

Company Registration No. 05960639 (England and Wales)

EXPANDED METAL HOLDINGS LIMITED
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 2020



EXPANDED METAL HOLDINGS LIMITED

COMPANY INFORMATION

Directors	J B Charlton P J Astley
Secretary	J B Charlton
Company number	05960639
Registered office	PO Box 14 Greatham Street Longhill Industrial Estate Hartlepool Cleveland TS25 1PR
Auditor	RSM UK Audit LLP Chartered Accountants 1 St. James' Gate Newcastle upon Tyne United Kingdom NE1 4AD
Bankers	HSBC plc 110 Grey Street Newcastle upon Tyne NE1 6JG
Solicitors	Muckle LLP Time Central 32 Gallowgate Newcastle upon Tyne NE1 4BF

EXPANDED METAL HOLDINGS LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2020

The directors present the strategic report for the year ended 31 December 2020.

Fair review of the business

Expanded Metal Holdings Limited is a holding company. The Expanded Metal Company Limited, the trading subsidiary of the group, is principally engaged in the manufacture and supply of expanded metal meshes and associated security products, in the UK and overseas, of products and components, largely comprising expanded metal, to a range of markets including building/architectural/construction, automotive, security, agricultural and general industrial/engineering.

During 2020 the group faced unprecedented new challenges arising from the Covid-19 pandemic, as well as uncertainty regarding the UK's decision to leave the European Union ("Brexit"). In these circumstances the company performed well.

Like most businesses, the group was required to adjust to trading amid the Covid-19 pandemic. Extensive measures were implemented to make the premises Covid-safe (inspected and approved by HSE) and most staff members worked from home where it was possible to do so. The business operated continually throughout 2020 and maintained high service levels to its customer base. Volumes reduced to c60% of prior year in Q2/20, increased slightly to c70% in Q3/20, but showed a marked increase in to Q4/20.

The group was supported by the UK Government's Job Retention Scheme with c40% of employees "furloughed" at various times during the year. The group did not apply for any other form of support. By November 2020, the vast majority of staff had returned from furlough as volumes recovered. Costs were closely monitored and reduced to match available volumes wherever possible. Capital expenditure was minimal in 2020, but the directors have invested in a maintenance level of expenditure to ensure machinery, software, and other resources are in a good state to capitalise on increased volumes expected in 2021. A small redundancy programme impacting 4 employees was carried out in September 2020. Conservative budgets and forecasts have been prepared to support the company's going concern status; the directors have based these on not returning to 2019 activity levels until the end of 2021. The group's cashflow was strong during 2020 and finished the year with cash reserves well in excess of those at the beginning of the year. The group has maintained but not used a working capital facility with HSBC. Together net cash and the unused facility provide liquidity for the business for the foreseeable future. The group has been fortunate in that its diverse customer base has provided repeat business throughout the pandemic period, and no major customers have been lost to either insolvency or competitors. Likewise, the supplier base has remained robust.

Like many other businesses across all sectors, the group's markets were adversely affected by continuing Brexit-related uncertainties. This has led to a reduction in investment in some of the group's end markets such as architectural, while the switch to more on-line retail has impacted projects in this sector. Conversely, activity levels picked up towards the end of the year as customers stockpiled ahead of the end of the Brexit transition period on 31 December, 2020. During the year the group worked closely with major European customers; consequently all have remained loyal and, other than some minor logistical delays very early in 2021, business has continued as normal into the EU.

Towards the end of the year, noticeable supply issues were evident in the steel and associated metals markets. Large primary producers who had idled capacity earlier in the year were slow to ramp up production and Chinese markets were no longer in surplus. Fortunately, the group has confirmed supply capacity with the UK's leading producer and a close relationship with a key steel stockholder. This ensured continuity of supply. These market conditions are continuing into 2021 with considerable cost increases being applied, but successfully passed on by the group.

Full year 2020 revenue was 5.5% lower than 2019. Sales to the group's top 5 customers fell by 11.3% which was more indicative of general market activity. Consequently sales activity with other customers was encouraging with increases in the security and leisure sectors of note. Tight cost control and operating efficiency improvements allowed the group to increase its gross margins. Although an operating loss was recorded of £289k, this was after charging the usual £548k of amortisation relating back to goodwill on the acquisition of business assets in 2006; this intangible asset will be fully amortised in early 2021. EBITDA remained positive and increased by over 10% despite all the challenges of 2020.

