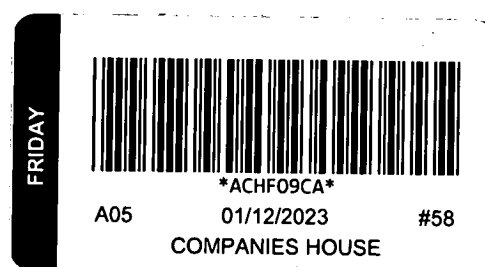


STH WESTCO HOLDINGS LIMITED
(REGISTERED NUMBER: 02597032)

Annual report and financial statements
for the year ended 31 December 2022



**Contents of the Financial Statements
for the year ended 31 December 2022**

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STH WESTCO HOLDINGS LIMITED (Registered Number: 02597032)

**Company Information
for the year ended 31 December 2022**

Directors: J Llacuna (resigned 10.01.2023)
J Guerrero Vidal (resigned 10.03.2023)
G Banham (resigned 27.05.2023)
S Forbes (appointed 04.11.2022)
M San Martin Falagan (appointed 10.01.2023)
A Tagger (appointed 10.03.2023, resigned 31.07.2023)
L Encabo (appointed 02.10.2023)

Secretary Brabners Secretaries Limited

Registered Office: c/o Brabners LLP
100, Barbirolli Square
Manchester
M2 3BD

Registered number: 02597032 (England and Wales)

Auditors PricewaterhouseCoopers LLC
Sixty Circular Road
Douglas
Isle of Man
IM1 1SA

STH WESTCO HOLDINGS LIMITED (Registered Number: 02597032)
Strategic Report
for the year ended 31 December 2022

The Directors present their Strategic Report for the year ended 31 December 2022.

Principal Activities

The Company's principal activity during the year continued to be holding of participations in other companies.

Principal risks and uncertainties

The Company is a holding company, with one subsidiary STH Westco Limited. As such, it is subject to limited operational and financial risks. There is minimal currency, interest rate or inflation risk. The only credit risk is associated with the receivable held with the subsidiary entity. Liquidity risk is also minimal in the short term due to the low level of creditors which are payable in the short term. There are also preference shares, the terms of which are disclosed in Note 12 of the financial statements.

Review of Business

The profit for the financial year amounted to £41,274 (2021 profit: £35,970).

- The Company's parent was purchased by HIG Capital, a leading global Private Equity firm as part of the divestment of STH from Aalberts on 3 December 2021.

Key Performance Indicators

KPIs are the total assets and net assets figures.

Future developments and events after the balance sheet date

There are no future developments or post balance sheet events to disclose other than the change to terms of the preference shares as disclosed in Note 12 to the financial statements

On behalf of the Board



Stephen Forbes

15 November 2023

STH WESTCO HOLDINGS LIMITED (Registered Number: 02597032)

Report of the Directors for the year ended 31 December 2022

The directors present their report with the financial statements of the company for the year ended 31 December 2022.

In preparing this Directors' report, the Directors have complied with S414C (11) of the Companies Act 2006 by including certain disclosures required by S416 within the strategic report on page 2. These include disclosures with respect to principal risks and uncertainties and future developments and events after the balance sheet date.

Dividends

No dividends will be distributed for the year ended 31 December 2022.

Future developments

Details of future developments can be found in the Strategic Report.

Directors

J Llacuna (resigned 10.01.2023)
J Guerrero Vidal (resigned 10.03.2023)
G Banham (resigned 27.05.2023)
S Forbes (appointed 04.11.2022)
M San Martin Falagen (appointed 10.01.2023)
A Tagger (appointed 10.03.2023, resigned 31.07.2023)
L Encabo (appointed 02.10.2023)

Financial Instruments

Details of financial instruments can be found in the Strategic Report in the section on principal risks and uncertainties.

Going concern

During the year to 31 December 2022 and up to the date of the approval of the financial statements, the Company was reliant upon the financial support of its parent Standard Hydraulica Group SLU . Work is ongoing to reach a sustainable position for the Company on a standalone basis, however, the Company may still be reliant on parental support in the twelve months following the approval of these financial statements.

The Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future on the basis that the parent has confirmed that it will continue to provide financial support as is necessary to enable the Company to meet its liabilities as and when they fall due, for a period of at least twelve months from the date these financial statements are approved by the board of directors.

In considering the use of the going concern basis, the Directors have considered the fact that there is a material uncertainty that may cast significant doubt of the parent entity's ability to operate as a going concern. This material uncertainty is explained in detail in the financial statements of the parent entity, which are available from its registered office as disclosed in Note 3.

