

# Financial Statements

## Dynacast (AH1) Limited

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For the year ended 31 December 2022



Registered number: 04572482

**Dynacast (AH1) Limited**

## Company Information

<b>Directors</b>	D. Angell (appointed 1 March 2023) Z. McCorkle (appointed 1 March 2023) F. Iannielli (resigned 1 March 2023)
<b>Registered number</b>	04572482
<b>Registered office</b>	1 Fisher Road Offa's Dyke Business Park Buttington Welshpool Powys SY21 8JF
<b>Independent auditor</b>	Grant Thornton Chartered Accountants & Statutory Audit Firm 13-18 City Quay Dublin 2

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## **Directors' report**

**For the year ended 31 December 2022**

The directors present the annual report and the financial statements of Dynacast (AH1) Limited ("the Company" the year ended 31 December 2022.

### **Results and dividends**

The Company did not generate any profit in 2022 and 2021.

No dividends have been declared during or in respect of the financial year (2021: CD\$NIL). The directors do not recommend the payment of a dividend.

### **Directors**

The director who served during the year was:

F. Iannielli (resigned 1 March 2023)

The following directors have been appointed in 2023:

D. Angell (Appointed 1 March 2023)

Z. McCorkle (Appointed 1 March 2023)

### **Political contributions**

The Company made no political contributions nor incurred any political expenditure during the financial year (2021: CD\$NIL).

### **Future developments**

The directors do not expect any change in activity in the foreseeable future.

### **Going concern**

The Company is a wholly indirectly owned subsidiary of Form Technologies Inc. and is reliant on the continuing financial success and support of the group which has been confirmed in writing. The group management team has prepared profit & loss and cash flow forecasts extending to the end of 2024. The management team has sensitised the forecasts and under a range of scenarios, the forecasting model demonstrates the group can continue as a going concern. Should sales demand fall below the forecasts, the management team would promptly focus on cost cutting measures and cash optimisation.

Consequently the directors have concluded there is a reasonable expectation the group has sufficient resources to continue in operation for the foreseeable future and, for this reason, the directors considers adoption of the going concern basis in preparing the financial statements is appropriate. The directors of the Company have therefore continued to adopt the going concern basis in the preparation of the Company's Annual report and financial statements.

### **Events after reporting date**

There were no events subsequent to the financial year end date, which require adjustment to, or disclosure in the financial statements.

### **Qualifying third party indemnity provisions**

The Company has provided qualifying third party indemnity provisions in respect of the board of directors which were in force during the year and at the date of this report.

## Directors' report (continued)

For the year ended 31 December 2022

### Disclosure of information to auditor

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

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

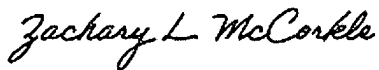
### Auditor

During the financial year, Grant Thornton were appointed as auditor in accordance with section 485 of Companies Act 2006 and have expressed their willingness to continue in office.

### Small companies note

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

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



.....  
Z. McCorkle

Director

Date: 24 October 2023

## Directors' responsibilities statement

For the year ended 31 December 2022

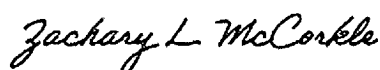
The directors are responsible for preparing the Directors' report and the financial statements in accordance with applicable law and regulations.

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

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

- select suitable accounting policies for the Company's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

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



.....  
Z. McCorkle

Director

Date: 24 October 2023



# Independent auditor's report to the members of Dynacast (AH1) Limited

## Opinion

We have audited the financial statements of Dynacast (AH1) Limited (the "Company"), which comprise the Statement of comprehensive income, the Statement of financial position, the Statement of changes in equity for the financial year ended 31 December 2022, and the related notes to the financial statements, including a summary of significant accounting policies.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, Dynacast (AH1) Limited's financial statements:

- give a true and fair view in accordance with United Kingdom Generally Accepted Accounting Practice of the assets, liabilities and financial position of the Company as at 31 December 2022 and of its financial performance for the financial year then ended; and
- have been properly 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 'Responsibilities of the auditor for the audit of the financial statements' section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, namely the FRC's Ethical Standard and the ethical pronouncements established by Chartered Accountants Ireland, applied as determined to be appropriate in the circumstances of the entity. 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 of at least twelve months from the date when the financial statements are authorised for issue.

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

## Other matter

The financial statements of Dynacast AH1 Limited for the year ended 31 December 2021 were audited by Grant Thornton UK LLP who expressed an unmodified opinion on those statements on 21 December 2022.