EXPANDED METAL HOLDINGS LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

Fair review of the business (continued)

The group's key financial and other performance indicators during the year were as follows:

	2020	2019
	£'000	£'000
Turnover	14,400	15,240
Gross Margin %	19.8%	18.2%
Operating Result	(288)	(614)
Operating Result as % of Turnover	(2.0%)	(4.0%)
EBITDA	666	595
Shareholder's Funds	5,242	5,597
Average Number of Employees	87	86
On time delivery to customers	98.3%	98.5%

As noted above, the business continues to generate cash from operating activities and was successful in adjusting its working capital to reflect current operating volumes. A new bank facility was put in place in early 2020 providing both cost savings and the necessary resources to support the business's future growth plans; the existing bank loan was also repaid in full and not replaced at this time. No dividend was paid in the year.

The business uses a range of metrics; one key measure is "on time delivery to customers", which has and will be key to recovering and increasing its market share. It is widely used throughout the business as it reflects our cumulative performance by the various functions within the company. During the year, this metric remained stable at the high level of 98.3%

At 31 December, 2020 the group still faces uncertainties arising principally from the Covid-19 pandemic, as well as ongoing Brexit issues. However, the group has adapted well to these challenges, and as the Covid vaccination programme rolls out and Brexit issues are resolved, it is well positioned to grow turnover and margins in 2021 and beyond.

Principal risks and uncertainties

The group has assessed the principal risks and uncertainties facing it. During 2019 the group reduced its reliance upon one raw material supplier in the UK, by agreeing a supply contract with a second supplier. The terms of renewal for these supply contracts could affect its financial and operational performance, however, the group is aware of, and maintains contact with, alternative suppliers. Additionally, the group has negotiated pricing mechanisms with these leading suppliers which aligns costs with market movements. Contracts with these two suppliers were both renewed in 2020. Nevertheless, the group will continue to maintain contacts with a wide range of agents and manufacturers.

While Brexit issues will persist in to 2021 the directors believe relationships with EU based customers remain strong and early logistical issues have been resolved.

The group's principal financial investments comprise cash, cash equivalents and group loans. Other financial assets and liabilities, such as trade creditors and trade debtors, arise directly from the company's operating activities.

The main risks associated with the company's financial assets and liabilities are set out below:

Interest rate risk

The group invests surplus cash in a floating rate interest yielding bank deposit account. Term loans and working capital facilities are entered into at floating interest rates. The group's interest income and expenses are therefore affected by movements in interest rates. The group does not undertake any hedging activity.

EXPANDED METAL HOLDINGS LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

Principal risks and uncertainties

Credit Risk

The group has external debtors; however, the group undertakes assessments of its customers in order to ensure that credit is not extended where there is a likelihood of default. The group also operates a credit insurance policy.

Liquidity risk

The group aims to mitigate liquidity risk by managing cash generated by its operations. In addition, the group has access to a bank facility allowing cash to be raised against Accounts Receivable balances. While this was available throughout 2020, no cash was drawn from it.

Foreign Currency Risk

The group does not have significant foreign currency transactions and therefore does not undertake any hedging activity.

Going concern

The directors have prepared detailed forecasts which have been updated to consider the impact of the COVID 19 pandemic on revenues and working capital. The directors, with reference to these forecasts and support from shareholders, consider that the group has adequate resources to continue in operational existence for the foreseeable future. Thus, the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

On behalf of the board



J B Charlton

Director

Date: 5/7/21

EXPANDED METAL HOLDINGS LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2020

The directors present their annual report and financial statements for the year ended 31 December 2020.

Principal activities

The principal activity of the company is that of a holding company. The principal activity of the group continued to be that of the manufacture of expanded metal meshes and associated security products.

Results and dividends

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

No ordinary dividends were paid (2019: Nil). The directors do not recommend payment of a further dividend.