**Report of the Directors
for the year ended 31 December 2022**

In summary, the parent entity has experienced breaches of certain financial covenants on its external debt facility during the 2023 year. If and when such breaches occur, the bank has the right to call any outstanding debt unless the bank chooses to waive that right. The bank has waived the right to call the debt as a result of any covenant breaches that occurred up to and including 30 October 2023. The next covenant test date is 30 December 2023 and so the debt is not currently callable. The parent entity directors expect that a waiver will be received for breaches that may occur as at 30 December 2023. The parent entity is forecasting further potential breaches of financial covenants within the next 24 months and, should such breaches occur and not be waived by the bank, the bank would have the ability to call any outstanding debt. The bank has not called the debt to date. Notwithstanding this fact, this situation casts significant doubt over the parent's ability to continue as a going concern.

The existence of a material uncertainty over the going concern assumption for the parent entity, upon whose financial support the Company is reliant, may cast significant doubt over the Company's ability to continue to operate as a going concern. These financial statements do not contain any adjustment that would arise if the financial statements were not drawn up on a going concern basis.

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 regulation.

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 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law).

Under company law, 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 the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102 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 safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are also 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.

Statement as to disclosure of information to auditors


So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

**Report of the Directors
for the year ended 31 December 2022**

Auditors

The auditors, PricewaterhouseCoopers LLC, have been appointed and have expressed their willingness to continue in office.

On behalf of the board

A handwritten signature in black ink, consisting of a stylized 'S' followed by a long horizontal line extending to the right.

Stephen Forbes
15 November 2023

Independent auditors' report to the members of STH Westco Holdings Limited

Report on the audit of the financial statements

Opinion

In our opinion, STH Westco Holdings Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2022 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: the Balance Sheet as at 31 December 2022; the Statement of Comprehensive Income and the Statement of Changes in Equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Material uncertainty related to going concern

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosure made in note 3 to the financial statements concerning the company's ability to continue as a going concern. The company is currently operating with the support of its parent which will provide financial support as is necessary to enable the company to meet its liabilities as and when they fall. However, the financial statements of the company's parent identify that there is a material uncertainty over the parent's ability to operate as a going concern. This is driven by the fact that the parent has experienced breaches of financial covenants on its bank debt meaning that the bank has the ability to call the outstanding debt unless such breaches are waived by the bank. Waivers have been received for all breaches up to and including 30 October 2023 and the debt is not currently callable. However the parent entity is forecasting further potential breaches of financial covenants within the next 24 months. This indicates the existence of a material uncertainty that may cast significant doubt about the parent company's ability to continue as a going concern. Given the company's reliance on the support of its parent, these conditions, along with the other matters explained in note 3 to the financial statements, indicate the existence of a material uncertainty which may cast significant doubt about the company's ability to continue as a going concern. The financial statements do not include the adjustments that would result if the company were unable to continue as a 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.

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

Independent auditors' report to the members of STH Westco Holdings Limited -continued

Reporting on other information

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

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

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

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

Strategic report and Report of the Directors

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

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

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of directors responsibilities in respect of the financial statements, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditors' responsibilities for the audit of the financial statements

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

Independent auditors' report to the members of STH Westco Holdings Limited -continued

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

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

- Inquiry of management in respect of potential non-compliance with laws and regulations;
- Reviewing minutes of meetings of those charged with governance with reference back to any potential non-compliance;
- Considering, and where appropriate testing, journal entries that meet specifically deemed risk based criteria; and
- Testing accounting estimates for indication of management bias, with particular focus on the provision held against the investment in subsidiary balance.

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

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Independent auditors' report to the members of STH Westco Holdings Limited -continued

Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

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

We have no exceptions to report arising from this responsibility.

Other matter

The financial statements for the year ended 31 December 2021 were audited by a predecessor auditor, who issued an unmodified audit opinion on those financial statements on 30 September 2022.

Dasa Brynjolffssen (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLC
Chartered Accountants and Statutory Auditors
Douglas, Isle of Man
15 November 2023

STH WESTCO HOLDINGS LIMITED (Registered Number: 02597032)

**Statement of Comprehensive
Income
for the year ended 31 December 2022**

	Notes	2022	2021
		£	£
Administrative expenses		(4,800)	-
Operating (loss)/profit	6	(4,800)	-
Interest Receivable and similar income	7	48,576	44,407
(Loss)/profit before taxation		43,776	44,407
Tax on (loss)/profit	8	(2,502)	(8,437)
(Loss)/profit for the financial year		41,274	35,970
Other comprehensive income		-	-
Total comprehensive income for the year		41,274	35,970

The notes on pages 13 to 17 form an integral part of these financial statements.