## Independent auditor's report to the members of Dynacast (AH1) Limited (continued)

### **Other information**

Other information comprises the information included in the Annual Report, other than the financial statements and our Auditor's report thereon, including the Director's Report. The directors are responsible for the other information. Our opinion on the financial statements does not cover the information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies in the financial statements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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

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

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

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

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



## Independent auditor's report to the members of Dynacast (AH1) Limited (continued)

### **Responsibilities of management and those charged with governance for the financial statements**

As explained more fully in the Directors' responsibilities statement, management is responsible for the preparation of the financial statements which give a true and fair view in accordance with United Kingdom Generally Accepted Accounting Practice, including FRS102 and for such internal control as the directors determine 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, management is 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 management either intend to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

### **Responsibilities of the auditor for the audit of the financial statements**

The objectives of an auditor 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 their opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of an auditor's responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

### ***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 material misstatements in respect of irregularities, including fraud. Owing to the inherent limitations of an audit, there is an unavoidable risk that material misstatement in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK).

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

## Independent auditor's report to the members of Dynacast (AH1) Limited (continued)

### **Responsibilities of the auditor for the audit of the financial statements (continued)**

#### *Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud (continued)*

Based on our understanding of the Company and industry, we identified that the principal risks of non-compliance with laws and regulations related to the Data Privacy law, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the local law and tax Companies Act 2006 and UK tax legislation. The Audit engagement partner considered the experience and expertise of the engagement team including valuation experts etc as applicable to ensure that the team had appropriate competence and capabilities to identify or recognise non-compliance with the laws and regulation. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries to manipulate financial performance and management bias through judgements and assumptions in significant accounting estimates, in particular in relation to significant one-off or unusual transactions. We apply professional scepticism through the audit to consider potential deliberate omission or concealment of significant transactions, or incomplete/inaccurate disclosures in the financial statements.

In response to these principal risks, our audit procedures included but were not limited to:

- enquiries of management on the policies and procedures in place regarding compliance with laws and regulations, including consideration of known or suspected instances of non-compliance and whether they have knowledge of any actual, suspected or alleged fraud;
- review of minutes of Board of Directors' meetings, regulatory and legal correspondences during the year to corroborate inquiries made;
- gaining an understanding of the internal controls established to mitigate risk related to fraud;
- discussion amongst the engagement team in relation to the identified laws and regulations and regarding the risk of fraud, and remaining alert to any indications of non-compliance or opportunities for fraudulent manipulation of financial statements throughout the audit;
- identifying and testing journal entries to address the risk of inappropriate journals and management override of controls;
- designing audit procedures to incorporate unpredictability around the nature, timing or extent of our testing;
- challenging assumptions and judgements made by management in their significant accounting estimates, including impairment assessment of investment in subsidiaries, and;
- review of the financial statement disclosures to underlying supporting documentation and inquiries of management.

The primary responsibility for the prevention and detection of irregularities including fraud rests with those charged with governance and management. As with any audit, there remains a risk of non-detection or irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or override of internal controls.



## Independent auditor's report to the members of Dynacast (AH1) Limited (continued)

### **The purpose of our audit work and to whom we owe our responsibilities**

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.

A handwritten signature in black ink, appearing to read "Blaithe O'Neill".

Blaithin O'Neill (Senior statutory auditor)  
for and on behalf of

**Grant Thornton**  
Chartered Accountants &  
Statutory Audit Firm  
Dublin 2

Date: 24 October 2023

**Dynacast (AH1) Limited**

## **Statement of comprehensive income**

**For the year ended 31 December 2022**

The Company has not traded during the year or the preceding financial year. During these periods, the Company received no income and incurred no expenditure and therefore made neither profit or loss.

# Statement of financial position

As at 31 December 2022

	Note	2022 CD\$'000	2021 CD\$'000
<b>Fixed assets</b>			
Investments in subsidiary	5	36,836	36,836
		<u>36,836</u>	<u>36,836</u>
<b>Current liabilities</b>			
Creditors: amounts falling due within one year	6	(465)	(465)
		<u>36,371</u>	<u>36,371</u>
<b>Net assets</b>			
<b>Capital and reserves</b>			
Called up share capital	7,8	986	986
Profit and loss account	8	35,385	35,385
		<u>36,371</u>	<u>36,371</u>

The Company's financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime within Part 15 of the Companies Act 2006. The Company's registered number is 04572482.

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

*Zachary L. McCorkle*

.....  
Z. McCorkle  
Director

Date: 24 October 2023

The notes on pages 12 to 15 form part of these financial statements.

## Statement of changes in equity

For the year ended 31 December 2022

	Called up share capital CD\$'000	Profit and loss account CD\$'000	Total equity CD\$'000
At 1 January 2022	986	35,385	36,371
<b>Total comprehensive income for the year</b>	-	-	-
<b>At 31 December 2022</b>	<u>986</u>	<u>35,385</u>	<u>36,371</u>

## Statement of changes in equity

For the year ended 31 December 2021

	Called up share capital CD\$'000	Profit and loss account CD\$'000	Total equity CD\$'000
At 1 January 2021	986	35,385	36,371
<b>Total comprehensive income for the year</b>	-	-	-
<b>At 31 December 2021</b>	<u>986</u>	<u>35,385</u>	<u>36,371</u>

The notes on pages 12 to 15 form part of these financial statements.

