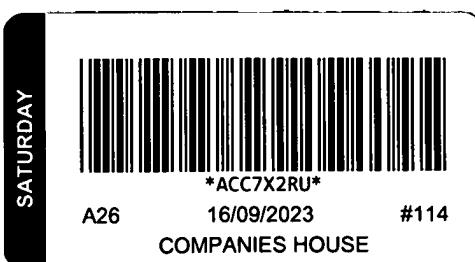


REGISTERED NUMBER: 05420025 (England and Wales)

Bandwood Limited

Strategic Report, Directors' Report and

Audited 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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Bandwood Limited

**Company Information
for the Year Ended 31 December 2022**

DIRECTORS:

S B Edwards
P L A Francois

SECRETARY:

S Hairsine

REGISTERED OFFICE:

National Avenue
Hull
HU5 4JB

REGISTERED NUMBER:

05420025 (England and Wales)

INDEPENDENT AUDITORS:

Ernst & Young LLP
1 Bridgewater Place
Water Lane
Leeds
LS11 5QR

Bandwood Limited (Registered number: 05420025)

**Strategic Report
for the Year Ended 31 December 2022**

The directors present their strategic report for the year ended 31 December 2022.

RESULTS AND DIVIDENDS

The profit for the year after taxation amounted to £120,427,000 (2021: £61,433,000).

Interim dividends of £226,972,000 have been made in the year, (2021: £54,000,000). The directors do not recommend the payment of a final dividend (2021: £nil).

PRINCIPAL RISKS AND UNCERTAINTIES

The principal risks and uncertainties impacting the business have been considered and due to the nature of the business, there are none which require disclosure.

CAPITAL RESTRUCTURE

The company completed a capital restructure during the year which reduced the company's share capital to 99 shares of £0.01, eliminated the company's share premium and capital redemption reserves, and increased the company's retained earnings by £353,879,000.

ON BEHALF OF THE BOARD:



.....
S B Edwards - Director

Date: 24 August 2023
.....

Bandwood Limited (Registered number: 05420025)

**Directors' Report
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.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of a holding company whose subsidiaries' principal areas of activity are the manufacture and distribution of heating equipment.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 January 2022 to the date of this report.

S B Edwards
P L A Francois

GOING CONCERN

As of 31 December 2022, the company had net assets of £36,803,000 (2021: £143,348,000). The company is an intermediate holding company with limited cash inflows and outflows.

The company is part of the group headed up by Atlantic Société Française de Développement Thermique, a French unlisted company. The group has considerable financial resources and continues to trade profitably.

The financial forecasts for the company and its subsidiaries, taking into consideration the current environment and uncertainties, show that the company and its subsidiaries are expected to remain profitable and generate positive cash flows giving the company the ability to continue to operate for the foreseeable future.

Based on these facts, the directors have concluded it is appropriate for the financial statements to be prepared on a going concern basis.

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.

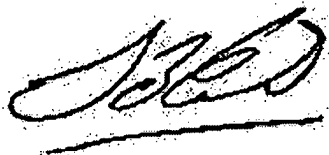
AUDITORS

The auditors, Ernst & Young LLP, will be proposed for re-appointment at the forthcoming Annual General Meeting.

**Directors' Report
for the Year Ended 31 December 2022**

This report has been prepared in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

ON BEHALF OF THE BOARD:

A handwritten signature in black ink, appearing to read 'S B Edwards', with a horizontal line underneath.

.....
S B Edwards - Director

24 August 2023
Date:

**Statement of Directors' Responsibilities
for the Year Ended 31 December 2022**

The directors are responsible for preparing the Strategic Report, 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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), 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 and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and 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.

Report of the Independent Auditors to the Members of Bandwood Limited

Opinion

We have audited the financial statements of Bandwood Limited for the year ended 31 December 2022 which comprise the Income Statement, the Other Comprehensive Income, the Statement of Financial Position, the Statement of changes in equity and the related notes 1 to 10, 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 FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the 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; 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 of 12 months from 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. 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.

Report of the Independent Auditors to the Members of Bandwood Limited

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 directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and directors' report 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 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.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 5, 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.

Report of the Independent Auditors to the Members of Bandwood Limited

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 the reporting framework (FRS 102 and the Companies Act 2006) and compliance with the relevant direct and indirect tax regulation in the United Kingdom. In addition, the Company has to comply with laws and regulations relating to its operations, including health and safety, environmental and General Data Protection Regulation ("GDPR");
- We understood how Bandwood Limited is complying with those frameworks by making enquiries of management to understand how the Company maintains and communicates its policies and procedures in these areas. We read the minutes of the board, made inquiries of those charged with governance to identify if there are matters where there is a risk of breach of such frameworks that could have a material adverse impact on the Company. We understood controls put in place by management to reduce the opportunities for fraudulent transactions;
- We assessed the susceptibility of the company's financial statements to material misstatement, including how fraud might occur by meeting with management from various parts of the business to understand where they considered there was susceptibility to fraud and reviewed the entity level controls in place. We also considered the existence of performance targets and their potential influence on management to manage earnings. We gained an understanding of the controls that the Company has established to address risks identified, or that otherwise prevent, deter and detect fraud; and how management monitors those controls. Where the risk was higher, we performed audit procedures to address each identified fraud risk. These procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error.

