

WARRINGTON FIRE & BUILDING PRODUCTS UK LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022



WARRINGTON FIRE & BUILDING PRODUCTS UK LIMITED

COMPANY INFORMATION

Directors	Matthew Hopkinson Jonathan Lessimore Jason Dodds
Company number	11371427
Registered office	3rd Floor Davidson Building 5 Southampton Street London WC2E 7HA United Kingdom
Auditor	Ernst & Young LLP 1 More London Place London SE1 2AF United Kingdom

WARRINGTON FIRE & BUILDING PRODUCTS UK LIMITED

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WARRINGTON FIRE & BUILDING PRODUCTS UK LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2022

The Directors present their report and financial statements of Warrington Fire & Building Products UK Limited (the "Company") for the financial year ended 31 December 2022. This report has been prepared in accordance with the special provisions applicable to companies entitled to the small companies' exemption contained in Part 15 of the Companies Act 2006. The Directors have taken advantage of section 414B whereby the Company is exempt from preparing a strategic report.

Principal activities

The principal activity of the Company throughout this year and the prior year was that of an intermediary holding company.

Directors

The Directors who served during the financial year and to the date of this report were as follows:

Jonathan Lessimore
Matthew Hopkinson
Jason Dodds

(Appointed 18 August 2022)

Dividends

The Directors do not recommend payment of a dividend for the year ending 31 December 2022 (2021: £nil).

Political contributions

The Company made no political donations and incurred no political expenditure during the year (2021: £nil).

Principal risks and uncertainties

While risk cannot be eliminated altogether, actions are taken to mitigate risk wherever possible. As a matter of policy, the Company does not enter into speculative activities. The material business and operational risks that the Directors consider the Company to be exposed to are:

Risk	Mitigating factor
Cash flow, credit and liquidity risk	In order to ensure that sufficient funds are available to fund ongoing operations and future developments, management regularly reviews cash flow forecasts and financing arrangements in place within the business to ensure that there is sufficient funding in place.
Exchange rate risk	The Company continues to monitor the risks associated with the revaluation of investments and intercompany balances, and the impact that this has on the Statement of profit or loss and the Statement of financial position. Monitoring activities include the assessment of cash requirements and loan arrangements in place as well as taking actions to move funds as appropriate.
Operational performance of the companies from which balances are receivable	Management regularly reviews the cash flow forecasts and operational performance of the companies from which balances are receivable to ensure that there are no recoverability issues present. Management accounts for any recoverability issues identified appropriately where applicable.

In accordance with its risk management guidelines the Company raises awareness of business risks at all operational management levels and encourages all management teams to assess and manage risk appropriately. The intermediate holding company, EM Topco Limited, ensures that appropriate insurance cover is in place for the Company and its subsidiaries in respect of customarily insured liabilities and claims. The risks are monitored by the Directors on a continual basis.

WARRINGTON FIRE & BUILDING PRODUCTS UK LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

Going concern

The Company's business activities, together with factors likely to affect its future development, performance and position are considered by the Directors on an annual basis.

The Directors believe that preparing the financial statements on the going concern basis is appropriate due to the continued financial support of the intermediate parent company, EM Topco Limited ("Element"). The Directors have received confirmation that Element will support the Company as necessary, and has the ability to do so, until the end of the period considered by the Directors in their going concern assessment, being the period from the date of approval of the Annual Report and Financial Statements until 31 December 2025.

This financial support is required as the Company is a participant in the Element Group cash pooling arrangement and therefore as a result, ultimately relies on the liquidity of the Group (whole Group of companies headed by EM Topco Limited).

The Directors have, at the time of approving the financial statements, a reasonable expectation that the Group and Company have adequate resources for the Company to continue to adopt the going concern basis of accounting in preparing these financial statements. Further detail is contained in the statement on going concern within note 1.2 to the financial statements.

Events after the reporting date

Between the end of the financial year and the date of this report, no other item, transaction, or event of a material nature has occurred, in the opinion of the Directors of the Company, that is likely to significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial years.

