

HORIZON GLOBAL EUROPEAN HOLDINGS LIMITED

Company registration number 08480228 (England and Wales)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

HORIZON GLOBAL EUROPEAN HOLDINGS LIMITED

COMPANY INFORMATION

Directors	Mr M Baker	(Appointed 8 February 2023)
	Mr S E Graham	(Appointed 8 February 2023)
	Mr S Kumar	(Appointed 8 February 2023)
Secretary	Intertrust (UK) Limited	
Company number	08480228	
Registered office	Sixth Avenue Deeside Industrial Park Deeside CH5 2LB	
Auditor	Dyke Yaxley Limited 1 Brassey Road Old Potts Way Shrewsbury Shropshire SY3 7FA	

HORIZON GLOBAL EUROPEAN HOLDINGS LIMITED

CONTENTS

	Page
Strategic report	1 - 2
Directors' report	3 - 4
Directors' responsibilities statement	5
Independent auditor's report	6 - 8
Profit and loss account	9
Group statement of comprehensive income	10
Group balance sheet	11
Company balance sheet	12
Group statement of changes in equity	13
Company statement of changes in equity	14
Group statement of cash flows	15
Company statement of cash flows	16
Notes to the financial statements	17 - 30

HORIZON GLOBAL EUROPEAN HOLDINGS LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2022

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

Fair review of the business

The sales for 2022 are £10,875,124 (2021 - £10,895,158) with an associated gross profit of £1,975,718 (2021 - £2,459,026) or 18% margin (2021 – 23%). The reduction in gross profit % in 2022 compared to 2021 is due to the rise in raw material costs and higher transfer prices from intercompany production facilities. Loss before taxation in 2022 was £1,097,43 compared to a loss before taxation of £770,009 in 2021. The higher loss in 2022 was due to the higher costs of production and materials. The operating loss was £362,380 (2021: £69,937).

Cash collection remained key with trade debt over 30 days as at 31st December 2022 remaining at 16% (16% - 2021). Net liabilities have increased due to the release of the deferred tax asset during the year.

Principal risks and uncertainties

The directors have taken steps to ensure that the day-to-day risks which face the group in terms of, for example, health and safety and commercial risks are managed comprehensively by the group, by insurance cover which should mitigate the impact of risks turning into reality. The business takes Environmental issues very seriously and has achieved ISO14001. The business also prepares and reviews comprehensive monthly management financial reporting packages which can alert the board where appropriate to developments in trading performance and cash management. Any business operates against a background of risks and uncertainties. The directors believe that the principal risks facing the group are:

Competition

The group mitigates the risk of competition by supplying a variety of products across a number of different markets, product development of core products is done internally to allow for a minimal time to market for new products.

Health and Safety risk

The group works hard to comply with the standards imposed by the Health and Safety authorities through strong internal controls and effective staff training conducted both internally and externally where appropriate.

Volatility of exchange rates

The group does not actively use financial instruments as part of its exchange rate risk management. The risk is managed by holding both a Euro and US Dollar bank account and anticipating foreign exchange needs.

Uncertainty of the automotive market

The group has market uncertainty as the towbar and accessories market is influenced by the number of new car registrations and new vehicle availability. The group monitors market data to anticipate any changes in demand so that the supply chain can be adjusted accordingly.

Key performance indicators

The management team review all salient Key Performance Indicators for the group every month e.g. sales and margin by revenue stream, cash collection.

Sales for 2022 are £10,875,124 compared to £10,895,158 in 2021 which is a marginal decrease. Gross profit in 2022 was £1,975,718 compared to £2,459,026 which is a 19.7% decrease. Gross profit did not increase in line with the increase in turnover in 2022 compared to 2021 due to the rise in raw material and freight costs.

Management do not utilise and have therefore not identified any significant non-financial KPI's which warrant disclosure. The focus is constantly on overall performance improvements and the assurance that all regulatory compliance issues are maintained.

HORIZON GLOBAL EUROPEAN HOLDINGS LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

Other information and explanations

Future developments

The group continues the process of modernisation of its manufacturing processes and product lines to maintain its UK market leader position and reputation for quality.

The towbar and accessories market is influenced by the number of new car registrations which decreased during 2022 by 2% YOY. The demand for AFV (alternative fuel vehicles) again continued to increase year-over-year in 2022 and this trend is expected to continue which may have an impact on sales as these type of vehicles are not generally designed for towing, however there is now an increasing number of mild hybrid vehicles entering the market that do have towing capability and 2022 saw an increase in the MHEV petrol vehicle registrations at 10%.