Directors

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

J B Charlton

P J Astley

Supplier payment policy

The group's policy is to have mutually beneficial relationships with suppliers and to agree terms of payment with the supplier in advance. Payment will normally be made in accordance with those terms. Trade creditors at 31 December 2020 represented 62 days of purchases (2019: 53 days).

Going concern

The directors have considered the group's current and future prospects and its availability of financing, and are satisfied that the group can continue to pay its liabilities as they fall due for a period of at least 12 months from the date of approval of these financial statements. For this reason the directors continue to adopt the going concern basis of preparation for these financial statements.

Auditor

The auditor, RSM UK Audit LLP, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

Strategic report

The group has chosen in accordance with Companies Act 2006, s. 414C(11) to set out in the group's strategic report information required by Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, Sch. 7 to be contained in the directors' report. It has done so in respect of financial risk management policies and objectives and principal risks and uncertainties.

Statement of disclosure to auditor

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

On behalf of the board



J B Charlton

Director

Date: 5/7/21

EXPANDED METAL HOLDINGS LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2020

The directors are responsible for preparing the Strategic Report and 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). 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 group and company, and of the profit or loss of the group 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group's and company's transactions and disclose with reasonable accuracy at any time the financial position of the group and 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 group and company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF EXPANDED METAL HOLDINGS LIMITED

Opinion

We have audited the financial statements of Expanded Metal Holdings Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2020 which comprise the Consolidated Statement of Comprehensive Income, the Consolidated Statement of Financial Position, the Company Statement of Financial Position, the Consolidated Statement of Changes in Equity, the Company Statement of Changes in Equity, the Consolidated Statement of Cash Flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including 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 state of the group's and of the parent company's affairs as at 31 December 2020 and of the group's loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- 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 group and parent 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 group's or the parent company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

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 our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF EXPANDED METAL HOLDINGS LIMITED (CONTINUED)

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 the 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 group and the parent company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or 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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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 group's and the parent 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 group or the parent company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF EXPANDED METAL HOLDINGS LIMITED (CONTINUED)

The extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the group audit engagement team:

- obtained an understanding of the nature of the industry and sector, including the legal and regulatory framework that the group and parent company operates in and how the group and parent company are complying with the legal and regulatory framework;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, the Companies Act 2006 and tax compliance regulations. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing financial statement disclosures and enquiring around any correspondence with local tax authorities.

The most significant laws and regulations that have an indirect impact on the financial statements are those in relation to health and safety. We performed audit procedures to inquire of management and those charged with governance whether the company is in compliance with these law and regulations and inspected legal and regulatory correspondence.

The group audit engagement team identified the risk of management override of controls as the area where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to testing manual journal entries and other adjustments and evaluating the business rationale in relation to significant, unusual transactions and transactions entered into outside the normal course of business.

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF EXPANDED METAL HOLDINGS LIMITED (CONTINUED)

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.



Steven Cleugh FCCA (Senior Statutory Auditor)
For and on behalf of RSM UK Audit LLP, Statutory Auditor
Chartered Accountants
1 St. James' Gate
Newcastle upon Tyne
United Kingdom, NE1 4AD
6 July 2021

EXPANDED METAL HOLDINGS LIMITED

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2020

	Notes	2020 £'000	2019 £'000
Turnover	3	14,400	15,240
Cost of sales		(11,549)	(12,467)
Gross profit		2,851	2,773
Distribution costs		(1,040)	(1,125)
Administrative expenses		(2,338)	(2,262)
Other operating income		239	-
Operating loss	6	(288)	(614)
Interest receivable and similar income	8	18	23
Interest payable and similar expenses	9	(10)	(40)
Loss before taxation		(280)	(631)
Tax on loss	10	(51)	67
Loss for the financial year		(331)	(564)

Loss for the financial year is all attributable to the owners of the parent company.

Total comprehensive income for the year is all attributable to the owners of the parent company.

