

Registered number: 09594357

WREN BUYERCO LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

For the Year Ended 31 March 2023

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WREN BUYERCO LIMITED

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WREN BUYERCO LIMITED

Company Information

Directors	F Dekker J O'Neill J Fish G Fitzgerald S McMinnies D Mantzouridis
Registered number	09594357
Registered office	Great North Road Chawston Bedford MK44 3BE
Independent auditor	BDO LLP 55 Baker Street W1U 7EU, London United Kingdom

WREN BUYERCO LIMITED

Strategic Report For the Year Ended 31 March 2023

Introduction

The Directors present their Strategic Report for Wren Buyerco Limited ("the Company") for the year ended 31 March 2023.

Business review

The Company is an intermediate holding company in a group of companies of which Wren Topco Limited is the ultimate parent company ("the Group").

The principal activity of Wren Topco Limited and its subsidiaries ("the Group") is that of rental of plant and machinery equipment.

The Company provides certain management services to its subsidiaries.

Future developments

It is intended that the Company remains as an intermediate holding company of the Group for the foreseeable future.

Principal risks and uncertainties

The Directors consider that the principal risks and uncertainties arising for the Company are associated with those of its subsidiary undertaking, Ardent Hire Solutions Limited. These risks and uncertainties are set out in the financial statements of this subsidiary undertaking.

The demand for the Group's services is highly correlated to public sector and private sector investment in the UK housing and civil construction sectors. The broad number of customers and sub-sectors that are served either directly or indirectly by the Group's operations provide a reasonable level of mitigation in the event of any downturn in activity.

In the event of a significant economic downturn, the Group is able to mitigate the effect on cash and net debt by selling assets through both domestic and international channels or reducing the level of new asset purchases. These activities allow the Group to maintain industry-leading levels of utilisation and as a result manage covenant compliance.

The Group has assessed that climate-related risks mainly comprise of the physical impacts of climate change such as rising sea levels and extreme weather events in addition to risks related to the Group's contribution to reducing carbon emissions across the construction industry. The Group regularly reviews its approach and progress against the key issues as part of its overall risk management and governance process

Access to capital

The Group requires capital to replace assets at the end of their rental life and for any growth in the fleet. The Group has, therefore, put in place adequate funding facilities to meet both its replacement and growth capital expenditure programs over the medium term.

The Company's previous asset based lending facility was refinanced in September 2022. This new facility provides access to £120m of funding over a four year term. The Board believes that these facilities provide adequate resources for present requirements. Covenants associated with the funding facilities along with cash flow forecasts are reviewed on a weekly basis to ensure ongoing compliance. Independent asset valuations are carried out at least three times each year to validate the underlying borrowing base. The Company enjoys a very positive relationship with its bank (HSBC).

WREN BUYERCO LIMITED

Financial key performance indicators

The loss for the year was £14,114,281 (2022 loss: £12,935,093).

This is driven by interest on loan notes in Wren Midco Limited.

Given the simple nature of the Company's activities, the Directors do not consider it necessary to provide an analysis of performance using key performance indicators.

This report was approved by the Board of Directors on 17th November 2023 and signed on its behalf by

A handwritten signature in black ink, appearing to be 'J O'Neill', with a stylized, cursive script.

J O'Neill
Director

WREN BUYERCO LIMITED
Directors' Report
For the Year Ended 31 March 2023

The Directors present their report and the audited financial statements for the year ended 31 March 2023.

Results and dividends

The loss for the year, after taxation, amounted to £14,114,281 (2022 loss: £12,935,093).

The Directors do not propose the payment of a dividend (2022: £nil).

Directors

The Directors who served during the year and up to the date of approval of the financial statements unless otherwise indicated, were:

F Dekker
J O'Neill
J Fish
G Fitzgerald
S McMinnies
D Mantzouridis

Going concern

Wren Buyerco Limited is a subsidiary within the group headed by Wren Topco Limited ("the Group") and therefore the Directors consider that its financial position and forecast are inherently linked to that of the Group as whole.

The Group posted a consolidated operating profit of £10,909,602 for the year to 31 March 2023 (2022: £8,966,666) and has net assets of £4,192,919 (2022: net assets of £29,939,000) and net current liabilities of £12,156,000 (2022 net current liabilities: £9,347,309). The Directors have considered the financial position of the Company and the Group and the Group's forecast and concluded that it is appropriate to prepare the financial statements on a going concern basis.