For 2023 the UK is forecasting an increase in turnover compared to prior year. Although the automotive industry is experiencing challenges due to component supply issues, UK sales forecast for 2023 is predominantly based on sales to the aftermarket and therefore is not impacted by the lower new car registrations. In addition due to the continuing uncertainty relating to foreign travel the group anticipates that there will be continued demand for the products as leisure travel changes to more domestic holidays in response to this.

The UK economy is currently being impacted by a 'cost of living crisis' that is being caused by a number of global factors. In addition to this there are unique factors impacting the UK including labour shortages caused by Brexit, increased energy prices and rises in taxes. Management is monitoring the situation to assess the impact if any on the group. The UK economy continues to be impacted by increases in inflation, however the group is currently successfully managing these increases by passing them on to customers through higher prices. Therefore the group is not expecting any material indirect impact on its operations or performance as a result of the conflict, but is monitoring this closely.

Events after the balance sheet date

On 30 December 2022, the ultimate parent company, Horizon Global Company LLC, entered into an Agreement and Plan of Merger to be acquired by First Brands Group, LLC, a company registered in the United States of America. The acquisition closed 8 February 2023, on which date the ultimate parent company became First Brands Group, LLC. Also effective on 8 February 2023, First Brands Group LLC became the parent undertaking both the smallest and largest group to consolidate the financial statements of the group, which will begin in 2023.

On behalf of the board

Mr M Baker
Director

29 September 2023

HORIZON GLOBAL EUROPEAN HOLDINGS LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2022

The directors present their annual report and financial statements for the year ended 31 December 2022.

Principal activities

The principal activity of the company and group continued to be that of manufacture, assembly and marketing of tow bars and accessories.

Results and dividends

The results for the year are set out on page 9.

No ordinary dividends were paid. 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:

Mr M Baker	(Appointed 8 February 2023)
Mr S E Graham	(Appointed 8 February 2023)
Mr S Kumar	(Appointed 8 February 2023)
Mr J R Machado	(Appointed 8 February 2023 and resigned 13 June 2023)
Mr D W Parker	(Appointed 8 February 2023 and resigned 13 June 2023)
J Goldbaum	(Resigned 8 February 2023)
M Meyer	(Resigned 8 February 2023)

Qualifying third party indemnity provisions

The company has made qualifying third party indemnity provisions for the benefit of its directors during the year. These provisions remain in force at the reporting date.

Research and development

During 2022 the group gained approval for 78 new products; 45 towbars and 33 electrical kits. In addition to this new product development a number of existing products were reviewed based on production process changes brought about by a new paint system in the main production facility. This increase in new approvals compared to the previous year was mainly due to a group decision to offer a range of products suitable for the growing E-Mobility Vehicle market (PHEV, HEV & BEV). Vehicle availability for development was also back to pre-pandemic levels making development process more efficient.

Future developments

Details of future developments can be found in the Strategic Report and form part of this report by cross-reference.

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 auditor of the company is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the auditor of the company is aware of that information.

Strategic report

In accordance with s414(C) (11) of the Companies Act, included in the Strategic Report is a review of the development and performance of the business during the year, including key financial performance indicators, information relating to principle risks and uncertainties, future developments and events since the balance sheet date which would otherwise be required by Schedule 7 of the 'large and medium sized companies and groups (financial statements and reports) regulation 2008' to be contained in a Directors' Report.

HORIZON GLOBAL EUROPEAN HOLDINGS LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

Financial risk management objectives and policies

The group's principal financial assets are bank balances and trade receivables. The group's activities expose it to a number of financial risks including cash flow risk, credit risk and liquidity risk.

Cash flow risk

The group's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates. Interest bearing assets and liabilities are held at fixed rate to ensure certainty of cash flows.

Credit risk

The group's principal financial assets are bank balances and cash, trade and other receivables, and investments.

The group's credit risk is primarily attributable to its trade receivables. The amounts presented in the balance sheet are net of allowances for doubtful receivables. An allowance for impairment is made where there is an identified loss event which, based on previous experience, is evidence of a reduction in the recoverability of the cash flows.

The group has no significant concentration of credit risk, with exposure spread over a large number of counterparties and customers.

Liquidity risk

The amounts owed to group will not be demanded by group undertakings if to do so would jeopardise the ability of the entity to continue as a going concern. As a consequence, the directors believe that the group is well placed to manage its business risks successfully.