# Notes to the financial statements

For the year ended 31 December 2022

## 1. General information

Dynacast (AH1) Limited is a private company limited by shares and incorporated in England and Wales. Its registered head office is located at 1 Fisher Road, Offa's Dyke Business Park, Buttington, Welshpool, Powys, SY21 8JF.

The financial statements are presented in Canadian dollars (CD\$).

## 2. Accounting policies

### 2.1 Basis of preparation of financial statements

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

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 3).

The Company's financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

### 2.2 Exemption from preparing consolidated financial statements

The Company has taken advantage of the exemption under section 401 of the Companies Act 2006 not to prepare consolidated accounts. The financial statements present information about the Company as an individual entity and not about its group.

### 2.3 Going concern

The Company is a wholly indirectly owned subsidiary of Form Technologies Inc. and is reliant on the continuing financial success and support of the group which has been confirmed in writing. The group management team has prepared profit & loss and cash flow forecasts extending to the end of 2024. The management team has sensitised the forecasts and under a range of scenarios, the forecasting model demonstrates the group can continue as a going concern. Should sales demand fall below the forecasts, the management team would promptly focus on cost cutting measures and cash optimisation.

Consequently the directors have concluded there is a reasonable expectation the group has sufficient resources to continue in operation for the foreseeable future and, for this reason, the directors consider adoption of the going concern basis in preparing the financial statements is appropriate. The directors of the Company have therefore continued to adopt the going concern basis in the preparation of the Company's Annual report and financial statements.

### 2.4 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

### 2.5 Creditors

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

# Notes to the financial statements

For the year ended 31 December 2022

## 2. Accounting policies (continued)

### 2.6 Financial instruments

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

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Profit and loss account.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset and the net amount reported in the Statement of financial position when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

## 3. Judgments in applying accounting policies and key sources of estimation uncertainty

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies.

### Impairment of investments

The directors perform an assessment of potential indicators of impairment of investments based on the net asset position and performance of the group companies the investment is held with or in. Where an indicator of impairment is identified the recoverable amount of the investment is assessed. This requires an estimation of the value in use of the investments. Estimating the value in use requires the Company to make an estimate of the expected cashflows from the cash generating units and also to choose a suitable discount rate in order to calculate the present value of these cashflows. No other material judgements were made in applying accounting policies and no material estimation uncertainties exist for the year under review.



# Notes to the financial statements

For the year ended 31 December 2022

## 4. Employees

The Company has no employees other than the directors, who did not receive any remuneration during the year (2021: CD\$NIL).

## 5. Investments in subsidiary

	Investments in subsidiary CD\$'000
Cost or valuation	
At 1 January 2022	36,836
At 31 December 2022	<u>36,836</u>

### Subsidiary undertaking

The following was a subsidiary undertaking of the Company:

Name	Principal activity	Class of shares	Holding
Dynacast Holdings Canada ULC	Holding company	Ordinary	100%

## 6. Creditors: Amounts falling due within one year

	2022 CD\$'000	2021 CD\$'000
Amounts due to group undertakings	<u>465</u>	<u>465</u>

The amounts owed to group undertakings are unsecured, repayable on demand and interest free.

## 7. Share capital

	2022 CD\$'000	2021 CD\$'000
Allotted, called up and fully paid		
63,219,005 (2021: 63,219,005) Ordinary shares of CD\$0.02 each	<u>986</u>	<u>986</u>

# Notes to the financial statements

For the year ended 31 December 2022

## 8. Reserves

### Share capital

There is a single class of ordinary shares. There are no restrictions on dividends and the repayment of capital.

### Profit and loss account

Profit and loss account includes all cumulative gains and losses recognised in the statement of comprehensive income less any dividend payments during the year.

## 9. Related party transactions

The Company meets the definition of a qualifying entity under FRS 102 and has availed of the exemption available in relation to Section 33 Related Party Disclosures to disclose information surrounding key management personnel compensation and related party transactions and balances with fellow wholly owned group undertakings.

## 10. Events after reporting date

There were no events subsequent to the financial year end date which require adjustment to, or disclosure in the financial statements.

## 11. Controlling party

The immediate parent company is Dynacast Canada Inc., which is registered in Canada.

The smallest and largest group into which the results of the Company are consolidated is that headed by Form Technologies Inc. Copies of the financial statements are available from the Company Secretary, Form Technologies Inc., 11325 N Community House Road, Suite 300, Charlotte, NC 28277.

Partners Group, a company registered in the USA, is the ultimate controlling party.