Future developments

The Directors are not aware, at the date of this report, of any likely major changes in the Company's activities.

Directors' Insurance and indemnities

As permitted by the Companies Act 2006, the Group purchases and maintains Directors' and Officers' insurance cover against certain legal liabilities and costs incurred by the Directors and Officers of the companies within the Group, in the performance of their duties. The Company has also granted an indemnity to each of its Directors in relation to the Directors' exercise of their powers, duties and responsibilities as Directors of the Company, the terms of which are in the Companies Act 2006.

Exemption from Audit under S479 of the Companies Act 2006

A guarantee has been given under S479C by the Company's parent company. As such the Company is exempt from audit for the year ended 31 December 2022.

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies' exemption.

Approved by the Board and signed on its behalf by:

Jon Lessimore

.....
Jonathan Lessimore

Director

Date: 19 March 2024

WARRINGTON FIRE & BUILDING PRODUCTS UK 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), 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 period.

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

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; 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.

WARRINGTON FIRE & BUILDING PRODUCTS UK LIMITED**STATEMENT OF PROFIT OR LOSS****FOR THE YEAR ENDED 31 DECEMBER 2022**

	Note	2022 £	2021 £
Unrealised foreign exchange gain		19,778	1,572
Administrative income		516	1,348
		<hr/>	<hr/>
Operating profit	3	20,294	2,920
Investment impairment	4	-	(1,116,234)
Taxation	7	-	-
		<hr/>	<hr/>
Profit / (loss) for the financial year		20,294	(1,113,314)

All results are generated from continuing operations.

There is no Statement of other comprehensive income as all income and expenses for the current year are included in the Statement of profit or loss above.

The accompanying notes are an integral part of these financial statements.

WARRINGTON FIRE & BUILDING PRODUCTS UK LIMITED**STATEMENT OF FINANCIAL POSITION****AS AT 31 DECEMBER 2022**

	Notes	2022 £	2021 £
Non-current assets			
Investments	8	21,603,162	21,603,162
		<u>21,603,162</u>	<u>21,603,162</u>
Current assets			
Amounts owed by Group companies	9	332,039	311,745
Current liabilities			
Amounts owed to Group companies	10	(50,102)	(50,102)
		<u>281,937</u>	<u>261,643</u>
Current assets less current liabilities			
		<u>21,885,099</u>	<u>21,864,805</u>
Total assets less current liabilities			
		<u>21,885,099</u>	<u>21,864,805</u>
Net assets			
		<u>21,885,099</u>	<u>21,864,805</u>
Shareholder's equity			
Share capital	11	2	2
Share premium account	12	22,990,925	22,990,925
Retained earnings		(1,105,828)	(1,126,122)
		<u>21,885,099</u>	<u>21,864,805</u>
Total Shareholder's equity			
		<u>21,885,099</u>	<u>21,864,805</u>

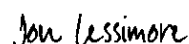
The accompanying notes are an integral part of these financial statements.

These financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

Exemption from audit

- For the year ended 31 December 2022 the Company was entitled to exemption from audit under S479A of the Companies Act 2006 relating to subsidiary companies.
- The members have not required the Company to obtain an audit of its accounts for the year in accordance with section 476.
- The Directors acknowledges their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

The financial statements of Warrington Fire & Building Products UK Limited (registered number 11371427) were approved by the Board of Directors and authorised for issue on 19 March 2024 and were signed on its behalf by:



Jonathan Lessimore

Director

Date: 19 March 2024

Company Registration No. 11371427

WARRINGTON FIRE & BUILDING PRODUCTS UK LIMITED**STATEMENT OF CHANGES IN EQUITY****FOR THE YEAR ENDED 31 DECEMBER 2022**

	Share capital	Share premium account	Retained earnings	Total
	£	£	£	£
Balance at 1 January 2021	2	22,990,925	(12,808)	22,978,119
Loss for the year	-	-	(1,113,314)	(1,113,314)
Balance at 31 December 2021	2	22,990,925	(1,126,122)	21,864,805
Profit for the year	-	-	20,294	20,294
Balance at 31 December 2022	2	22,990,925	(1,105,828)	21,885,099

WARRINGTON FIRE & BUILDING PRODUCTS UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

Company information

Warrington Fire & Building Products UK Limited is a private limited Company incorporated in England, is domiciled in the UK and its registered office is 3rd Floor Davidson Building, 5 Southampton Street, London, United Kingdom, WC2E 7HA.