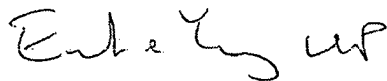
Report of the Independent Auditors to the Members of Bandwood Limited

- Based on this understanding we designed our audit procedures to identify noncompliance with such laws and regulations. Our procedures involved: journal entry testing, with a focus on manual journals and journals indicating large or unusual transactions; enquiries of company management; and challenging the assumptions and judgements made by management by reviewing third party evidence wherever possible. We also leveraged our data analytics platform in performing our work to assist in identifying higher risk transactions for testing.

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.



Richard Frostick (Senior Statutory Auditor)
for and on behalf of Ernst & Young LLP
1 Bridgewater Place
Water Lane
Leeds
LS11 5QR

Date: 29 August 2023

Bandwood Limited (Registered number: 05420025)

**Income Statement
for the Year Ended 31 December 2022**

	Notes	2022 £'000	2021 £'000
TURNOVER		<u>-</u>	<u>-</u>
OPERATING PROFIT		-	-
Income from shares in group undertakings		114,487	54,000
Interest receivable and similar income	4	<u>5,940</u>	<u>7,433</u>
PROFIT BEFORE TAXATION		120,427	61,433
Tax on profit	5	<u>-</u>	<u>-</u>
PROFIT FOR THE FINANCIAL YEAR		<u>120,427</u>	<u>61,433</u>

The notes form part of these financial statements

Bandwood Limited (Registered number: 05420025)

**Other Comprehensive Income
for the Year Ended 31 December 2022**

	Notes	2022 £'000	2021 £'000
PROFIT FOR THE YEAR		120,427	61,433
OTHER COMPREHENSIVE INCOME		<u>-</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>120,427</u>	<u>61,433</u>

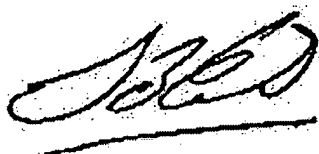
The notes form part of these financial statements

**Statement of Financial Position
31 December 2022**

	Notes	2022 £'000	2021 £'000
FIXED ASSETS			
Investments	7	36,803	36,803
CURRENT ASSETS			
Debtors	8	-	106,545
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>36,803</u>	<u>143,348</u>
CAPITAL AND RESERVES			
Called up share capital	9	-	762
Share premium		-	76,114
Capital redemption reserve		-	277,003
Retained earnings		<u>36,803</u>	<u>(210,531)</u>
SHAREHOLDERS' FUNDS		<u>36,803</u>	<u>143,348</u>

The financial statements were approved by the Board of Directors and authorised for issue

on ...24 August 2023..... and were signed on its behalf by:



.....
S B Edwards - Director

The notes form part of these financial statements

**Statement of Changes in Equity
for the Year Ended 31 December 2022**

	Called up share capital £'000	Retained earnings £'000	Share premium £'000	Capital redemption reserve £'000	Total equity £'000
Balance at 1 January 2021	762	(217,964)	76,114	277,003	135,915
Changes in equity					
Dividends	-	(54,000)	-	-	(54,000)
Total comprehensive income	-	61,433	-	-	61,433
Balance at 31 December 2021	<u>762</u>	<u>(210,531)</u>	<u>76,114</u>	<u>277,003</u>	<u>143,348</u>
Changes in equity					
Reduction in share capital	(762)	353,879	(76,114)	(277,003)	-
Dividends	-	(226,972)	-	-	(226,972)
Total comprehensive income	-	120,427	-	-	120,427
Balance at 31 December 2022	<u>-</u>	<u>36,803</u>	<u>-</u>	<u>-</u>	<u>36,803</u>

The notes form part of these financial statements

**Notes to the Financial Statements
for the Year Ended 31 December 2022**

1. STATUTORY INFORMATION

Bandwood 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.

The presentation currency of the financial statements is the Pound Sterling (£).

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

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

The principal accounting policies applied in the preparation of these financial statements are set out below. They have been consistently applied to all periods presented, unless otherwise stated.

Going concern

After making full enquiries, the directors have a reasonable expectation the company has adequate financial resources to continue in existence for the foreseeable future. Accordingly, the financial statements have been prepared on a going concern basis. Further information is provided in the Directors' Report on page 3.

Financial Reporting Standard 102 - reduced disclosure exemptions

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

- the requirements of Section 7 Statement of Cash Flows;
- the requirement of paragraph 33.7.

Preparation of consolidated financial statements

The financial statements contain information about Bandwood Limited as an individual company and do not contain consolidated financial information as the parent of a group. The company is exempt under Section 401 of the Companies Act 2006 from the requirements to prepare consolidated financial statements as it and its subsidiary undertaking are included by full consolidation in the consolidated financial statements of its parent, Atlantic Société Française de Développement Thermique, 44 Boulevard des Etats-Unis, 85002 La Roche-sur-Yon, France.