In 2023, The Group implemented a dividend policy aimed at ensuring the company maintains an adequate level of distributable reserves before authorizing any dividend distribution. To meet this requirement, The Company executed a reduction in priority shares. This reduction was carried out following the successful passage of a special resolution before the declaration of dividends. These actions were taken to ensure compliance with the provisions of the Companies Act 2006, specifically Section 641(1).

The Group has total available Asset Backed Lending ("ABL") facilities of £120m in addition to other sources of funds including shareholder debt. At the year-end £102m was drawn against the facility.

Following the renewal and extension of the facility agreement the Directors have considered the Group's board-approved forecasts which show that the Group will be able to operate well within its currently available facilities for the 14 month period of the forecast to March 2025. In reaching their decision to prepare the financial statements on a going concern basis, the Directors have considered a number of alternative scenarios which reflect potential shifts in the context of the current economic climate. The Directors have also considered reasonably possible downside trading scenarios and have identified mitigating actions that they would be able to implement to ensure that the Group is able to continue to operate within its existing banking facilities and covenant requirements for the forecast period. The forecast period under review extends to five years, but the Directors have specific focus on the shorter term up to March 2025 as this reflects the period over which the Directors have a reasonable view on the sector and market conditions that the Group will operate within.

Potential mitigations considered in the Directors review of the alternative scenarios include measures to increase sales of fleet to boost cash reserves, the cancellation of capex for any planned fleet growth and the reduction in operating costs through efficiency programs at each location, including the closure of depots where appropriate.

WREN BUYERCO LIMITED

Directors' Report (continued) For the Year Ended 31 March 2023

The enactment of a number of these mitigating actions during the previous financial year, demonstrated the capability and ability of the company to generate cash, manage headroom and continue operating successfully in adverse conditions during Covid pandemic.

The Company's net liability position relates to amounts owing to group undertakings which offset at a group level.

As a result, the financial statements have been prepared on a going concern basis. On the basis of this conclusion within the Group financial statements, the Directors consider that it is appropriate to prepare the financial statements of Wren Buyerco Limited on a going concern basis.

Financial risk management

The Company holds and uses financial instruments to finance its operations and manage its interest rate and liquidity risks. Details of the Company's arrangements are contained in the Group financial statements.

Qualifying third party indemnity provisions

The Company has granted an indemnity to one or more of its Directors against liability in respect of proceedings brought by third parties, subject to the conditions set out in the Companies Act 2006. Such qualifying third party indemnity provision remains in force as at the date of approving the Directors' Report.

Disclosure of information to auditor

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

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

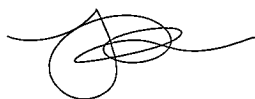
This confirmation is given and should be interpreted in accordance with section 418 of the Companies Act 2006.

Post balance sheet events

The Group conducted a cash extraction operation on September 2022, with the aim of returning £25,000,000 in value to the shareholders of the Company's ultimate parent entity, Wren Topco Limited. This involved intercompany loans, capital reductions, and interim dividends.

In the second phase, Wren Buyerco underwent financial restructuring, involving loan forgiveness, share issuance to settle obligations, and offsetting intercompany loans of £25,000,000 between Wren Buyerco and AHSL.

This report was approved by the Board on 17th November 2023 and signed on its behalf by



J O'Neill
Director

WREN BUYERCO LIMITED

For the Year Ended 31 March 2023

Directors' responsibilities statement

The Directors are responsible for preparing the Strategic report, the Directors' Report, 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), including FRS 101 "*Reduced Disclosure Framework*". Under company law, the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that year.

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 financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

WREN BUYERCO LIMITED

INDEPENDENT AUDITOR'S REPORT TO MEMBERS OF WREN BUYERCO LIMITED

Opinion on the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 March 2023 and of its 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.

We have audited the financial statements of Wren Buyerco Limited ("the Company") for the year ended 31 March 2023 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity, and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 Reduced Disclosure Framework (United Kingdom Generally Accepted Accounting Practice).

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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from 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 Directors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our auditor's report thereon. 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.

WREN BUYERCO LIMITED

INDEPENDENT AUDITOR'S REPORT TO MEMBERS OF WREN BUYERCO LIMITED (Continued)

Other Companies Act 2006 reporting

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.

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

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

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

Responsibilities of Directors

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

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

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.