STH WESTCO HOLDINGS LIMITED (Registered Number: 02597032)

Balance Sheet

for the year ended 31 December 2022

	Notes	2022		2021	
		£	£	£	£
Fixed Assets					
Investments	9		7,763,647		7,763,647
Current assets					
Debtors	10	3,501,645		3,457,869	
Creditors					
Amounts falling due within one year	11			<u>6,473</u>	
			<u>10,933,975</u>		
Net current (liabilities)/assets			<u>(7,432,330)</u>		<u>3,451,396</u>
Total assets less current liabilities			<u>331,317</u>		<u>11,215,043</u>
Creditors					
Amounts falling due after more than one year	12		-		<u>10,925,000</u>
Net assets			331,317		290,043
Capital and reserves					
Called up share capital	13		850,002		850,002
Retained earnings	14		<u>(518,685)</u>		<u>(559,959)</u>
Shareholders' funds			<u>331,317</u>		<u>290,043</u>

The financial statements were approved by the Board of Directors and authorised for issue on 15 November 2023 and were signed on its behalf by:

On behalf of the board

Stephen Forbes



15 November 2023

The notes on pages 13 to 17 form an integral part of these financial statements.

STH WESTCO HOLDINGS LIMITED (Registered Number: 02597032)**Statement of Changes in Equity
for the year ended 31 December 2022**

	Called up share capital	Retained earnings	Total equity
	£	£	£
Balance as at 1 January 2021	850,002	(595,929)	254,073
Changes in equity			
Total comprehensive income	-	35,970	35,970
Balance as at 31 December 2021	850,002	(559,959)	290,043
Changes in equity			
Total comprehensive income	-	41,274	41,274
Balance at 31 December 2022	850,002	(518,685)	331,317

The notes on pages 13 to 17 form an integral part of these financial statements.

STH WESTCO HOLDINGS LIMITED (Registered Number: 02597032)

Notes to the Financial Statements for the year ended 31 December 2022

1. Statutory information

STH Westco Holdings Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

2. Statement of Compliance

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

3. Accounting Policies

Basis of preparing the financial statements

The financial statements have been prepared under the historical cost convention.

The immediate parent company is Standard Hydraulics Group SLU, incorporated in Spain.

Standard Hydraulics Group SLU is the immediate parent company to consolidate the financial statements at 31 December. The consolidated financial statements of Standard Hydraulics Group SLU are available from the registered office Avenida De La Ferreria 73-75, Pol Industrial La Ferreria, 08110 Montcada i Reixac, Barcelona, Spain.

The Company, therefore, is exempt, by virtue of section 401 of the Companies Act 2006, from the requirement to prepare consolidated financial statements. These financial statements are the Company's separate financial statements.

Going concern

During the year to 31 December 2022 and up to the date of the approval of the financial statements, the Company was reliant upon the financial support of its parent Standard Hydraulica Group SLU. Work is ongoing to reach a sustainable position for the Company on a standalone basis, however, the Company may still be reliant on parental support in the twelve months following the approval of these financial statements.

The Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future on the basis that the parent has confirmed that it will continue to provide financial support as is necessary to enable the Company to meet its liabilities as and when they fall due, for a period of at least twelve months from the date these financial statements are approved by the board of directors.

In considering the use of the going concern basis, the Directors have considered the fact that there is a material uncertainty that may cast significant doubt of the parent entity's ability to operate as a going concern. This material uncertainty is explained in detail in the financial statements of the parent entity, which are available from its registered office as disclosed in Note 3.

In summary, the parent entity has experienced breaches of certain financial covenants on its external debt facility during the 2023 year. If and when such breaches occur, the bank has the right to call any outstanding debt unless the bank chooses to waive that right. The bank has waived the right to call the debt as a result of any covenant breaches that occurred up to and including 30 October 2023. The next covenant test date is 30 December 2023 and so the debt is not currently callable. The parent entity directors expect that a waiver will be received for any breaches that may occur as at 30 December 2023. The parent entity is forecasting further potential breaches of financial covenants within the next 24 months and, should such breaches occur and not be waived by the bank, the bank would have the ability to call any outstanding debt. The bank has not called the debt to date. Notwithstanding this fact, this situation casts significant doubt over the parent's ability to continue as a going concern.

**Notes to the Financial Statements
for the year ended 31 December 2022**

The existence of a material uncertainty over the going concern assumption for the parent entity, upon whose financial support the Company is reliant, may cast significant doubt over the Company's ability to continue to operate as a going concern. These financial statements do not contain any adjustment that would arise if the financial statements were not drawn up on a going concern basis.

Related party exemption

The company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' not to disclose related party transactions with wholly owned subsidiaries within the group.

Investments in subsidiaries

Investment in subsidiary undertakings are recognised at cost less any provision for impairment

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Statement of Comprehensive Income, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Current tax assets and liabilities are offset only when there is a legally enforceable right to set off the amounts and the Group intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

STH WESTCO HOLDINGS LIMITED (Registered Number: 02597032)**Notes to the Financial Statements
for the year ended 31 December 2022****4. Critical accounting judgements**

In application of the Company's accounting policies, the Directors are required to make judgements, estimated and assumptions of the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimated 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 estimated 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.