EXPANDED METAL HOLDINGS LIMITED**CONSOLIDATED STATEMENT OF FINANCIAL POSITION****AS AT 31 DECEMBER 2020**

		2020	2019
	Notes	£'000	£'000
Fixed assets			
Goodwill	11	138	686
Tangible assets	12	2,066	2,438
		<u>2,204</u>	<u>3,124</u>
Current assets			
Stocks	15	1,424	1,382
Debtors	16	2,820	2,914
Cash at bank and in hand		1,751	690
		<u>5,995</u>	<u>4,986</u>
Creditors: amounts falling due within one year	17	(2,733)	(2,205)
Net current assets		<u>3,262</u>	<u>2,781</u>
Total assets less current liabilities		<u>5,466</u>	<u>5,905</u>
Creditors: amounts falling due after more than one year	18	-	(100)
Provisions for liabilities		<u>(200)</u>	<u>(208)</u>
Net assets		<u><u>5,266</u></u>	<u><u>5,597</u></u>
Capital and reserves			
Capital redemption reserve	23	10,382	10,382
Profit and loss reserves	23	(5,116)	(4,785)
Total equity		<u><u>5,266</u></u>	<u><u>5,597</u></u>

The financial statements were approved by the board of directors and authorised for issue on 5/7/21 and are signed on its behalf by:



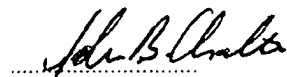
J B Charlton
Director

EXPANDED METAL HOLDINGS LIMITED**COMPANY STATEMENT OF FINANCIAL POSITION****AS AT 31 DECEMBER 2020**

		2020		2019	
	Notes	£'000	£'000	£'000	£'000
Fixed assets					
Investments	13		4,381		4,381
Current assets					
Debtors	16	1,085		1,085	
Net current assets			1,085		1,085
Total assets less current liabilities			5,466		5,466
Capital and reserves					
Capital redemption reserve	23		6,001		6,001
Profit and loss reserves	23		(535)		(535)
Total equity			5,466		5,466

As permitted by s408 Companies Act 2006, the company has not presented its own profit and loss account and related notes as it prepares group accounts. The company's profit for the year was £nil (2019: £nil).

The financial statements were approved by the board of directors and authorised for issue on 5/7/21 and are signed on its behalf by:



J B Charlton
Director

EXPANDED METAL HOLDINGS LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2020

	Capital redemption reserve £'000	Profit and loss reserves £'000	Total £'000
Balance at 1 January 2019	10,382	(4,221)	6,161
Year ended 31 December 2019:			
Loss and total comprehensive income for the year	-	(564)	(564)
Balance at 31 December 2019	10,382	(4,785)	5,597
Year ended 31 December 2020:			
Loss and total comprehensive income for the year	-	(331)	(331)
Balance at 31 December 2020	10,382	(5,116)	5,266

EXPANDED METAL HOLDINGS LIMITED

COMPANY STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2020

	Capital redemption reserve £'000	Profit and loss reserves £'000	Total £'000
Balance at 1 January 2019	6,001	(535)	5,466
Year ended 31 December 2019:			
Profit and total comprehensive income for the year	-	-	-
Balance at 31 December 2019	6,001	(535)	5,466
Year ended 31 December 2020:			
Profit and total comprehensive income for the year	-	-	-
Balance at 31 December 2020	6,001	(535)	5,466

EXPANDED METAL HOLDINGS LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2020

		2020		2019	
	Notes	£'000	£'000	£'000	£'000
Cash flows from operating activities					
Cash generated from operations	24		1,357		1,181
Interest paid			(10)		(40)
Income taxes paid			(1)		(103)
Net cash inflow from operating activities			1,346		1,038
Investing activities					
Purchase of tangible fixed assets		(34)		(155)	
Proceeds on disposal of tangible fixed assets		-		50	
Interest received		18		23	
Net cash used in investing activities			(16)		(82)
Financing activities					
Repayment of borrowings		(269)		(169)	
Net cash used in financing activities			(269)		(169)
Net increase in cash and cash equivalents			1,061		787
Cash and cash equivalents at beginning of year			690		(97)
Cash and cash equivalents at end of year			1,751		690

EXPANDED METAL HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

Company information

Expanded Metal Holdings Limited ('the parent company') is a private company limited by shares, and is registered, domiciled and incorporated in England and Wales. The registered office is PO Box 14 Greatham Street, Longhill Industrial Estate, Hartlepool, Cleveland, TS25 1PR.

The group consists of Expanded Metal Holdings Limited and all of its subsidiaries.