Extent to which the audit was capable of detecting irregularities, including fraud

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

Based on:

- Our understanding of the Company and the industry in which it operates;
- Discussion with management and those charged with governance; and
- Obtaining and understanding of the Company's policies and procedures regarding compliance with laws and regulations

we considered the significant laws and regulations to be (Financial Reporting Standard 101, the Companies Act 2006, and UK tax legislation.

WREN BUYERCO LIMITED

INDEPENDENT AUDITOR'S REPORT TO MEMBERS OF WREN BUYERCO LIMITED (Continued)

The Company is also subject to laws and regulations where the consequence of non-compliance could have a material effect on the amount or disclosures in the financial statements, for example through the imposition of fines or litigations. We identified such laws and regulations to be the health and safety legislation.

Our procedures in respect of the above included:

- Review of minutes of meetings of those charged with governance for any instances of non-compliance with laws and regulations;
- Review of correspondence with tax authorities for any instances of non-compliance with laws and regulations;
- Review of financial statement disclosures and agreeing to supporting documentation; and
- Review of legal expenditure accounts to understand the nature of expenditure incurred.

Fraud

We assessed the susceptibility of the financial statements to material misstatement, including fraud. Our risk assessment procedures included:

- Enquiry with management and those charged with governance regarding any known or suspected instances of fraud;
- Obtaining an understanding of the Company's policies and procedures relating to:
 - Detecting and responding to the risks of fraud; and
 - Internal controls established to mitigate risks related to fraud.
- Review of minutes of meetings of those charged with governance for any known or suspected instances of fraud;
- Discussion amongst the engagement team as to how and where fraud might occur in the financial statements;
- Performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud; and
- Considering remuneration incentive schemes and performance targets and the related financial statement areas impacted by these.

Based on our risk assessment, we considered the areas most susceptible to fraud to be management override of controls and designed procedures in this regard which included:

Our procedures in respect of the above included:

- Testing a selection of journal entries throughout the year, which met a defined risk criteria, by agreeing to supporting documentation; and
- Assessing significant estimates made by management for bias.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members who were all deemed to have appropriate competence and capabilities and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, 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, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.


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.

WREN BUYERCO LIMITED

INDEPENDENT AUDITOR'S REPORT TO MEMBERS OF WREN BUYERCO 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.

DocuSigned by:

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Anne Sayers (Senior Statutory Auditor)
For and on behalf of BDO LLP, Statutory Auditor
London, UK
17th November 2023

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

WREN BUYERCO LIMITED**Statement of Comprehensive Income
For the Year Ended 31 March 2023**

		2023	2022
	Note	£	£
Administrative expenses	4	(2,582,015)	(2,495,481)
Operating loss	4	(2,582,015)	(2,495,481)
Finance costs	5	(11,532,266)	(10,503,217)
Loss before tax		(14,114,281)	(12,998,698)
Tax	6	-	63,605
Loss for the year		(14,114,281)	(12,935,093)
Total comprehensive loss for the year		(14,114,281)	(12,935,093)

There were no recognised gains and losses for the year ended 31 March 2023 (2022: Nil) other than those included in the Statement of Comprehensive Income.

The above results are all from continuing operations.

The notes on pages 14 to 24 form part of these financial statements.

WREN BUYERCO LIMITED

Registered number: 09594357

**Statement of Financial Position
As at 31 March 2023**

		2023	2022
	Note	£	£
Non-current assets			
Investments	7	93,874,319	93,874,319
Deferred tax asset	11	198,765	198,765
		<u>94,073,083</u>	<u>94,073,083</u>
Current Liabilities			
Creditors: amounts falling due within one year	8	(64,289,381)	(61,707,365)
		<u>29,783,702</u>	<u>32,365,718</u>
Total assets less current liabilities			
		29,783,702	32,365,718
Non-current Liabilities			
Creditors: amounts falling due after more than one year	9	(114,970,595)	(103,438,329)
		<u>(85,186,892)</u>	<u>(71,072,611)</u>
Net liabilities			
		<u>(85,186,892)</u>	<u>(71,072,611)</u>
Capital and reserves			
Share capital	12	-	-
Share premium	13	2	2
Accumulated deficit	13	(85,186,894)	(71,072,613)
		<u>(85,186,892)</u>	<u>(71,072,611)</u>

The financial statements were approved and authorised for issue by the Board and were signed on its behalf on 17th November 2023 by



J O'Neill
Director

The notes on pages 14 to 24 form part of these financial statements.