Critical judgements in applying the Group's accounting policies.

The Directors have identified one critical estimate in the financial statements, relating to the provision held against the investment in subsidiary balance, as disclosed in Note 9. In December 2021, the Company and its subsidiary were acquired by HIG Capital. The purchase price was considerably higher than the historic cost of the investment of £9,973,7647 in the Company's balance sheet. However, negotiations are ongoing between HIG Capital and the previous owners in relation to the acquisition price, and the subsidiary entity is in a transition phase following the change in ownership. The Directors have concluded that it is not appropriate to reverse any of the provision held as at 31 December 2022 as it is not clear that the circumstances that led to the original provision being booked have reversed. If, in the future, there is evidence to demonstrate that the circumstances leading to the original provision being booked have reversed, then the provision will be released into the Statement of Comprehensive Income

5. Employees and directors

The average number of employees during the year was NIL (2021- NIL).

6. Operating (loss)/profit

The operating loss is stated after charging:

	2022 £	2021 £
Auditors remuneration	4,800	-

7. Interest Receivable and similar income

The interest receivables for the year was as follows:

	2022 £	2021 £
Group loan interest	48,576	44,407

8. Taxation**Analysis of the tax (credit)/charge**

The tax (credit)/charge for the year was as follows:

	2022 £	2021 £
Current tax:		
UK corporation tax	(2,502)	(8,437)
Tax on (loss)/profit	(2,502)	(8,437)

STH WESTCO HOLDINGS LIMITED (Registered Number: 02597032)

**Notes to the Financial Statements
for the year ended 31 December 2022**

Reconciliation of total tax (credit)/charge included in profit and loss

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

	2022	2021 (as restated)
	£	£
(Loss)/profit before tax	43,776	44,407
(Loss)/profit multiplied by the standard rate of corporation tax in the UK of 19% (2021 – 19%)	(8,317)	(8,437)
Effects of:		
Group relief received	8,317	-
Prior year adjustments	(2,502)	-
Total tax (credit)	<u>(2,502)</u>	<u>(8,437)</u>

In the Budget 2020, the government announced that the corporation tax main rate (for all profits except ring fence profits) for the years starting 1 April 2020 and 2021 would remain at 19%. In the Spring Budget 2021, the UK Government announced that from 1 April 2023 the corporation tax rate would increase to 25% (rather than remaining at 19%, as previously enacted). In the Autumn Statement in November 2022, the government confirmed the increase in corporation tax rate to 25% from April 2023 will go ahead.

9. Fixed Asset investments

	Shares in group undertakings £
Cost	
At 1 January 2022	9,763,647
and 31 December 2022	<u>9,763,647</u>
Provisions	
At 1 January 2022	(2,000,000)
and 31 December 2022	<u>(2,000,000)</u>
Net Book Value	
At 31 December 2022	7,763,647
At 31 December 2021	<u>7,763,647</u>

10. Debtors: amounts falling due within one year

	2022	2021
	£	£
Amounts owed by group undertakings	3,501,645	3,457,869

Amounts owed by group undertakings are unsecured, repayable on demand with interest charged at 1.25% above the Bank of England base rate.

STH WESTCO HOLDINGS LIMITED (Registered Number: 02597032)

**Notes to the Financial Statements
for the year ended 31 December 2022**

11. Creditors: amounts falling due within one year

	2022	2021
	£	£
Corporation Tax	8,975	6,473
Preference shares (note 12)	<u>10,925,000</u>	<u>-</u>
	10,933,975	6,473

12. Creditors: amounts falling due after more than one year

	2022	2021
	£	£
Preference shares	-	10,925,000

The preference shares may be redeemed at par, at any time in whole or part on an offer being made for the entire issued share capital of the Company, or the flotation, offer or sale, placing of shares in the Company on the stock exchange or any other recognised investment exchange. The preference shares attract voting rights only in the case of default on repayment of a winding up of the Company.

Past and future dividends on the preference shares have been waived. At the Balance Sheet date, the Articles of Association provided for the redemption of the preference shares on the 15th December 2023. On the 17th October 2023 the Board passes a special resolution to amend the Articles of Association, to extend the redemption date by ten years until 15th December 2033.

13. Called up share capital

Allotted issued and fully paid:			2022	2021
Number	Class	Nominal Value:		
			£	£
850,002	Ordinary Shares	£1	<u>850,002</u>	<u>850,002</u>

14. Reserves

	Retained earnings
	£
At 1 January 2022	(559,959)
Profit/(loss) for the year	<u>41,274</u>
At 31 December 2022	<u>(518,685)</u>

15. Ultimate controlling party

The immediate parent company is Standard Hydraulics Group SLU, incorporated in Spain.