Going concern

The directors have a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future. In assessing the appropriateness of this, the directors have prepared detailed cashflow forecasts for the group covering a period in excess of twelve months from the date of signing of these financial statements, and further have run a number of sensitivities such as variation in sales and cost of sales. These forecasts and sensitivities indicate that the group has adequate resources to support its operations. Thus, they continue to adopt the going concern basis in preparing the annual financial statements. The directors are in receipt of a letter of support from First Brands Group LLC. The letter of support states that the parent will continue to provide the necessary funding to allow the company to meet their liabilities as they fall due over the 12-month period from the date of approval of the financial statements.

The business continues to maintain its leading market position. The budget for the next twelve months shows that the business will make small losses but in the long term the budgets show that the business will be profit making. The business performance against budget is reviewed monthly by the group and a comprehensive report is produced to review the business and revised forecasts are submitted if required.

Further details regarding the adoption of the going concern basis can be found in the accounting policies in note 1 of the financial statements.

On behalf of the board

Mr M Baker
Director

29 September 2023

HORIZON GLOBAL EUROPEAN HOLDINGS LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2022

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have 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;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the ;
- prepare the 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.

HORIZON GLOBAL EUROPEAN HOLDINGS LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF HORIZON GLOBAL EUROPEAN HOLDINGS LIMITED

Opinion

We have audited the financial statements of Horizon Global European Holdings Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2022 which comprise the group profit and loss account, the group statement of comprehensive income, the group balance sheet, the company balance sheet, the group statement of changes in equity, the company statement of changes in equity, the group statement of cash flows, the company 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 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 the financial statements:

- give a true and fair view of the state of the group's and the parent company's affairs as at 31 December 2022 and of the group's loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the 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 and 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.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our 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.

HORIZON GLOBAL EUROPEAN HOLDINGS LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF HORIZON GLOBAL EUROPEAN HOLDINGS LIMITED

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, 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 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 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.

HORIZON GLOBAL EUROPEAN HOLDINGS LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF HORIZON GLOBAL EUROPEAN HOLDINGS LIMITED

Irregularities, including fraud, and instances of non-compliance with laws and regulations

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

We designed audit procedures to respond to the risk, recognising that 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. We considered the nature of the company's industry and its control environment, and reviewed the company's policies and procedures relating to fraud and compliance with laws and regulations.

We focussed on laws and regulations which could give rise to a material misstatement in the financial statements, including, but not limited to, the Companies Act 2006 and UK tax legislation. Our tests included agreeing the financial statement disclosures to underlying supporting documentation and enquiries with management.

The audit team obtained an understanding of the legal and regulatory frameworks that are applicable to the entity and determined that the most significant are those that relate to the reporting framework (FRS102 and Companies Act 2006), the relevant tax compliance regulations, Employment Law, Health & Safety Regulations, and Environmental Legislation (ISO9001).

We understood how the entity is complying with these frameworks by making enquiries of management and those responsible for legal and compliance procedures. Where relevant we have reviewed direct correspondence with regulatory bodies to confirm compliance. We also reviewed board meeting minutes to confirm there were no material instances of non-compliance.

We assessed the susceptibility of the entity's financial statements to material misstatement, including how fraud might occur by meeting with key management to understand where they considered there was susceptibility to fraud. Based on our understanding our procedures involved enquires of management, review of the systems in place, manual journal entry testing, cashbook reviews for large and unusual items and the challenge of significant accounting estimates used in preparing the financial statements.

A further description of our responsibilities is available 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.

Elwyn Turner FCA (Senior Statutory Auditor)
For and on behalf of Dyke Yaxley Limited

29 September 2023

Chartered Accountants
Statutory Auditor

1 Brassey Road
Old Potts Way
Shrewsbury
Shropshire
SY3 7FA

HORIZON GLOBAL EUROPEAN HOLDINGS LIMITED

GROUP PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2022

	Notes	2022 £	2021 £
Turnover	3	10,875,124	10,895,158
Cost of sales		(8,899,406)	(8,436,132)
Gross profit		1,975,718	2,459,026
Distribution costs		(281,737)	(318,864)
Administrative expenses		(3,771,188)	(3,305,888)
Other operating income		1,714,827	1,095,789
Operating loss	4	(362,380)	(69,937)
Interest receivable and similar income	7	3,876	-
Interest payable and similar expenses	8	(738,969)	(700,072)
Loss before taxation		(1,097,473)	(770,009)
Tax on loss	9	(1,716,325)	449,266
Loss for the financial year		(2,813,798)	(320,743)