WREN BUYERCO LIMITED

**Statement of Changes in Equity
For the Year Ended 31 March 2023**

	Share capital	Share premium	Accumulated deficit	Total equity
	£	£	£	£
At 1 April 2021	-	2	(58,137,520)	(58,137,518)
Comprehensive loss for the year				
Loss for the year	-	-	(12,935,093)	(12,935,093)
Total comprehensive loss for the year	-	-	(12,935,093)	(12,935,093)
At 31 March 2022	-	2	(71,072,613)	(71,072,611)
Comprehensive profit for the year				
Loss for the year	-	-	(14,114,281)	(14,114,281)
Total comprehensive loss for the year	-	-	(14,114,281)	(14,114,281)
At 31 March 2023	-	2	(85,186,894)	(85,186,894)

WREN BUYERCO LIMITED

Notes to the Financial Statements

For the Year Ended 31 March 2023

1. General information

Wren Buyerco Limited is an intermediate holding company in the Group.

The functional and presentational currency of the Company is GBP.

The Company is a private company limited by shares and is incorporated and domiciled in England and Wales. The address of its registered office is Ardent House, 32 Crown Road, Enfield, England, EN1 1TH.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 101 '*Reduced Disclosure Framework*' and the Companies Act 2006.

The Company meets the definition of a qualifying entity under FRS 101.

The preparation of financial statements in compliance with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies (see Note 3).

The financial statements present information about the Company as an individual undertaking and do not contain consolidated financial information as the parent of a group. The company has taken advantage of the exemption conferred by section 400 of the Companies Act 2006 not to produce consolidated financial statements as it is a wholly owned subsidiary of Wren Topco Limited and its results are included in the consolidated financial statements of that entity.

The following principal accounting policies have been applied:

2.2 Financial Reporting Standard (FRS) 101 - reduced disclosure exemptions

In preparing the financial statements, the Company has taken advantage of the following disclosure exemptions under FRS 101:

- the requirements of IFRS 7 *Financial Instruments: Disclosures*
- the requirements of paragraphs 91-99 of IFRS 13 *Fair Value Measurement*
- the requirement in paragraph 38 of IAS 1 '*Presentation of Financial Statements*' to present comparative information in respect of:
 - paragraph 79(a)(iv) of IAS 1;
- the requirements of paragraphs 10(d), 10(f), 16, 38A, 38B, 38C, 38D, 40A, 40B, 40C, 40D, 111 and 134-136 of IAS 1 *Presentation of Financial Statements*
- the requirements of IAS 7 *Statement of Cash Flows*
- the requirements of paragraphs 30 and 31 of IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*
- the requirements of paragraph 17 of IAS 24 *Related Party Disclosures*
- the requirements in IAS 24 *Related Party Disclosures* to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member.

Where relevant, equivalent disclosures have been given in the financial statements of Wren Topco Limited.

WREN BUYERCO LIMITED

Notes to the Financial Statements (continued)

For the Year Ended 31 March 2023

2. Accounting policies (continued)

2.3 Going concern

Wren Buyerco Limited is a subsidiary within the Wren Topco group ("the Group") and therefore the Directors consider that its financial position and forecast are inherently linked to that of the Group as whole.

The Group posted a consolidated operating profit of £10,909,602 for the year to 31 March 2023 (2022: £8,966,666) and has net assets of £4,192,919 (2022: net assets of £29,939,000) and net current liabilities of £12,156,000 (2022 net current liabilities: £9,347,309). The Directors have considered the financial position of the Company and the Group and the Group's forecast and concluded that it is appropriate to prepare the financial statements on a going concern basis.

In 2023, The Group implemented a dividend policy aimed at ensuring the company maintains an adequate level of distributable reserves before authorizing any dividend distribution. To meet this requirement, The Company executed a reduction in priority shares. This reduction was carried out following the successful passage of a special resolution before the declaration of dividends. These actions were taken to ensure compliance with the provisions of the Companies Act 2006, specifically Section 641(1).

The Group has total available Asset Backed Lending ("ABL") facilities of £120m in addition to other sources of funds including shareholder debt. At the year-end £102m was drawn against the facility.