The principal activity of the Company throughout this year and the prior year was that of an intermediary holding company.

1.1 Basis of preparation

The Company meets the definition of a qualifying entity under Financial Reporting Standard 101 Reduced Disclosure (FRS 101) issued by the Financial Reporting Council. These financial statements were prepared in accordance with FRS 101 and the provisions of the Companies Act 2006.

The financial statements have been prepared under the historical cost basis. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

As permitted by Section 400 of the Companies Act 2006, consolidated accounts have not been prepared as the Company is a wholly owned subsidiary of Exova Group (UK) Limited. The parent company of the smallest group of which the Company is a member and for which group financial statements are prepared is EM Midco2 Limited. The group financial statements of EM Midco2 Limited are available to the public and can be obtained as set out in Note 15.

These financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies. The accounting policies have been consistently applied throughout the current and prior period.

The financial statements have been prepared on a going concern basis. The reasons for this are outlined in Note 1.2. The financial statements are presented in pounds sterling because that is the currency of the primary economic environment in which the Company operates.

As permitted by FRS 101, the Company has taken advantage of the disclosure exemptions available under that standard in relation to:

- The requirements of paragraphs 62, B64(d), B64(e), B64(g), B64(h), B64(j) to B64(m), B64(n)(ii), B64(o)(ii), B64(p), B64(q)(ii), B66 and B67 of IFRS 3 Business Combinations
- The requirements of IFRS 7 Financial Instruments: Disclosures
- The requirements of paragraphs 91 to 99 of IFRS 13 Fair Value Measurement
- The requirements of the second sentence of paragraph 110 and paragraphs 113(a), 114, 115, 118, 119(a) to (c), 120 to 127 and 129 of IFRS 15 Revenue from Contracts with Customers
- The requirements of paragraph 52, the second sentence of paragraph 89, and paragraphs 90, 91 and 93 of IFRS 16 Leases.
- The requirements of paragraph 58 of IFRS 16
- The requirement in paragraph 38 of IAS 1 Presentation of Financial Statements to present comparative information in respect of:
 - i. paragraph 79(a)(iv) of IAS 1;
 - ii. paragraph 73(e) of IAS 16 Property, Plant and Equipment;
 - iii. paragraph 118(e) of IAS 38 Intangible Assets.
- The requirements of paragraphs 10(d), 10(f), 16, 38A, 38B, 38C, 38D, 40A, 40B, 40C, 40D, 111 and 134 to 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 paragraphs 17 and 18A 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
- The requirements of paragraphs 130(f)(ii), 130(f)(iii), 134(d) to 134(f) and 135(c) to 135(e) of IAS 36 Impairment of Assets

Where required, equivalent disclosures are given in the group financial statements of EM Midco2 Limited.

WARRINGTON FIRE & BUILDING PRODUCTS UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies (continued)

1.2 Going concern

The Directors have undertaken an exercise to review the appropriateness of the continued use of the going concern basis. The financial statements of the Company have been prepared on a going concern basis, as the Directors have concluded that the going concern basis continues to be appropriate.

The Company has, as at 31 December 2022, net assets of £21,885,099 (2021: £21,864,805). The Company has no external loans or borrowings or complex financial instruments as at 31 December 2022. The Company generated a profit after tax of £20,294 in the year ended 31 December 2022 (2021: loss after tax £1,113,314).

The Company's future viability is ultimately dependent on the performance of the wider trading group owned by the Company's intermediate holding company, EM Topco Limited ("Element"), and group management's decisions on the flow of capital.