The company's and the group's principal activities and nature of its operations are disclosed in the Strategic Report and Directors' Report.

Accounting convention

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

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

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

Reduced disclosure framework

The company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements for parent company information presented within the consolidated financial statements:

- Section 7 'Statement of Cash Flows' – Presentation of a statement of cash flow and related notes and disclosures.

Basis of consolidation

The consolidated financial statements incorporate those of Expanded Metal Holdings Limited and all of its subsidiaries (i.e. entities that the group controls through its power to govern the financial and operating policies so as to obtain economic benefits). All financial statements are made up to 31 December 2020.

All intra-group transactions and balances are eliminated on consolidation.

Going concern

The directors have prepared detailed forecasts to 31 December 2022 which have been updated to consider the impact of the COVID-19 pandemic on revenues and working capital. The directors, with reference to these forecasts, consider that the group has adequate resources to continue in operational existence for the 12 months from approval of financial statements. Thus, the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts and settlement discounts.

EXPANDED METAL HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies (Continued)

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Intangible fixed assets - goodwill

Goodwill represents the excess of the cost of acquisition of a business over the fair value of net assets acquired. It is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is considered to have a finite useful life and is amortised on a systematic basis over its expected life, which is 15 years.

Tangible fixed assets

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

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

Short leasehold land and building improvements	over the life of lease
Plant and equipment	3 to 15 years

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit and loss.

Fixed asset investments

In the separate accounts of the company, interests in subsidiaries are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in the profit and loss.

A subsidiary is an entity controlled by the group. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

Impairment of fixed assets

At each reporting period end date, the group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

Stocks held for distribution at no or nominal consideration are measured at the lower of cost and replacement cost, adjusted where applicable for any loss of service potential.

Cost is determined using the weighted average cost basis and for work in progress, includes direct labour costs and overheads appropriate to the stage of manufacture.

EXPANDED METAL HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies (Continued)

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit and loss.

Cash and cash equivalents

Cash and cash equivalents are basic financial instruments and include cash in hand, deposits held at call with banks and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

Financial instruments

The group has elected to apply the provisions of Section 11 'Basic Financial Instruments' of FRS 102 to all of its financial instruments.

Financial instruments are recognised when the group becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is a legally 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.

Basic financial assets

Basic financial assets, which include trade and other debtors, amounts owed by group undertakings and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the financial asset is measured at the present value of the future receipts discounted at a market rate of interest.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the group after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including trade creditors, other borrowings and amounts owed to group undertakings are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Equity instruments

Equity instruments issued by the group are recorded at the fair value of proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the group.

Taxation

The tax expense represents the sum of the current tax expense and deferred tax expense. Current tax assets are recognised when tax paid exceeds the tax payable.

Current tax is based on taxable profit for the year. Current tax assets and liabilities are measured using tax rates that have been enacted or substantively enacted by the reporting date.

EXPANDED METAL HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies (Continued)

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled based on tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax liabilities are recognised in respect of all timing differences that exist at the reporting date. Timing differences are differences between taxable profits and total comprehensive income that arise from the inclusion of income and expenses in tax assessments in different periods from their recognition in the financial statements. Deferred tax assets are recognised only to the extent that it is probable that they will be recovered by the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is recognised on income and expenses from subsidiaries, associates, branches and interests in jointly controlled entities, that will be assessed to or allow for tax in a future period except where the group is able to control the reversal of the timing difference and it is probable that the timing difference will not reverse in the foreseeable future.

Current and deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited to other comprehensive income or equity, when the tax follows the transaction or event it relates to and is also charged or credited to other comprehensive income, or equity.

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

Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

Retirement benefits

For defined contribution schemes the amount charged to the statement of comprehensive income is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments.

Leases

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

EXPANDED METAL HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies (Continued)

Foreign exchange

Transactions in currencies other than the functional currency (foreign currency) are initially recorded at the exchange rate prevailing on the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date. Non-monetary assets and liabilities denominated in foreign currencies are translated at the rate ruling at the date of the transaction, or, if the asset or liability is measured at fair value, the rate when that fair value was determined.

All translation differences are taken to the statement of comprehensive income, except to the extent that they relate to gains or losses on non-monetary items recognised in other comprehensive income, when the related translation gain or loss is also recognised in other comprehensive income.