Critical accounting judgements and estimation uncertainty

The company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

There are no such judgements identified.

**Notes to the Financial Statements - continued
for the Year Ended 31 December 2022**

2. ACCOUNTING POLICIES - continued

Investments in subsidiaries

Investments are carried at cost less provision for impairment.

Taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Income Statement, except where it relates to items recognised in other comprehensive income or directly into equity. In this case, it will also be recognised in other comprehensive income or directly into equity respectively.

The current tax charge is calculated based on tax rates and laws enacted or substantively enacted by the statement of financial position date in the countries where the company operates and generates taxable income.

Management periodically evaluates the position taken in tax returns with respect to situations where tax regulation is subject to interpretation. It establishes provisions, where appropriate, for amounts expected to be paid to the tax authorities.

Deferred tax

Deferred tax arises from temporary timing differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements. It is reviewed at each reporting date and measured using rates and laws enacted or substantively enacted by the statement of financial position date.

Deferred tax assets are only recognised to the extent that it is probable they will offset against the reversal of deferred liabilities or future taxable profits.

Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at banks and in hand.

Short term receivables and payable

Receivables and payable with no stated interest rate and receivable and payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in the income statement in other operating expenses.

3. EMPLOYEES AND DIRECTORS

There were no staff costs for the year ended 31 December 2022 nor for the year ended 31 December 2021.

The directors and key management personnel were paid by Atlantic Acquisition Holdings UK Limited and Atlantic Société Française de Développement Thermique.

**Notes to the Financial Statements - continued
for the Year Ended 31 December 2022**

4. INTEREST RECEIVABLE AND SIMILAR INCOME

	2022 £'000	2021 £'000
Interest received on balances from group undertakings	<u>5,940</u>	<u>7,433</u>

5. TAXATION

Analysis of the tax charge

No liability to UK corporation tax arose for the year ended 31 December 2022 nor for the year ended 31 December 2021.

Reconciliation of total tax 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 £'000	2021 £'000
Profit before tax	<u>120,427</u>	<u>61,433</u>
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2021 - 19%)	22,881	11,672
Effects of:		
Income not taxable for tax purposes	(21,753)	(10,260)
Group relief	<u>(1,128)</u>	<u>(1,412)</u>
Total tax charge	<u>-</u>	<u>-</u>

The UK corporation tax rate of 19% is set to increase to 25% from 1 April 2023. The legislation to effect these changes was enacted at the balance sheet date and UK deferred tax has been calculated accordingly.

6. DIVIDENDS

	2022 £'000	2021 £'000
Interim	<u>226,972</u>	<u>54,000</u>

**Notes to the Financial Statements - continued
for the Year Ended 31 December 2022**

7. FIXED ASSET INVESTMENTS

	Shares in group undertakin £'000
COST	
At 1 January 2022	
and 31 December 2022	<u>36,803</u>
NET BOOK VALUE	
At 31 December 2022	<u>36,803</u>
At 31 December 2021	<u>36,803</u>

The company's investments at the Statement of Financial Position date in the share capital of companies include the following:

ISG Boiler Holdings Limited

Registered office: National Avenue, Hull, HU5 4JB

Nature of business: Holding Company

	% holding
Class of shares:	
Ordinary	100.00

ISG Boiler Holdings Ltd holds 100% of the ordinary share capital of the following companies. They are both incorporated within the UK. Their registered office is National Avenue, Hull, HU5 4JB. Voting rights are held in proportion to the percentage of ordinary shares held.

Name of Company	Nature of Business
Keston Boilers Ltd	Distribution of boilers and boiler parts
Ideal Boilers Ltd	Manufacture & distribution of heating equipment

8. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022 £'000	2021 £'000
Amounts owed by group undertakings	<u>-</u>	<u>106,545</u>

9. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2022 £	2021 £
99	Ordinary	£0.01	1	762,001
(2021 - 76,200,099)			<u>1</u>	<u>762,001</u>

**Notes to the Financial Statements - continued
for the Year Ended 31 December 2022**

9. CALLED UP SHARE CAPITAL - continued

The company completed a capital restructure during the year which reduced the company's share capital to 99 shares of £0.01, eliminated the company's share premium and capital redemption reserves, and increased the company's retained earnings by £353,879,000.

10. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The immediate parent undertaking is Atlantic Acquisition Holdings UK Limited, a company registered in England & Wales. Copies of Atlantic Acquisition Holdings UK Limited's financial statements can be obtained from Companies House, Cardiff.

The ultimate parent undertaking and controlling party is Atlantic Société Française de Développement Thermique, a company registered in France. Copies of the consolidated financial statements of this group can be obtained from 44 Boulevard des Etats-Unis, 85002 La Roche-sur-Yon, France.

The largest and smallest group in which the company results are consolidated is Atlantic Société Française de Développement Thermique.