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

HORIZON GLOBAL EUROPEAN HOLDINGS LIMITED

GROUP STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2022

	2022	2021
	£	£
Loss for the year	(2,813,798)	(320,743)
Other comprehensive income	-	-
Total comprehensive income for the year	<u>(2,813,798)</u>	<u>(320,743)</u>

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

HORIZON GLOBAL EUROPEAN HOLDINGS LIMITED

GROUP BALANCE SHEET

AS AT 31 DECEMBER 2022

	Notes	2022 £	£	2021 £	£
Fixed assets					
Tangible assets	10		206,682		280,607
Current assets					
Stocks	13	2,799,996		2,896,714	
Debtors	14	2,630,139		4,095,718	
Cash at bank and in hand		378,063		253,562	
		<u>5,808,198</u>		<u>7,245,994</u>	
Creditors: amounts falling due within one year	15	<u>(3,947,950)</u>		<u>(3,417,483)</u>	
Net current assets			<u>1,860,248</u>		<u>3,828,511</u>
Total assets less current liabilities			<u>2,066,930</u>		<u>4,109,118</u>
Creditors: amounts falling due after more than one year	16		<u>(14,757,588)</u>		<u>(13,985,978)</u>
Net liabilities			<u><u>(12,690,658)</u></u>		<u><u>(9,876,860)</u></u>
Capital and reserves					
Called up share capital	20		3		3
Share premium account			2,672,869		2,672,869
Other reserves			1,216,283		1,216,283
Profit and loss reserves			<u>(16,579,813)</u>		<u>(13,766,015)</u>
Total equity			<u><u>(12,690,658)</u></u>		<u><u>(9,876,860)</u></u>

The financial statements were approved by the board of directors and authorised for issue on 29 September 2023 and are signed on its behalf by:

Mr M Baker
Director

Company registration number 08480228 (England and Wales)

HORIZON GLOBAL EUROPEAN HOLDINGS LIMITED

COMPANY BALANCE SHEET

AS AT 31 DECEMBER 2022

		2022		2021	
	Notes	£	£	£	£
Fixed assets					
Investments	11	1,443,620		1,443,620	
Creditors: amounts falling due after more than one year	16	(10,965,601)		(10,419,760)	
Net liabilities		<u>(9,521,981)</u>		<u>(8,976,140)</u>	
Capital and reserves					
Called up share capital	20	3		3	
Share premium account		2,672,869		2,672,869	
Other reserves		1,216,283		1,216,283	
Profit and loss reserves		<u>(13,411,136)</u>		<u>(12,865,295)</u>	
Total equity		<u>(9,521,981)</u>		<u>(8,976,140)</u>	

As permitted by s408 Companies Act 2006, the company has not presented its own profit and loss account and related notes. The company's loss for the year was £545,841 (2021 - £518,614 loss).

The financial statements were approved by the board of directors and authorised for issue on 29 September 2023 and are signed on its behalf by:

Mr M Baker
Director

Company registration number 08480228 (England and Wales)

HORIZON GLOBAL EUROPEAN HOLDINGS LIMITED

GROUP STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2022

	Notes	Share capital £	Share premium account £	Capital Contribution Reserve £	Profit and loss reserves £	Total £
Balance at 1 January 2021		1	2,499,999	1,216,283	(13,445,272)	(9,728,989)
Year ended 31 December 2021:						
Loss and total comprehensive income for the year		-	-	-	(320,743)	(320,743)
Issue of share capital	20	2	172,870	-	-	172,872
Balance at 31 December 2021		3	2,672,869	1,216,283	(13,766,015)	(9,876,860)
Year ended 31 December 2022:						
Loss and total comprehensive income for the year		-	-	-	(2,813,798)	(2,813,798)
Balance at 31 December 2022		3	2,672,869	1,216,283	(16,579,813)	(12,690,658)