2 Judgements and key sources of estimation uncertainty

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

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

3 Turnover and other revenue

An analysis of the group's turnover is as follows:

	2020 £'000	2019 £'000
Turnover analysed by class of business		
Sale of products to building and industrial markets	14,400	15,240
	<u>14,400</u>	<u>15,240</u>
Other revenue		
Interest income	18	23
Grants received	239	-
	<u>257</u>	<u>23</u>
Turnover analysed by geographical market		
United Kingdom	9,586	10,388
Europe	4,178	4,344
Rest of World	636	508
	<u>14,400</u>	<u>15,240</u>

EXPANDED METAL HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

3 Turnover and other revenue (Continued)

Grants received represents £239,000 (2019: £nil) government grants in relation to the Covid-19 job retention scheme. There are no unfulfilled conditions attaching to grants that have been recognised in income.

4 Employees

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

	Group 2020 Number	2019 Number	Company 2020 Number	2019 Number
Production	72	69	-	-
Sales and distribution	11	11	-	-
Administration	4	6	2	2
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total	87	86	2	2
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

Their aggregate remuneration comprised:

	Group 2020 £'000	2019 £'000	Company 2020 £'000	2019 £'000
Wages and salaries	2,777	2,737	-	-
Social security costs	274	267	-	-
Pension costs	185	184	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	3,236	3,188	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

5 Directors' remuneration

	2020 £'000	2019 £'000
Remuneration for qualifying services	229	220
Company pension contributions to defined contribution schemes	12	12
	<u> </u>	<u> </u>
	241	232
	<u> </u>	<u> </u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 2 (2019 - 2).

EXPANDED METAL HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

5 Directors' remuneration (Continued)

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

	2020 £'000	2019 £'000
Remuneration for qualifying services	135	132
Company pension contributions to defined contribution schemes	4	4
	<u>139</u>	<u>136</u>

6 Operating loss

	2020 £'000	2019 £'000
Operating loss for the year is stated after charging/(crediting):		
Exchange differences apart from those arising on financial instruments measured at fair value through profit or loss	(14)	62
Research and development costs	9	30
Government grants	(239)	-
Depreciation of owned tangible fixed assets	406	661
Amortisation of intangible assets	548	548
Operating lease charges	323	331
	<u>103</u>	<u>1,632</u>

7 Auditor's remuneration

	2020 £'000	2019 £'000
Fees payable to the company's auditor and associates:		
For audit services		
Audit of the financial statements of the group and company	5	5
Audit of the financial statements of the company's subsidiaries	18	17
	<u>23</u>	<u>22</u>
For other services		
All other non-audit services	12	12
	<u>12</u>	<u>12</u>

8 Interest receivable and similar income

	2020 £'000	2019 £'000
Interest income		
Interest on bank deposits	18	23
	<u>18</u>	<u>23</u>

9 Interest payable and similar expenses

	2020 £'000	2019 £'000
Other interest	10	40
	<u>10</u>	<u>40</u>

EXPANDED METAL HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

10 Taxation

	2020 £'000	2019 £'000
Current tax		
UK corporation tax on profits for the current period	61	(7)
Adjustments in respect of prior periods	(2)	(24)
	<u>59</u>	<u>(31)</u>
Deferred tax		
Origination and reversal of timing differences	(8)	(36)
	<u>(8)</u>	<u>(36)</u>
Total tax charge/(credit)	<u>51</u>	<u>(67)</u>

The total tax charge/(credit) for the year included in the income statement can be reconciled to the loss before tax multiplied by the standard rate of tax as follows:

	2020 £'000	2019 £'000
Loss before taxation	(280)	(631)
	<u>(280)</u>	<u>(631)</u>
Expected tax credit based on the standard rate of corporation tax in the UK of 19.00% (2019: 19.00%)	(53)	(120)
Tax effect of expenses that are not deductible in determining taxable profit	3	2
Adjustments in respect of prior years	(2)	(24)
Research and development tax credit	(27)	(38)
Adjustment to deferred tax rate	24	7
Fixed asset differences	106	106
	<u>51</u>	<u>(67)</u>
Taxation charge/(credit)	<u>51</u>	<u>(67)</u>

EXPANDED METAL HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

11 Intangible fixed assets

Group	Goodwill £'000
Cost	
At 1 January 2020 and 31 December 2020	8,223
Amortisation and impairment	
At 1 January 2020	7,537
Amortisation charged for the year	548
At 31 December 2020	8,085
Carrying amount	
At 31 December 2020	138
At 31 December 2019	686

The company had no intangible fixed assets at 31 December 2020 or 31 December 2019.