The Directors believe that preparing the financial statements on the going concern basis is appropriate due to the continued financial support of the intermediate parent company, EM Topco Limited ("Element"). The Directors have received confirmation that Element will support the Company as necessary, and has the ability to do so, until the end of the period considered by the Directors in their going concern assessment, being the period from the date of approval of the Annual Report and Financial Statements until 31 December 2025.

This financial support is required as the Company is a participant in the Element Group cash pooling arrangement and therefore as a result, ultimately relies on the liquidity of the Group. The going concern assessment, which has been performed for the period up to 31 December 2025, takes into account the Group's cash flow and available undrawn banking facilities. The analysis concluded that even after the downside scenarios modelled, the Group would have sufficient funds to trade and settle its liabilities as they fall due.

The Directors believe that the Group is well placed to manage its business risks successfully, despite the current uncertain economic outlook. The Group's forecasts and projections, taking account of reasonably possible changes in trading performance, show that the Group would be able to operate within the level of its current committed facilities. As part of a regular assessment of the Group's working capital and financing position, the Directors have prepared a detailed bottom-up trading budget and cash flow forecast for the period through 31 December 2025.

The Directors have chosen the period to 31 December 2025 to assess the going concern because this is the end of the date of the period used for the going concern assessment of the Group headed by EM Topco Limited, the intermediate parent, upon whose continued financial support the Company relies. In considering the going concern status, the Directors have considered the principal risks and uncertainties discussed in the strategic report and assessed the impact.

In assessing the going concern status, the Group and Company directors have considered:

- Global economic downturn impacting underlying end-markets
- Susceptibility to inflation and interest rate movements
- The status of the Group's existing and future credit arrangements
- Technological disruption due to simulation and software potentially reducing traditional testing and/or outsourcing of testing activities
- Difficulties in recruiting/retaining technical talent to support organic growth, and
- Overall margin pressure due to significant cost inflation and the availability of mitigating actions including price increases and managing capital expenditure.

The Group and Company directors have considered the potential impacts of current conflicts including those in Ukraine and Gaza/Israel on our business, assessing possible supply chain disruptions/cost increases and evaluating risks to future earnings. At this stage we do not anticipate a material impact to the Group's performance. However, if the Group is impacted, we are confident that mitigating actions and cost management plans within management's control could be implemented to alleviate risk.

WARRINGTON FIRE & BUILDING PRODUCTS UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies (continued)

1.2 Going concern (continued)

The going concern assessment takes into account the Group's cash flow, available undrawn credit facilities and, includes additional equity funding of \$242m on 18th Dec 2023 by the majority investor in EM Topco Limited. Based on the going concern assessment performed over the period to 31 December 2025, the Group and Company directors have a reasonable expectation that the Group will continue in operation, settle its liabilities as they fall due, and remain compliant with banking facilities and have adequate liquidity to trade.

Sensitivity analyses have been performed on the forecasts to consider the impact of severe, but plausible scenarios on the headroom on cash and available credit facilities. These scenarios, which sensitized the forecasts for specific identified risks, modelled the reduction in anticipated levels of underlying EBITDA and the associated increase in net debt and considered the impact of higher than forecast interest rates. The EBITDA reduction scenario modelled the sustained decline in Group performance due to a variety of macroeconomic issues including, but not limited to, cost inflation and is modelled on a [16%] reduction in forecast EBITDA to 31 December 2025.

Throughout this downside scenario, and scenarios in which interest charges are higher than forecast, the Group continues to have significant liquidity headroom on its new debt commitments and existing facilities and against the revolving credit facility covenants. Further considerations were made to assess a further deterioration to the downside scenario that would result in a break-even liquidity position for the Group. Consideration was also given to the plausibility of the occurrence of this deterioration and the Directors concluded that it is implausible that such a scenario would occur.

As a result of the Group wide going concern assessment described above and the confirmation received that Element will support the Company as necessary and has the ability to do so, to 31 December 2025, the Directors are satisfied that the Company has access to adequate resources to continue in operational existence for the foreseeable future and will be able to meet its liabilities as they fall due during the period from the date of the approval of these financial statements to 31 December 2025.