Following the renewal and extension of the facility agreement the Directors have considered the Group's board-approved forecasts which show that the Group will be able to operate well within its currently available facilities for the 14 month period of the forecast to March 2025. In reaching their decision to prepare the financial statements on a going concern basis, the Directors have considered a number of alternative scenarios which reflect potential shifts in the context of the current economic climate. The Directors have also considered reasonably possible downside trading scenarios and have identified mitigating actions that they would be able to implement to ensure that the Group is able to continue to operate within its existing banking facilities and covenant requirements for the forecast period. The forecast period under review extends to five years, but the Directors have specific focus on the shorter term up to March 2025 as this reflects the period over which the Directors have a reasonable view on the sector and market conditions that the Group will operate within.

Potential mitigations considered in the Directors review of the alternative scenarios include measures to increase sales of fleet to boost cash reserves, the cancellation of capex for any planned fleet growth and the reduction in operating costs through efficiency programs at each location, including the closure of depots where appropriate. The enactment of a number of these mitigating actions during the previous financial year, demonstrated the capability and ability of the company to generate cash, manage headroom and continue operating successfully in adverse conditions during Covid pandemic.

The Company's net liability position relates to amounts owing to group undertakings which offset at a group level.

As a result, the financial statements have been prepared on a going concern basis. On the basis of this conclusion within the Group financial statements, the Directors consider that it is appropriate to prepare the financial statements of Wren Buyerco Limited on a going concern basis.

The Company is also in receipt of a letter of financial support from Wren Midco Limited.

WREN BUYERCO LIMITED

Notes to the Financial Statements (continued) For the Year Ended 31 March 2023

2. Accounting policies (continued)

2.4 Investments in subsidiaries

Investments in subsidiaries are measured at cost less accumulated impairment. Where merger relief is applicable, the cost of the investment in a subsidiary undertaking is measured at the nominal value of the shares issued together with the fair value of any additional consideration paid.

The requirements of IAS 36 are applied to determine whether it is necessary to recognise any impairment loss with respect to investments in subsidiaries. When necessary, the carrying amount of the investment is tested for impairment in accordance with IAS 36 as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount.

2.5 Financial instruments

The Company uses certain financial instruments in its operating and investing activities that are deemed appropriate for its strategy and circumstances.

Financial assets and financial liabilities are measured initially at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition.

Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Financial assets

The Company's financial assets are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise principally through the provision of financing to group undertakings, but also incorporate other types of contractual monetary assets.

Classification of financial assets

Debt instruments that meet the following conditions are measured subsequently at amortised cost:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Impairment of financial assets

The Company recognises a loss allowance for expected credit losses on investments in debt instruments that are measured at amortised cost, balances due to related group companies. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

Impairment provisions for receivables from related parties and loans to related parties are recognised based on a forward looking expected credit loss model. The methodology used to determine the amount of the provision is based on whether there has been a significant increase in credit risk since initial recognition of the financial asset. For those where the credit risk has not increased significantly since initial recognition of the financial asset, twelve month expected credit losses along with gross interest income are recognised. For those for which credit risk has increased significantly, lifetime expected credit losses along with the gross interest income are recognised. For those that are determined to be credit impaired, lifetime expected credit losses along with interest income on a net basis are recognised.

Financial liabilities

The Company classifies its financial liabilities into one of two categories, depending on the purpose for which the liability was acquired. The Company does not have any liabilities held for trading nor does it voluntarily classify any financial liabilities as being at fair value through profit or loss. The company's accounting policy for each category is as follows:

WREN BUYERCO LIMITED

Notes to the Financial Statements (continued)

For the Year Ended 31 March 2023

2. Accounting policies (continued)

Financial liabilities(Continued)

- Loan notes are initially recognised at fair value net of any transaction costs directly attributable to the issue of the instrument. Such interest bearing liabilities are subsequently measured at amortised cost using the effective interest rate method, which ensures that any interest expense over the period to repayment is at a constant rate on the balance of the liability carried in the Statement of Financial Position. Interest expense in this context includes initial transaction costs and premium payable on redemption, as well as any interest or coupon payable while the liability is outstanding.
- Other creditor amount due to related party which are initially recognised at fair value and are subsequently carried at amortised cost using the effective interest method.

2.6 Creditors

Creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers.

Creditors are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

2.7 Finance costs

Finance costs are charged to the Statement of Comprehensive Income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.8 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payments obligations.