The amortisation charge for the year is recognised within administrative expenses.

12 Tangible fixed assets

Group	Short leasehold land and building improvements £'000	Plant and equipment £'000	Total £'000
Cost			
At 1 January 2020	377	9,085	9,462
Additions	-	34	34
At 31 December 2020	377	9,119	9,496
Depreciation and impairment			
At 1 January 2020	312	6,712	7,024
Depreciation charged in the year	30	376	406
At 31 December 2020	342	7,088	7,430
Carrying amount			
At 31 December 2020	35	2,031	2,066
At 31 December 2019	65	2,373	2,438

The company had no tangible fixed assets at 31 December 2020 or 31 December 2019.

EXPANDED METAL HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

13 Fixed asset investments

	Notes	Group 2020 £'000	2019 £'000	Company 2020 £'000	2019 £'000
Investments in subsidiaries	14	-	-	4,381	4,381

Movements in fixed asset investments Company

	Shares in group undertakings £'000
Cost or valuation	
At 1 January 2020 and 31 December 2020	4,381
Carrying amount	
At 31 December 2020	4,381
At 31 December 2019	4,381

14 Subsidiaries

Details of the company's subsidiaries at 31 December 2020 are as follows:

Name of undertaking	Registered office key	Nature of business	Class of shares held	% Held Direct Indirect
Expamet Fencing Limited	1	Dormant company	Ordinary	- 100.00
The Expanded Metal Company Limited	1	Manufacture of expanded metal meshes and associated security products	Ordinary	100.00 -

Registered Office address:

1 PO BOX 14 Greatham Street, Longhill Industrial Estate, Hartlepool, Cleveland, TS25 1PR

Expamet Fencing Limited is exempt from audit under section 480 of the Companies Act 2006.

15 Stocks

	Group 2020 £'000	2019 £'000	Company 2020 £'000	2019 £'000
Raw materials and consumables	492	433	-	-
Work in progress	113	116	-	-
Finished goods and goods for resale	819	833	-	-
	1,424	1,382	-	-

EXPANDED METAL HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

16 Debtors

	Group 2020 £'000	2019 £'000	Company 2020 £'000	2019 £'000
Amounts falling due within one year:				
Trade debtors	2,066	1,905	-	-
Corporation tax recoverable	-	7	-	-
Amounts owed by group undertakings	451	600	1,085	1,085
Other debtors	75	94	-	-
Prepayments and accrued income	228	308	-	-
	<u>2,820</u>	<u>2,914</u>	<u>1,085</u>	<u>1,085</u>

Amounts owed by group undertakings are unsecured, interest free and have no fixed date of repayment.

17 Creditors: amounts falling due within one year

	Notes	Group 2020 £'000	2019 £'000	Company 2020 £'000	2019 £'000
Other borrowings	19	-	169	-	-
Trade creditors		2,265	1,788	-	-
Corporation tax payable		51	-	-	-
Other taxation and social security		209	124	-	-
Accruals and deferred income		208	124	-	-
		<u>2,733</u>	<u>2,205</u>	<u>-</u>	<u>-</u>

18 Creditors: amounts falling due after more than one year

	Notes	Group 2020 £'000	2019 £'000	Company 2020 £'000	2019 £'000
Other borrowings	19	-	100	-	-
		<u>-</u>	<u>100</u>	<u>-</u>	<u>-</u>

19 Borrowings

	Group 2020 £'000	2019 £'000	Company 2020 £'000	2019 £'000
Other loans	-	269	-	-
	<u>-</u>	<u>269</u>	<u>-</u>	<u>-</u>
Payable within one year	-	169	-	-
Payable after one year	-	100	-	-
	<u>-</u>	<u>100</u>	<u>-</u>	<u>-</u>

EXPANDED METAL HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

19 Borrowings (Continued)

Other loans were secured against the company's plant and machinery. Interest was payable on the amount at 2.75% per annum and were fully repaid in the year.