HORIZON GLOBAL EUROPEAN HOLDINGS LIMITED

COMPANY STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2022

	Notes	Share capital £	Share premium account £	Capital Contribution Reserve £	Profit and loss reserves £	Total £
Balance at 1 January 2021		1	2,499,999	1,216,283	(12,346,681)	(8,630,398)
Year ended 31 December 2021:						
Loss and total comprehensive income for the year		-	-	-	(518,614)	(518,614)
Issue of share capital	20	2	172,870	-	-	172,872
Balance at 31 December 2021		3	2,672,869	1,216,283	(12,865,295)	(8,976,140)
Year ended 31 December 2022:						
Loss and total comprehensive income for the year		-	-	-	(545,841)	(545,841)
Balance at 31 December 2022		3	2,672,869	1,216,283	(13,411,136)	(9,521,981)

HORIZON GLOBAL EUROPEAN HOLDINGS LIMITED

GROUP STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2022

		2022		2021	
	Notes	£	£	£	£
Cash flows from operating activities					
Cash generated from operations	23	108,087		974,962	
Interest paid		(738,969)		(700,072)	
Income taxes paid		-		(1,321,496)	
Net cash outflow from operating activities		(630,882)		(1,046,606)	
Investing activities					
Purchase of tangible fixed assets		(20,103)		-	
Interest received		3,876		-	
Net cash used in investing activities		(16,227)		-	
Financing activities					
Proceeds from issue of shares		-		172,872	
Repayment of borrowings		771,610		519,976	
Net cash generated from financing activities		771,610		692,848	
Net increase/(decrease) in cash and cash equivalents		124,501		(353,758)	
Cash and cash equivalents at beginning of year		253,562		607,320	
Cash and cash equivalents at end of year		378,063		253,562	

HORIZON GLOBAL EUROPEAN HOLDINGS LIMITED

COMPANY STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2022

	Notes	2022 £	£	2021 £	£
Cash flows from operating activities					
Interest paid			(545,841)		(518,614)
Investing activities					
Shares issued at premium		-		(172,870)	
Net cash used in investing activities			-		(172,870)
Financing activities					
Proceeds from issue of shares		-		172,872	
Repayment of borrowings		545,841		518,612	
Net cash generated from financing activities			545,841		691,484
Net increase in cash and cash equivalents			-		-
Cash and cash equivalents at beginning of year			-		-
Cash and cash equivalents at end of year			-		-

HORIZON GLOBAL EUROPEAN HOLDINGS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

Company information

Horizon Global European Holdings Limited ("the company") is a private limited company domiciled and incorporated in England and Wales. The registered office is Sixth Avenue, Deeside Industrial Park, Deeside, CH5 2LB.

The group consists of Horizon Global European Holdings Limited and all of its subsidiaries.

1.1 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 £.

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

1.2 Business combinations

In the parent company financial statements, the cost of a business combination is the fair value at the acquisition date of the assets given, equity instruments issued and liabilities incurred or assumed, plus costs directly attributable to the business combination. The excess of the cost of a business combination over the fair value of the identifiable assets, liabilities and contingent liabilities acquired is recognised as goodwill. The cost of the combination includes the estimated amount of contingent consideration that is probable and can be measured reliably, and is adjusted for changes in contingent consideration after the acquisition date. Provisional fair values recognised for business combinations in previous periods are adjusted retrospectively for final fair values determined in the 12 months following the acquisition date. Investments in subsidiaries, joint ventures and associates are accounted for at cost less impairment.

Deferred tax is recognised on differences between the value of assets (other than goodwill) and liabilities recognised in a business combination accounted for using the purchase method and the amounts that can be deducted or assessed for tax, considering the manner in which the carrying amount of the asset or liability is expected to be recovered or settled. The deferred tax recognised is adjusted against goodwill or negative goodwill.

1.3 Basis of consolidation

The consolidated group financial statements consist of the financial statements of the parent company Horizon Global European Holdings Limited together with all entities controlled by the parent company (its subsidiaries) and the group's share of its interests in joint ventures and associates.

All financial statements are made up to 31 December 2022. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the group.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Subsidiaries are consolidated in the group's financial statements from the date that control commences until the date that control ceases.

HORIZON GLOBAL EUROPEAN HOLDINGS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

(Continued)

1.4 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future. Given the net liabilities position of the group, the directors are in receipt of a letter of support from the ultimate parent, First Brands Group LLC. The letter of support states that the parent will continue to provide the necessary funding to allow the group to meet their liabilities as they fall due over the 12 month period from the date of approval of the financial statements. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

1.5 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, settlement discounts and volume rebates.

The Intercompany recharge income arises from the recharge of employee salary costs, engineering and development costs. Recharge income is recognised on an accrual basis in accordance with the arrangement between the associated group undertaking.

