
Lease receipts	93	-	-	93
Finance income	(7)	-	-	(7)
Net present value	**86**	**-**	**-**	**86**

The interest rate inherent in the lease is fixed at the contract date for the entire lease term. The average effective interest rate contracted is approximately 1.6%.

The finance lease asset receivable at the end of the reporting period is neither past due nor impaired.

13 Investments in subsidiaries

	2022 £'000	2021 £'000
At 1 January	19,053	19,053
Impairment charge	(13,000)	-
At 31 December	**6,053**	**19,053**

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

Name of undertaking	Country of incorporation (or residence)	Proportion of ordinary shares directly	Nature of business
Dover Vanguard Roller Shutters Limited	United Kingdom	100%	Manufacture, marketing, and distribution of custom roll-up doors for the retail, transportation and emergency industries
Industrial Door Engineering Limited	United Kingdom	100%	Manufacture, installation, and repair of industrial doors.
Nassau Industrial Doors Limited*	United Kingdom	100%	Supply and installation of industrial doors.

*Indirect subsidiary undertakings

During the year, the trade and net assets of Nassau Industrial Doors Limited were hived-up into Assa Abloy Entrance Systems Limited (see note 24).

The Company has recorded an impairment charge in the year of £13,000,000 in respect of its fixed asset investment in Industrial Door Engineering Limited. The impairment charge reflected the downturn in business performance as a result of the loss of certain key customer contracts.

The key assumptions in the impairment test are revenue growth, margin improvements and the discount rate. A reduction in revenue assumptions of 5% would result in a further impairment of the investment of £500,000. If expected margin improvements are not achieved by 1%, a further impairment of investments would be required of £700,000. An increase in discount rate of 1% would lead to a further impairment of £700,000.

14 Inventories

	2022 £'000	2021 £'000
Raw materials	4	4
Work in progress	293	125
Finished goods	1,660	1,204
	1,957	**1,333**

Cost of inventories recognised as an expense amount to £10,530k (2021: £12,609k).

15 Provision for liabilities – deferred tax

The following deferred tax asset/(liability) has been recognised by the Company and movements thereon during the current and prior reporting year.

	ACAs	Retirement benefit obligations	Short term timing differences	Total
	£'000	£'000	£'000	£'000
Deferred tax asset as at 1 January 2021	100	634	48	782
Deferred tax movements in prior year				
(Charged)/Credit to profit or loss	12	(208)	54	(142)
Credit to other comprehensive income	-	(384)	-	(384)
Deferred tax asset as at 31 December 2021	**112**	**42**	**102**	**256**
Deferred tax movements in current year				
Charge to profit or loss	(25)	-	(91)	(116)
Charge to other comprehensive income	-	(1,528)	-	(1,528)
Deferred tax asset/(liability) as at 31 December 2022	**87**	**(1,486)**	**11**	**(1,388)**

The following is the analysis of the deferred tax balances for financial reporting purposes:

	2022	2021
	£'000	£'000
Deferred tax (liabilities)/assets	(1,388)	256
	(1,388)	256

A deferred tax asset of £390k (2021: £479k) relating to non-trade loan relationship losses carried forward has not been recognised. This asset would be recovered should sufficient taxable profits be available which would be eligible for relief against the unutilized tax losses.

16 Trade and other receivables

	2022 £'000	2021 £'000
Trade receivables - Gross	5,274	3,683
Allowance for expected credit losses	(378)	(148)
	4,896	3,535
Amounts due from subsidiaries and fellow group undertakings	-	5
Amounts due from parent undertaking	405	-
Prepayments and accrued income	1,630	952
Net investment in leases (note 12)	86	151
Corporation tax	422	368
Other receivables	-	34
	7,439	5,045
Amounts due in over a year		
Net investment in leases (note 12)	-	86
	7,439	5,131

Trade receivables disclosed above are measured at amortised cost.

Amounts due from subsidiaries and fellow group undertakings are unsecured, interest free and repayable on demand.

17 Cash and cash equivalents

	2022 £'000	2021 £'000
Cash pool facilities	5,122	6,204

The Company is part of an ASSA ABLOY AB Group wide cash pooling arrangement. Amounts held by the Company within the cash pool are included within cash equivalents above and bank overdraft within creditors.