Therefore, the financial statements of the Company have been prepared on a going concern basis.

WARRINGTON FIRE & BUILDING PRODUCTS UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies (continued)

1.3 Investments in subsidiaries

Investments in subsidiaries are stated at cost less, where appropriate, provisions for impairment.

1.4 Impairment of non-financial assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, the Company makes an estimate of the asset's recoverable amount compared to the carrying value. The recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs to sell and its value in use. Value in use is defined as the present value of future cash flows before interest and tax. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount through the Statement of profit or loss.

1.5 Amounts owed by group undertakings

Amounts owed by group undertakings are carried by the Company at original invoice amount less any allowance for non-collectable or impaired amounts, if applicable. The Directors consider that the carrying value of amounts owed by group undertakings is approximately equal to their fair value. Amounts owed by group undertakings are loans to group companies which are interest free and have no fixed repayment date. The entity uses the IFRS 9 expected credit loss ("ECL") model to measure loss allowances at an amount equal to their lifetime expected credit loss.

1.6 Amounts owed to group undertakings

Amounts owed to group undertakings are recognised initially at fair value and subsequently measured at amortised cost, where applicable, using the effective interest method. Amounts owed to group undertakings are loans from group companies which are interest free and have no fixed repayment date.

1.7 Taxation

Current tax

The current tax charge / credit is based on taxable profit for the period. Taxable profit differs from profit as reported in the Statement of profit or loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible.

1.8 Foreign currency translation

Foreign currency transactions are translated into the functional currency of the Company using the exchange rates on the prevailing dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the rates of exchange ruling at the Statement of financial position date. Differences arising on translation are charged or credited to the Statement of profit or loss.

1.9 Adoption of new and revised accounting standards

Standards and amendments effective for the year

The Company has adopted all the new and revised Standards and interpretations issued by the International Accounting Standards Board ("IASB") and International Financial Reporting Interpretations Committee ("IFRIC") of the IASB that are relevant to its operations and effective for accounting years covered by the financial statements. The adoption of these standards and interpretations does not have an impact on the financial statements of the Company:

WARRINGTON FIRE & BUILDING PRODUCTS UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

2 Critical accounting estimates and judgements

In the application of the Company's accounting policies, described in note 1, the Directors are required to make judgements (other than those involving estimations) that have a significant impact on the amounts recognised and to make estimates and assumptions about the carrying amounts 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 year in which the estimate is revised if the revision affects only that year, or in the year of the revision and future periods if the revision affects both current and future periods. The Directors have concluded that there are no critical estimates.

2.1 Critical accounting judgements

The following are the critical judgements that the directors have made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

Impairment of investments in subsidiaries

Critical judgement is applied when determining whether there are indicators of impairment in relation to investments in subsidiaries. In making this judgement the directors have considered internal factors including investee entity financial results and external factors impacting the investees market.

3 Operating profit

	2022 £	2021 £
Operating profit is stated after crediting:		
Unrealised foreign exchange gain	19,778	1,572

4 Investment impairment

	2022 £	2021 £
Impairment of investments in subsidiaries (note 8)	-	1,116,234

In 2021 the Company impaired its investment in Warringtonfire Consulting Limited following a decision taken in December 2021 by its management to discontinue operations and cease trading. The investment value £986,234 was impaired in full based on the expected outcome of this process.

Further, the investment in BM Trada Overseas Limited was impaired in full in the year ended 31 December 2021. The impairment amount was £130,000. The impairment was warranted as the carrying value of the company could not be supported and the Directors made the decision to impair this investment in full.

5 Auditor's remuneration

As a guarantee has been given under S479C by the Company's parent company, the Company is exempt from audit for the year ended 31 December 2022 and as such incurred no audit fees. In the year ended 31 December 2021, fees payable to Ernst & Young LLP for the audit of the Company were borne by other companies within the Group and disclosed in the consolidated financial statements of EM Midco2 Limited.

There were no non-audit services provided to the Company during the year (2021: £ nil).