The contributions are recognised as an expense in the Statement of Comprehensive Income when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. The assets of the plan are held separately from the Company in independently administered funds.

2.9 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Income statement, except that a change attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company operates and generates income.

WREN BUYERCO LIMITED

Notes to the Financial Statements (continued) For the Year Ended 31 March 2023

2. Accounting policies (continued)

2.9 Current and deferred taxation (continued)

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of financial position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

2.10 Changes in accounting policies and disclosures

New standards, interpretations and amendments not yet effective

There are a number of standards, amendments to standards, and interpretations, which have been issued by the IASB that are effective in future accounting periods that the group has decided not to adopt early. The most significant of these are as follows;

- Amendments to IAS 1: *Disclosure of Accounting Policies*, effective for accounting periods beginning on or after 1 January 2023;
- Amendments to IAS 8 *Definition of Accounting Estimates*, effective for accounting periods beginning on or after 1 January 2023;
- Amendments to IAS 12 *Deferred Tax related to Assets and Liabilities arising from a single transaction*, effective for accounting periods beginning on or after 1 January 2023;
- IFRS 17 *Insurance Contracts*, effective for accounting periods beginning on or after 1 January 2023.
- Amendments to IAS 1: *Classification of Liabilities as Current or Non-current*, effective for accounting periods beginning on or after 1 January 2024;
- Amendments to IAS 1: *Non-current Liabilities with Covenant*, effective for accounting periods beginning on or after 1 January 2024;
- Amendments to IFRS 16 *Leases, Liability in a Sale and Leaseback*, effective for accounting periods beginning on or after 1 January 2024.

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

The preparation of the Company's financial statements, in conforming with IFRS, requires management to make judgements, estimates and assumptions that effect the application of policies and reported amounts in the financial statements. These judgements and estimates are based on management's best knowledge of the relevant facts and circumstances. Information about such judgements and estimates is contained in the accounting policies to the financial statements and the key area is summarised below. In the opinion of the directors there are no key sources of estimation uncertainty.

Critical accounting judgements

Impairment of investments

The Company considers whether its investments are impaired. Where an indication of impairment is identified the Directors prepare an estimation of the recoverable value of the investments. This requires estimation of the future cash flows from the investments and also selection of appropriate discount rates in order to calculate the net present value of those cash flow

WREN BUYERCO LIMITED

Notes to the Financial Statements (continued) For the Year Ended 31 March 2023

4. Operating loss

Included within operating loss are the following administrative expenses that contribute to the loss for the year:

	2023 £	2022 £
Administrative expenses		
Directors' cost	1,581,722	1,497,285
Investors monitoring fee	1,000,000	1,000,131

F Dekker and J Laloum are Directors of the Company in the year but are not remunerated directly by any Group company. They represent SCP and a charge of £500,000 (2022: £500,000) has been recognised in respect of their investor monitoring fees for the year.

S McMinnies and D Mantzouridis are similarly Directors of the Company and not remunerated by any Group company. They represent Wren DS LP, a shareholder, and a charge of £500,000 (2022: £500,000) has been recognised in respect of their investor monitoring fees for the year.

5. Finance costs

	2023 £	2022 £
Interest payable and similar charges	11,532,266	10,503,217

6. Tax

	2023 £'000	2022 £'000
Corporation tax		
Current tax on profits for the year	-	-
Total current tax	-	-
Deferred tax		
Effect of changes in UK deferred tax rate 25%	-	63,605
Total deferred tax	-	63,605
Tax on loss on ordinary activities	-	63,605

Notes to the Financial Statements (continued)

For the Year Ended 31 March 2023

6. Tax (Continued)

Factors affecting tax credit for the year

	2023 £	2022 £
Profit/Loss on ordinary activities before tax	(14,114,281)	(12,998,698)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 25% (2022: 19%)	(3,528,570)	(2,469,753)
Effects of:		
Tax rate changes	-	63,605
Group relief	(3,528,570)	2,469,753
Total tax for the year	-	63,605

Factors that may affect future tax charges

The Government announced in the 2021 Budget Statement that the corporation tax rate would remain at 19% until 31 Mar 2023, then from 1 April 2023 the corporation tax rate will increase to 25%.

The company has trading losses carried forward from 2017 amounting to £795,058 and £198,765 deferred tax asset has been recognized in respect of these losses in previous financial years.