18 Borrowings

	2022 £'000	2021 £'000
Cash pool facilities overdraft	241	68

The borrowings are part of the overall Group cash pool, are secured by guarantees from other group undertakings.

19 Trade and other payables

	2022 £'000	2021 £'000
Trade payables	1,733	1,155
Amounts due to parent undertaking	-	812
Amounts due to subsidiary undertakings	2,634	-
Accruals	1,485	2,453
Taxation and social security	448	505
Lease liabilities	316	466
Contract liabilities	484	-
Other payables	124	124
	7,224	5,515

Amounts due to subsidiaries and fellow group undertakings are unsecured, interest free and repayable on demand.

20 Creditors: amounts falling due after more than one year

Amounts falling due after more than one year and less than five years:

	2022 £'000	2021 £'000
Lease liabilities	667	118

21 Retirement benefit schemes

Defined contribution schemes

The Company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the Company in an independently administered fund.

The total costs charged to the income statement in respect of defined contribution plans is £174k (2021 - £113k).

Defined benefit scheme

The Company participates in the defined benefit scheme operated by the group in the UK which provides benefits based on final pensionable salary. The scheme is closed to new members and future accrual. The assets of the scheme are held separately from the group.

The Trustee of the fund is required to act in the best interest of the plan's members and beneficiaries. The appointment of the Trustee to the fund is determined by the Plan's Trust documentation. The Trust Deed provides the Company with an unconditional right to a refund of surplus assets assuming the full settlement of plan liabilities in the event of a plan wind-up. Furthermore, in the ordinary course of business the Trustee has no rights to unilaterally wind up, or otherwise augment the benefits due to the members of the scheme. Based on these rights, any net surplus in the schemes is recognised in full.

A full actuarial valuation was last carried out in 5 April 2019 and updated triennial valuation to 31 December 2019 by an independent, qualified actuary. These valuations have been updated to 31 December 2022.

The pension cost and contributions are assessed in accordance with the advice of the independent qualified actuary using the projected unit funding method. The major assumptions used by the actuary were (in nominal terms):

Key assumptions

	2022	2021
	%	%
Discount rate	5.00	1.80
Pension growth rate	2.95	3.00
Inflation (RPI)	3.20	3.40
Inflation (CPI)	2.60	2.70

Mortality assumptions

Assumptions regarding future mortality experience are set based on actuarial advice in accordance with published statistics. Mortality assumptions are based on the S3PMA/S3PFA_M mortality tables with an allowance for mortality improvement in line with CMI_2021 projections and a long-term rate of 1.25% p.a. based on year of birth.

The scheme converted to a career average scheme for past and future service with effect from 5 April 2007. Therefore, the current service cost is not dependent on future salary and therefore the rate of increase in salaries is no longer applicable.

21 Retirement benefit schemes (continued)

	Life expectancy at age 65	
	2022	**2021**
	Years	**Years**
Retiring today		
- Males	21.4	21.8
- Females	23.6	23.7
Retiring in 20 years		
- Males	22.7	23.1
- Females	25.1	25.3

Amounts recognised in the income statement in respect of defined benefit plans are as follows:

	2022	**2021**
	£'000	**£'000**
Past service cost and loss from settlements	-	-
Net interest cost	(3)	39
Expenses	86	93
	83	132

Amounts recognised in other comprehensive income:

	2022	**2021**
	£'000	**£'000**
Actuarial changes arising from changes in demographic assumptions	(21)	40
Experience gains and losses arising on the defined benefit obligation	208	341
Actuarial changes arising from changes in financial assumptions	(9,920)	-
Return on plan assets (excluding amounts included in net interest cost)	5,368	1,913
Total amount recognised in other comprehensive expense – gain	(4,365)	2,294

The amounts included in the statement of financial position arising from the Company's obligations in respect of defined benefit plans are as follows:

	2022	**2021**
	£'000	**£'000**
Present value of defined benefit obligations	(13,312)	(22,991)
Fair value of plan assets	18,262	22,825
Surplus/(Deficit) in scheme at the end of the financial year	4,950	(166)

Movements in the present value of defined benefit obligations:

21 Retirement benefit schemes (continued)

	2022	2021
	£'000	£'000
At 1 January	22,991	23,412
Benefits paid	(357)	(365)
Actuarial gains	(9,733)	(381)
Interest expense	411	325
At 31 December	13,312	22,991

Movements in the fair value of plan assets:

	2022	2021
	£'000	£'000
At 1 January	22,825	20,250
Interest income	414	286
Return on plan assets (excluding amounts included in net interest)	(5,368)	1,913
Benefits paid and expenses	(443)	(458)
Contributions by the employer	834	834
At 31 December	18,262	22,825

The actual return on plan assets was £4,954k (2021: £2,199k).