1.6 Tangible fixed assets

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

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

Freehold land and buildings	2% straight line
Plant and equipment	10% straight line
Fixtures and fittings	12.5% straight line (Computers 25% straight line)

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

1.7 Fixed asset investments

Interests in subsidiaries, associates and jointly controlled entities 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 profit or 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.

1.8 Impairment of fixed assets

At each reporting period end date, the group reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

HORIZON GLOBAL EUROPEAN HOLDINGS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

(Continued)

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.9 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.

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 or loss.

1.10 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.11 Financial instruments

The group has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the group's balance sheet 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 debtors 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 transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

HORIZON GLOBAL EUROPEAN HOLDINGS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

(Continued)

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the group transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Other financial liabilities

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

Derecognition of financial liabilities

Financial liabilities are derecognised when the group's contractual obligations expire or are discharged or cancelled.

1.12 Equity instruments

Equity instruments issued by the group are recorded at the 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.

1.13 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

HORIZON GLOBAL EUROPEAN HOLDINGS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

(Continued)

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

1.14 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.

1.15 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.16 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss 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.

1.17 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.

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

	2022	2021
	£	£
Turnover analysed by class of business		
All turnover is derived from the principal activity undertaken	10,875,124	10,895,158

HORIZON GLOBAL EUROPEAN HOLDINGS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

3 Turnover and other revenue (Continued)

	2022 £	2021 £
Turnover analysed by geographical market		
United Kingdom	9,608,154	9,267,609
Rest of Europe	1,263,840	1,619,606
Rest of the World	3,130	7,943
	<u>10,875,124</u>	<u>10,895,158</u>
	2022 £	2021 £
Other revenue		
Interest income	3,876	-
Grants received	-	30,116
Intercompany recharge income	1,714,827	1,065,673
	<u></u>	<u></u>

4 Operating loss

	2022 £	2021 £
Operating loss for the year is stated after charging/(crediting):		
Exchange losses/(gains)	261,909	(88,931)
Government grants	-	(30,116)
Depreciation of owned tangible fixed assets	94,028	113,354
Operating lease charges	348,938	350,692
	<u></u>	<u></u>

5 Auditor's remuneration

	2022 £	2021 £
Fees payable to the company's auditor and associates:		
For audit services		
Audit of the financial statements of the company's subsidiaries	35,750	47,741
	<u></u>	<u></u>

The audit fees include the audit fee for the company.

HORIZON GLOBAL EUROPEAN HOLDINGS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

6 Employees

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

	Group 2022 Number	2021 Number	Company 2022 Number	2021 Number
Production	13	12	-	-
Administration	39	38	4	3
Total	52	50	4	3

Their aggregate remuneration comprised:

	Group 2022 £	2021 £	Company 2022 £	2021 £
Wages and salaries	1,761,351	1,649,748	-	-
Social security costs	191,537	169,870	-	-
Pension costs	67,982	80,308	-	-
	2,020,870	1,899,926	-	-

7 Interest receivable and similar income

	2022 £	2021 £
Interest income		
Interest on bank deposits	3,876	-

Investment income includes the following:

Interest on financial assets not measured at fair value through profit or loss	3,876	-
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8 Interest payable and similar expenses

	2022 £	2021 £
Interest on financial liabilities measured at amortised cost:		
Interest on bank overdrafts and loans	-	41
Interest payable to group undertakings	738,969	700,031
	738,969	700,072

HORIZON GLOBAL EUROPEAN HOLDINGS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

9 Taxation

	2022	2021
	£	£
Deferred tax		
Origination and reversal of timing differences	1,716,325	(449,266)

The actual charge/(credit) for the year can be reconciled to the expected credit for the year based on the profit or loss and the standard rate of tax as follows:

	2022	2021
	£	£
Loss before taxation	(1,097,473)	(770,009)
Expected tax credit based on the standard rate of corporation tax in the UK of 19.00% (2021: 19.00%)	(208,520)	(146,302)
Tax effect of expenses that are not deductible in determining taxable profit	117,729	114,217
Tax effect of income not taxable in determining taxable profit	(1,288)	(208)
Adjustments in respect of prior years	9,093	11,469
Effect of change in corporation tax rate	(27,958)	(428,442)
Deferred tax adjustments in respect of prior years	1,827,269	-
Taxation charge/(credit)	1,716,325	(449,266)

The tax adjustment in respect of prior years relates to the deferred tax asset previously recognised being released in relation to tax losses incurred. Tax losses shall be recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or future taxable profits. Management have concluded that there is uncertainty over the level of future taxable profits against which the losses will be relieved. On this basis, management have decided not to recognise a deferred tax asset.