An increase in the tax rate to 25% was substantively enacted on the 24 May 2021, consequently this rate has been used to calculate the deferred tax assets and liabilities. The impact of the rate change is that the deferred tax asset increased by £63,605 in prior year.

In the current year, there is no profit, and as a result, no deferred tax asset has been recognized.

7. Investments

	Investments in subsidiary undertakings £
Cost and net book value	
At 1 April 2022	93,874,319
As at 31 March 2023	93,874,319

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Country of incorporation	Class of Shares	Holding	Principal activity
Ardent Hire Solutions Limited	England **	Ordinary	100%	Plant hire

** Registered office Great North Road, Chawston, Bedford, MK44 3BE

WREN BUYERCO LIMITED

Notes to the Financial Statements (continued) For the Year Ended 31 March 2023

8. Creditors: Amounts falling due within one year

	2023 £	2022 £
Amounts owed to Group undertakings	63,725,081	61,134,088
Accruals and deferred income	564,300	573,277
	<u>64,289,381</u>	<u>61,707,365</u>

The above intercompany balances are unsecured, interest free and repayable on demand.

The Company is in receipt of a letter of support from its parent company who has confirmed that they will not recall the debt within 12 months.

9. Creditors: Amounts falling due after more than one year

	2023 £	2022 £
Amounts owed to Group undertakings	<u>114,970,595</u>	<u>103,438,329</u>

The amounts owed to Group undertakings comprise loan notes, along with their accrued interest and capitalized deal costs.

The Company issued loan notes with a value of £54,840,000 on 20 August 2015 with a coupon rate of 11% and maturity date of 20 August 2025. The loan notes and their accrued interest are shown in the table below as payable after one year.

	Amounts owed to Group undertakings 2023 £	Amounts owed to Group undertakings 2022 £
Due within one year	63,725,080	61,134,088
Due after one year	116,338,940	105,397,348
	<u>180,064,020</u>	<u>166,531,436</u>

10. Commitments and Guarantees

The Company is party to a cross company guarantee for the asset based loan facility held by Ardent Hire Solutions Limited.

WREN BUYERCO LIMITED
Notes to the Financial Statements (continued)
For the Year Ended 31 March 2023

11. Deferred tax

	2023	2022
	£	£
At the beginning of the year	198,765	135,160
Tax rate adjustment	-	63,605
At the end of the year	<u>198,765</u>	<u>198,765</u>

The deferred tax asset is made up as follows:

	2023	2022
	£	£
Tax losses carried forward	<u>198,765</u>	<u>198,765</u>

The company has trading losses carried forward from 2017 amounting to £795,058 and £198,765 deferred tax asset has been recognized in respect of these losses in previous financial years.

An increase in the tax rate to 25% was substantively enacted on the 24 May 2021, consequently this rate has been used to calculate the deferred tax assets. The impact of the rate change is that the deferred tax asset increased by £63,605 in prior year.

12. Share capital

	2023	2022
	£	£
Authorized, allotted, called up and fully paid		
2 Ordinary shares of £0.01 each	<u>-</u>	<u>-</u>

All shares provide the holder with one vote.

13. Reserves

Share premium

Share premium represents the amount subscribed for share capital in excess of the nominal value.

Accumulated deficit

The accumulated deficit represents the accumulated profits, losses and distributions of the company.

There were no dividends paid during the year (2022: none).

14. Controlling party

The Company's immediate parent undertaking is Wren Midco Limited.

The ultimate parent undertaking and the smallest and largest company to prepare consolidated financial statements which include this Company is Wren Topco Limited. These financial statements can be obtained from 32 Crown Road, Enfield, EN1 1TH, which is also the registered address of Wren Topco Limited.

The ultimate controlling party is SCP WRN Acquisition Lux SARL ("SCP"), a company incorporated in Luxembourg.

WREN BUYERCO LIMITED

Notes to the Financial Statements (continued)

For the Year Ended 31 March 2023

15. Post Balance sheet events

The Group conducted a cash extraction operation in September 2022, with the aim of returning £25,000,000 in value to the shareholders of the Company's ultimate parent entity, Wren Topco Limited. This involved intercompany loans, capital reductions, and interim dividends. These first phase transactions had no direct impact on the Company.

In the second phase, Wren Buyerco underwent financial restructuring, involving loan forgiveness, a share issuance to settle obligations, and offsetting intercompany loans of £25,000,000 between Wren Buyerco and Ardent Hire Solutions Ltd.