WARRINGTON FIRE & BUILDING PRODUCTS UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

6 Employees and Directors

Employees

The Company does not have any employees (2021: none) and as such has incurred no personnel expenses in the year (2021: £nil).

Directors

The 3 Directors who served during 2022 are also directors of a number of other group companies and do not consider it possible to identify the proportion of their remuneration relating to their roles as Directors of this company.

The total remuneration for the Directors for services to the group was £942,241 (2021: £415,296) of which £nil (2021: £nil) has been paid through these financial statements. There were no other short-term employee benefits paid to the Directors in the year (2021: nil) and there were no retirement benefits accruing to the Directors under pension schemes as at 31 December 2022 (2021: nil). The highest paid director received £480,666 (2021: £283,739).

7 Taxation

The tax rate used for the reconciliation is the corporate tax rate of 19% (31 December 2021: 19%) payable by the Company in the UK on taxable profits under UK tax law.

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

The charge for the year can be reconciled to the profit per the income statement as follows:

	2022 £	2021 £
Profit / (loss) before taxation	20,295	(1,113,314)
Expected tax (credit) / charge based on a corporation tax rate of 19% (2021: 19%)	3,856	(211,530)
Group relief claimed/(surrendered) for nil consideration	(3,757)	(293)
Expenses not deductible for tax purposes	(99)	211,823
Taxation charge/(credit) for the year	-	-

At the Statement of financial position date, the Company had no unrecognised deferred tax asset (2021: £nil)

Factors that may affect future tax charges

A UK budget resolution was announced on 3rd March 2021 increasing the UK corporation tax rate to 25%, effective from 1st April 2023. This rate increase was substantively enacted into UK law on 10th June 2021.

WARRINGTON FIRE & BUILDING PRODUCTS UK LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 DECEMBER 2022****8 Investments**

	2022	2021
	£	£
Investments carrying value brought forward	21,603,162	22,719,396
Impairment of investments	-	(1,116,234)
Investments carrying value	<u>21,603,162</u>	<u>21,603,162</u>

In the year ended 31 December 2021 the Company impaired its investment in Warringtonfire Consulting Limited following the decision taken in December 2021 by its management to discontinue operations and cease trading. The investment value was impaired in full by £986,234. In 2022, Warringtonfire Consulting Limited was transferred to another Group company for a nominal amount of £1.

Further, during the year ended 31 December 2021 the investment in BM Trada Overseas Limited was impaired in full. The impairment amount was £130,000.

During the reporting year, 50% indirect holding in Turkish JV, Standard BM TRADA Belgelendirme AS was sold. The disposal proceeds were a nominal amount of £1. This investment had a carrying value of £nil at 31 December 2021.

As at 31 December 2022, the Directors of the Company consider there to be no further indicators of impairment in relation to the other investments held. Details of the investees are set out in note below.

WARRINGTON FIRE & BUILDING PRODUCTS UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

8 Investments (continued)

A list of the investments in subsidiaries and joint ventures, including the name, registered office, country of incorporation and proportion of ownership interest is given below:

Subsidiary undertaking	Registered Office	Country of incorporation	Principal activity	Holding (%)
Held directly:				
BM Trada Overseas Limited	3rd Floor Davidson Building, 5 Southampton Street, London, WC2E 7HA	UK	Holding Company	100
FIRA International Limited	3rd Floor Davidson Building, 5 Southampton Street, London, WC2E 7HA	UK	Testing	100
Warringtonfire Testing and Certification Limited	3rd Floor Davidson Building, 5 Southampton Street, London, WC2E 7HA	UK	Testing & Certification	100
Held indirectly:				
Trada Technology Limited	3rd Floor Davidson Building, 5 Southampton Street, London, WC2E 7HA	UK	Dormant	100
Chiltern International Fire Limited	3rd Floor Davidson Building, 5 Southampton Street, London, WC2E 7HA	UK	Dormant	100
BM Trada Certification Limited	3rd Floor Davidson Building, 5 Southampton Street, London, WC2E 7HA	UK	Dormant	100
BM TRADA Certification Canada Inc.	398-2416 Main Street, Vancouver BC V5T 3E2	Canada	Certification	100
BM TRADA Certification North America Inc.	820 Bear Tavern Road, Mercer County, West Trenton, NJ 08628	US	Certification	100
Tianjin C-Kai BM TRADA Certification Company Limited	Room 708, Suite F, Hai Tai Plaza, No.8 Hua Tian Road, Tianjin Hua Yuan Industrial Zone	China	Dormant	40
FIRA - CMA Testing Services Limited	Room 1401-3 Yan Hing Centre, 9-13 Wong Chuk Yeung Street, Fo Tan, Shatin	Hong Kong	Testing	50
BM TRADA RKCA Certifications Private Limited	515 Tulsiani Chambers, Nariman Point, Mumbai, 400021	India	Dormant	50
BM TRADA RKCA Lanka Certifications (Private) Limited	No.1041-2/1 Maradana Road, Borella, Columbo 8	Sri Lanka	Certification	50