HORIZON GLOBAL EUROPEAN HOLDINGS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

10 Tangible fixed assets

Group	Freehold land and buildings £	Plant and equipment £	Fixtures and fittings £	Total £
Cost				
At 1 January 2022	4,090	991,684	1,124,997	2,120,771
Additions	-	10,025	10,078	20,103
At 31 December 2022	4,090	1,001,709	1,135,075	2,140,874
Depreciation and impairment				
At 1 January 2022	2,965	806,500	1,030,699	1,840,164
Depreciation charged in the year	409	52,901	40,718	94,028
At 31 December 2022	3,374	859,401	1,071,417	1,934,192
Carrying amount				
At 31 December 2022	716	142,308	63,658	206,682
At 31 December 2021	1,125	185,184	94,298	280,607

The company had no tangible fixed assets at 31 December 2022 or 31 December 2021.

11 Fixed asset investments

	Notes	Group 2022 £	2021 £	Company 2022 £	2021 £
Investments in subsidiaries	12	-	-	1,443,620	1,443,620

Movements in fixed asset investments

Company	Shares in subsidiaries £
Cost or valuation	
At 1 January 2022 and 31 December 2022	1,443,620
Carrying amount	
At 31 December 2022	1,443,620
At 31 December 2021	1,443,620

12 Subsidiaries

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

HORIZON GLOBAL EUROPEAN HOLDINGS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

12 Subsidiaries (Continued)

Name of undertaking	Address	Class of shares held	% Held Direct
C.P. Witter Limited	1	Ordinary	100.00

Registered office addresses (all UK unless otherwise indicated):

1 Sixth Avenue, Deeside Industrial Park, Deeside, CH5 2LB

13 Stocks

	Group 2022 £	2021 £	Company 2022 £	2021 £
Raw materials and consumables	193,666	180,557	-	-
Work in progress	141,286	90,874	-	-
Finished goods and goods for resale	2,465,044	2,625,283	-	-
	<u>2,799,996</u>	<u>2,896,714</u>	<u>-</u>	<u>-</u>

14 Debtors

	Group 2022 £	2021 £	Company 2022 £	2021 £
Amounts falling due within one year:				
Trade debtors	882,009	741,185	-	-
Other debtors	1,488,584	1,410,768	-	-
Prepayments and accrued income	190,700	158,594	-	-
	<u>2,561,293</u>	<u>2,310,547</u>	<u>-</u>	<u>-</u>
Amounts falling due after more than one year:				
Deferred tax asset (note 18)	68,846	1,785,171	-	-
	<u>68,846</u>	<u>1,785,171</u>	<u>-</u>	<u>-</u>
Total debtors	<u>2,630,139</u>	<u>4,095,718</u>	<u>-</u>	<u>-</u>

Concentrations of credit risk with respect to trade debtors are limited due to the group's customer base being large and unrelated. Due to this, the directors believe there is no further credit risk provision required in excess of normal doubtful debtors.

Amounts owed by associated group undertakings are unsecured and are repayable on demand. Interest is charged at 5.25%. The transactions arise from the recharge of engineering development costs and the sale of finished goods.

HORIZON GLOBAL EUROPEAN HOLDINGS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

15 Creditors: amounts falling due within one year

	Group 2022 £	2021 £	Company 2022 £	2021 £
Trade creditors	273,557	385,479	-	-
Other taxation and social security	138,637	113,231	-	-
Other creditors	3,381,247	2,755,339	-	-
Accruals and deferred income	154,509	163,434	-	-
	<u>3,947,950</u>	<u>3,417,483</u>	<u>-</u>	<u>-</u>

Amounts owed to associated group undertakings totaling £3,368,307 (2021 - £2,741,176) are unsecured and are repayable on demand. The transactions arise from the purchase of goods and the recharge of intercompany management fees.