20 Deferred taxation

The major deferred tax liabilities and assets recognised by the group and company are:

	Liabilities 2020 £'000	Liabilities 2019 £'000
Group		
Accelerated capital allowances	208	213
Short term timing differences	(8)	(5)
	<u>200</u>	<u>208</u>

The company has no deferred tax assets or liabilities.

	Group 2020 £'000	Company 2020 £'000
Movements in the year:		
Liability at 1 January 2020	208	-
Credit to profit or loss	(8)	-
	<u>200</u>	<u>-</u>
Liability at 31 December 2020	<u>200</u>	<u>-</u>

21 Retirement benefit schemes

	2020 £'000	2019 £'000
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	<u>185</u>	<u>184</u>

A defined contribution pension scheme is operated for all qualifying employees. The assets of the scheme are held separately from those of the group in an independently administered fund. Included within creditors due within one year are contributions totalling £16,373 (2019: £16,173) outstanding at the year end.

EXPANDED METAL HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

22 Share capital

	Group and company	
	2020	2019
	£	£
Issued and fully paid		
1 Ordinary share of £1 each	1	1
	<u>1</u>	<u>1</u>

The company's ordinary share, which carries no right to fixed income, carries the right to one vote at general meetings of the company.

23 Reserves

Capital redemption reserve

The nominal value of shares repurchased and still held at the end of the reporting period.

Profit and loss reserves

Cumulative profit and loss net of distributions to owners.

24 Cash generated from group operations

	2020	2019
	£'000	£'000
Loss for the year after tax	(331)	(564)
Adjustments for:		
Taxation charged/(credited)	51	(67)
Finance costs	10	40
Investment income	(18)	(23)
Amortisation and impairment of intangible assets	548	548
Depreciation and impairment of tangible fixed assets	406	661
Movements in working capital:		
(Increase)/decrease in stocks	(42)	365
Decrease in debtors	87	20
Increase in creditors	646	201
Cash generated from operations	<u>1,357</u>	<u>1,181</u>

25 Analysis of changes in net funds - group

	1 January 2020	Cash flows 31 December 2020	
	£'000	£'000	£'000
Cash at bank and in hand	690	1,061	1,751
Borrowings excluding overdrafts	(269)	269	-
	<u>421</u>	<u>1,330</u>	<u>1,751</u>

EXPANDED METAL HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

26 Capital commitments

At the year end the company was committed to pay £nil for improvement work (2019: £12,846).

27 Operating lease commitments

Lessee

At the reporting end date the group had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	Group 2020 £'000	2019 £'000	Company 2020 £'000	2019 £'000
Within one year	275	318	-	-
Between one and five years	178	413	-	-
	<u>453</u>	<u>731</u>	<u>-</u>	<u>-</u>

28 Related party transactions

Remuneration of key management personnel

The remuneration of key management personnel of the group, who are also directors, is as follows:

	2020 £'000	2019 £'000
Aggregate compensation	<u>267</u>	<u>258</u>

Transactions with related parties

During the year the group entered into the following transactions with related parties:

	Sales 2020 £'000	2019 £'000	Purchases 2020 £'000	2019 £'000
Group				
Other related parties	<u>82</u>	<u>84</u>	<u>67</u>	<u>25</u>

The following amounts were outstanding at the reporting end date:

Amounts due from related parties	2020 Balance £'000	2019 Balance £'000
Group		
Other related parties	<u>451</u>	<u>600</u>

EXPANDED METAL HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

28 Related party transactions (Continued)

Sales of goods to related parties were made at the company's usual list price. Purchases were made at market price.

The amounts outstanding are unsecured and will be settled in cash.

29 Controlling party

The immediate parent company is Emco Acquisition LLC, a limited liability company incorporated in the USA.

The ultimate parent undertaking and controlling party is EIH Capital Partners LP, a limited partnership incorporated in the USA. Their registered office is 3345 Stop 8 Road, Dayton, OH 45414.