WARRINGTON FIRE & BUILDING PRODUCTS UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

9	Amounts owed by group undertakings	2022 £	2021 £
	Amounts owed by group undertakings	332,039	311,745

Amounts owed by group undertakings falling due within one year are loans to Group companies which are interest free and repayable on demand. The amount due from group undertakings is stated after an expected credit loss of £1,746 (2021: £2,262).

The Company measures the loss allowance on all amounts owed by group undertakings at an amount equal to lifetime ECL. The expected credit losses on amounts owed by Group undertakings are estimated using a provision matrix by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtor, general economic conditions of the industry in which the debtors operate, and an assessment of the current as well as the forecast direction of conditions at the reporting date.

In determining the recoverability of amounts owed by Group undertakings, the Company considers any change in the credit quality of the trade receivable from the date credit was initially granted up to the reporting date. The Directors consider that the carrying value of amounts owed by Group undertakings is approximately equal to their fair value.

10	Amounts owed to group undertakings	2022 £	2021 £
	Amounts owed to group undertakings	50,102	50,102

Amounts owed to group undertakings are loans from Group companies. The loans are non-interest bearing and are repayable on demand.

11	Share capital	2022 £	2021 £
	Authorised, Issued and fully paid		
	2 Ordinary of £1 each	2	2

12	Share premium account	2022 £	2021 £
	Share premium account	22,990,925	22,990,925

On 1 December 2018 the former parent company, Exova (UK) Limited, contributed assets at book value in return for one share in the company creating the share premium account.

13 Events after the reporting date

Between the end of the financial year and the date of this report, no other item, transaction or event of a material nature has occurred, in the opinion of the Directors of the Company, that is likely to significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial years.

WARRINGTON FIRE & BUILDING PRODUCTS UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

14 Related party transactions

The Company has taken advantage of the exemptions contained within paragraphs 8(j) and (k) of FRS 101, and has not disclosed transactions entered with wholly owned group companies or key management personnel. There were no other related party transactions in the year (2021: nil).

15 Ultimate holding and controlling party

On 6th July 2022, the Company's ultimate parent undertaking changed to Temasek Holdings (Private) Limited, a company incorporated in Singapore. The Company's immediate parent undertaking is Exova Group (UK) Limited, registered in England and Wales

The parent company of the smallest group of which the Company is a member, and for which group financial statements are prepared, is EM Midco2 Limited, a company incorporated in England and Wales.

The parent undertaking of the largest Group of which the Company is a member and for which group financial statements are prepared is Temasek Holdings (Private) Limited, a company incorporated in Singapore

Copies of the 31 December 2022 Group financial statements of EM Midco2 Limited are available from Companies House, Crown Way, Cardiff, CF14 3UZ, United Kingdom. EM Midco2 Limited's registered office is 3rd Floor Davidson Building, 5 Southampton Street, London, United Kingdom, WC2E 7HA.

Copies of the 31 March 2023 Group financial statements of Temasek Holdings (Private) Limited are available from www.temasekreview.com.sg/group-financials/