16 Creditors: amounts falling due after more than one year

	Notes	Group 2022 £	2021 £	Company 2022 £	2021 £
Other borrowings	17	<u>14,757,588</u>	<u>13,985,978</u>	<u>10,965,601</u>	<u>10,419,760</u>

17 Loans and overdrafts

	Group 2022 £	2021 £	Company 2022 £	2021 £
Loans from group undertakings	<u>14,757,588</u>	<u>13,985,978</u>	<u>10,965,601</u>	<u>10,419,760</u>
Payable after one year	<u>14,757,588</u>	<u>13,985,978</u>	<u>10,965,601</u>	<u>10,419,760</u>

The balance of the loans with Horizon International Holdings have a term of 3 years with interest rate 5%. Balance of loans with Horizon Global Hong Kong Holdings Limited have a term of 8 years with interest rate 3% and the balance of loans with Horizon GBP Finance LLC have terms of 5 and 10 years, which reach maturity by June 2025, with an interest rate 5.25%. Amounts owed to associated group undertakings are all unsecured.

HORIZON GLOBAL EUROPEAN HOLDINGS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

18 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the group and company, and movements thereon:

	Assets 2022 £	Assets 2021 £
Group		
Accelerated capital allowances	17,995	13,994
Tax losses	-	1,705,230
Other timing differences	50,851	65,947
	<u>68,846</u>	<u>1,785,171</u>

The company has no deferred tax assets or liabilities.

	Group 2022 £	Company 2022 £
Movements in the year:		
Asset at 1 January 2022	(1,785,171)	-
Charge to profit or loss	1,716,325	-
Asset at 31 December 2022	<u>(68,846)</u>	<u>-</u>

The deferred tax asset set out above is expected to reverse within more than 12 months.

19 Retirement benefit schemes

	2022 £	2021 £
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	67,982	80,308

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.

20 Share capital

Group and company	2022 Number	2021 Number	2022 £	2021 £
Ordinary share capital				
Issued and fully paid				
Ordinary shares of £1 each	<u>3</u>	<u>3</u>	<u>3</u>	<u>3</u>

HORIZON GLOBAL EUROPEAN HOLDINGS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

21 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 2022 £	2021 £	Company 2022 £	2021 £
Within one year	347,372	337,795	-	-
Between two and five years	496,420	810,143	-	-
	<u>843,792</u>	<u>1,147,938</u>	<u>-</u>	<u>-</u>

22 Controlling party

At 31 December 2022, Cequent Nederlands Holdings B.V. (incorporated in The Netherlands) was the intermediate parent of the Company by virtue of its interest in the equity share of the Company. At 31 December 2022, Horizon Global Company LLC (incorporated in the United States of America) was the ultimate parent company of the Company and the ultimate controlling party was considered by the Directors to be Horizon Global Corporation 47912 Halyard Drive, Suite 100, Plymouth, Michigan 48170.

On 30 December 2022, the ultimate parent company, Horizon Global Company LLC, entered into an Agreement and Plan of Merger to be acquired by First Brands Group, LLC, a company registered in the United States of America. The acquisition closed 8 February 2023, on which date the ultimate parent company became First Brands Group, LLC. Also effective on 8 February 2023, First Brands Group LLC became the parent undertaking both the smallest and largest group to consolidate the financial statements of the Company, which will begin in 2023.

23 Cash generated from group operations

	2022 £	2021 £
Loss for the year after tax	(2,813,798)	(320,743)
Adjustments for:		
Taxation charged/(credited)	1,716,325	(449,266)
Finance costs	738,969	700,072
Investment income	(3,876)	-
Depreciation and impairment of tangible fixed assets	94,028	113,354
Movements in working capital:		
Decrease/(increase) in stocks	96,718	(951,539)
(Increase)/decrease in debtors	(250,746)	2,932,093
Increase/(decrease) in creditors	530,467	(1,049,009)
Cash generated from operations	<u>108,087</u>	<u>974,962</u>

HORIZON GLOBAL EUROPEAN HOLDINGS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

24 Cash absorbed by operations - company

	2022 £	2021 £
Loss for the year after tax	(545,841)	(518,614)
Adjustments for:		
Finance costs	545,841	518,614
Cash absorbed by operations	<u>-</u>	<u>-</u>

25 Analysis of changes in net debt - group

	1 January 2022 £	Cash flows £	31 December 2022 £
Cash at bank and in hand	253,562	124,501	378,063
Borrowings excluding overdrafts	(13,985,978)	(771,610)	(14,757,588)
	<u>(13,732,416)</u>	<u>(647,109)</u>	<u>(14,379,525)</u>

26 Analysis of changes in net debt - company

	1 January 2022 £	Cash flows £	31 December 2022 £
Borrowings excluding overdrafts	(10,419,760)	(545,841)	(10,965,601)

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.