Sensitivity of the net obligation to changes in assumptions

The sensitivities shown are approximate. Each sensitivity considers one change in isolation. The inflation sensitivity includes the impact of changes to assumptions for revaluation and pension increases. The approximate average duration of the defined benefit obligation of the plan as at 31 December 2022 is 12 years (2021: 16 years).

The plan typically exposes the Company to actuarial risks such as investment risk, interest rate risk, mortality risk and longevity risk. A decrease in corporate bond yields, a rise in inflation or an increase in life expectancy would result in an increase to the plan liabilities. This would detrimentally impact the balance sheet position and may give rise to increased charges to future profit and loss accounts. This effect would be partially offset by an increase in the value of the plan's bond holdings. Additionally, caps on inflationary increases are in place to protect the plan against extreme inflation.

21 Retirement benefit schemes (continued)

	Change in assumption	2022 Change in liabilities		2021 Change in liabilities	
Discount rate	Decrease by 0.25% pa	3.70%	increase	4.8%	increase
Inflation rate	Increase by 0.25% pa	3.16%	increase	4.6%	increase
Mortality rate	Increase life expectancy by 1 year	2.34%	decrease	3.4%	decrease

The best estimate of contributions to be paid by the Company to the plan for the year commencing 1 January 2023 is £834k.

The fair value of plan assets at the reporting period end was as follows:

	2022 £'000	2021 £'000
Equity	5,032	12,717
Debt instruments	11,179	8,918
Property	1,228	1,115
Cash	823	75
	18,262	22,825

All the scheme assets have a quoted market price in an active market with the exception of the Trustee's bank account balance.

22 Called up share capital

	2022 £'000	2021 £'000
Ordinary share capital		
Authorised		
100,000 (2021: 100,000) Ordinary shares of £1 each	100	100
Issued and fully paid		
50,000 (2021: 50,000) Ordinary shares of £1 each	50	50

23 Contingent liabilities

As at 31 December 2022, as part of the facilities that the Company holds with SEB Bank, the Company had certain guarantees over customer contracts and with HMRC totalling £2,322,000. £1,072,000 of these guarantees expire in 2023, £251,000 of these guarantees expire in 2025 and the remaining £999,000 of these guarantees have no fixed expiry.

24 Business re-organisations

During the year to 31 December 2022, the trade and assets of Nassau Industrial Doors Limited were hived up to Assa Abloy Entrance Systems Limited. The Company chose to follow the predecessor accounting for the hive-up transactions with investments being transferred within the group at their net book values.

The book value of the assets and liabilities hived into Assa Abloy Entrance Systems Limited on 1 July 2022 were as follows:

	2022 £'000
Right of use assets	323
Property, plant and equipment	7
Inventories	197
Debtors	1,151
Prepayments and accrued income	42
Cash	1,894
Current Liabilities	(1,060)
Lease liabilities	(323)
Net assets acquired	**2,231**
Goodwill arising	-
Total consideration	**2,231**

There was no material difference between the book value and the fair value of the assets and liabilities acquired. The consideration payable was settled via the Intercompany loan account.

25 Controlling party

The immediate parent Company is ASSA ABLOY Limited, a Company incorporated in United Kingdom and has a 100% interest in the equity capital of ASSA ABLOY Entrance Systems Ltd as at 31 December 2022.

The ultimate parent undertaking and controlling party is ASSA ABLOY AB, a Company incorporated in Sweden.

ASSA ABLOY AB is the parent undertaking of the largest group of undertakings to consolidate these financial statements as at 31 December 2022. ASSA ABLOY AB is the parent undertaking of the smallest group of undertakings to consolidate these financial statements.

The consolidated financial statements of ASSA ABLOY AB can be obtained from: ASSA ABLOY AB, Klarabergsviadukten 90, Box 70340, S-10723 Stockholm, Sweden.

26 Subsequent events

There have been no events subsequent to the year-end that would impact balances and transactions recorded as at 31 December 2022.