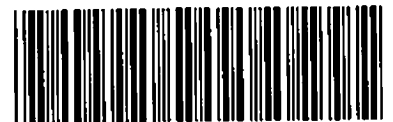


REGISTERED NUMBER: SC291298 (Scotland)

STRATEGIC REPORT, REPORT OF THE DIRECTORS AND
AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021
FOR
H UK ENGINEERING LIMITED



THURSDAY



JNI 20/10/2022 #13
COMPANIES HOUSE

H UK ENGINEERING LIMITED (REGISTERED NUMBER: SC291298)

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FOR THE YEAR ENDED 31 DECEMBER 2021**

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H UK ENGINEERING LIMITED

**COMPANY INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2021**

DIRECTORS:

G Rostron
K Johnson (appointed 14 February 2022)
C E Jewell (appointed 14 February 2022)
C M Hix (resigned 14 February 2022)
D A Pryor (resigned 14 February 2022)

COMPANY SECRETARY:

EQ Chartered Accountants
14 City Quay
Dundee
Scotland
DD1 3JA
United Kingdom

REGISTERED OFFICE:

14 City Quay
Dundee
Scotland
DD1 3JA
United Kingdom

REGISTERED NUMBER:

SC291298 (Scotland)

AUDITORS:

Ernst & Young LLP
Bedford House
16 Bedford Street
Belfast
BT2 7DT
United Kingdom

H UK ENGINEERING LIMITED (REGISTERED NUMBER: SC291298)

**STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2021**

The directors present their Strategic Report for the year ended 31 December 2021.

REVIEW OF BUSINESS

The principal activity of the company in the year under review was that of acting as a loan holding company and no change is planned in its activities in the year ended 31 December 2022.

ESAB Corporation a premier global fabrication and specialty gas control technology company focused on welding technology, advanced equipment, consumables, specialty gas control, robotics, and digital solutions announced on 5th April 2022 the completion of its separation from Enovis Corporation, formerly known as Colfax Corporation, and its launch as an independent, publicly traded corporation. ESAB's common stock will begin trading "regular way" from April 5, 2022, on the New York Stock Exchange under the symbol "ESAB."

As a result, the ultimate parent has changed from Enovis Corporation, formerly known as Colfax Corporation, to ESAB Corporation.

The result for the year, after taxation, was £nil (2020: loss of £nil).

The financial position at the year-end was considered satisfactory.

PRINCIPAL RISKS AND UNCERTAINTIES

The company was a wholly owned subsidiary of Colfax Corporation as of 31 December 2021. Colfax Corporation is the ultimate parent and not immediate parent company.

From the perspective of the company, the principal risks and uncertainties and financial risk management are aligned with the principal risks and uncertainties and financial risk management of Colfax Corporation and its subsidiaries. The principal risks and uncertainties and financial risk management of Colfax Corporation and its subsidiaries, which include those of the company, are discussed in the annual report of Colfax Corporation, which does not form part of this report.

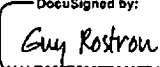
The management have made a Covid risk assessment and accordingly deem that the risk to be low. Given the low level of transactions and that the entity is a group company with limited cash flow requirements the directors do not consider Covid-19 to present a going concern risk.

The company is in a net current liability position and have obtained a letter of financial support from the new ultimate parent company, ESAB Corporation such that the directors have assessed the ability of ESAB Corporation to provide that support and have no concerns.

KEY PERFORMANCE INDICATORS (KPIs)

Given the straightforward nature of the business, the directors are of the opinion that analysis using KPIs is not necessary for an understanding of the development, performance or financial position of the business. The development, performance and financial position of Colfax Corporation subsidiaries, which includes the company, are discussed in the annual report of Colfax Corporation which does not form part of this report.

ON BEHALF OF THE BOARD:

DocuSigned by:

.....765K75865C34287..:
G Rostron - Director

Date: 19 October 2022

H UK ENGINEERING LIMITED (REGISTERED NUMBER: SC291298)

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2021**

The directors present their annual report and the audited financial statements for the year ended 31 December 2021.

DIVIDENDS

No dividends will be distributed for the year ended 31 December 2021 (2020: £Nil). The directors do not recommend the payment of a final dividend (2020: £Nil).

DIRECTORS

The directors shown below have held office during the whole of the period from 1 January 2021 to the date of this report.

G Rostron
C E Jewell (appointed 14 February 2022)
K Johnson (appointed 14 February 2022)

Other changes in directors holding office are as follows:

C M Hix (resigned 14 February 2022)
D A Pryor (resigned 14 February 2022)

GOING CONCERN

The company has sufficient financial resources and support of the ultimate parent undertaking to continue to operate. Consequently, the directors believe the company has an effective framework for its business risks and that it is well managed.

The company is a wholly owned subsidiary of Colfax Corporation as of 31 December 2021. In April 2022, Colfax Corporation completed the spin-off of Colfax's Fabrication Technology business and certain other corporate entities. ESAB Corporation then became the new ultimate parent of the company in April 2022. ESAB Corporation is the ultimate parent and not immediate parent company. The directors have obtained a letter of support from the ultimate parent company, ESAB Corporation. The letter of support confirms that ESAB Corporation will support the company to meet all liabilities for a period to 31 December 2023, which is consistent with the company's going concern assessment period. The directors have assessed the ability of ESAB Corporation to provide this support and have no concerns. The directors therefore have a reasonable expectation that the company can continue as going concern to 31 December 2023, which is at least 12 months from the date of approval of these financial statements. Accordingly, these financial statements have been prepared on the going concern basis.

Russia's recent invasion of Ukraine poses wide-ranging challenges. Given the evolving situation, there are many unknown factors and events that could materially impact our operations or the operations of the wider group. These events have and continue to impact commodity prices, supply chains, credit risk included those related to receivables, treasury and other factors. Any of these factors, individually or in aggregate, could have a material effect on our earnings, financial condition and cash flows. Despite this fact the ESAB group is well capitalised and has adequate access to capital in order to continue its operations for a period to 31 December 2023.

DIRECTORS' QUALIFYING THIRD PARTY INDEMNITY PROVISION

K Johnson, C E Jewell and G Rostron have been granted a qualifying third party indemnity, as defined in the Companies Act 2006, by the ultimate parent company, ESAB Corporation, to the extent permitted by law in respect of certain liabilities incurred as a result of their office in associated companies. They are indemnified against liability to third parties, excluding criminal liability and regulatory penalties and certain other liabilities. In addition, ESAB Corporation may pay the directors' legal costs as they are incurred, subject to reimbursement if the director is convicted, or if judgement is given against the director in an action brought against the company. Such indemnities survive the resignation of each director.

H UK ENGINEERING LIMITED (REGISTERED NUMBER: SC291298)

**REPORT OF THE DIRECTORS - CONTINUED
FOR THE YEAR ENDED 31 DECEMBER 2021**

AUDITORS

In accordance with section 485 of the Companies Act 2006, a resolution is to be proposed at the Annual General Meeting for reappointment of Ernst & Young LLP as auditor of the company.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Strategic Report, the Report of the Directors 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 company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable 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.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

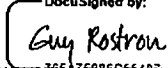
So far as the directors are each aware, there is no relevant audit information (that is, information needed by the company's auditors in connection with preparing their report) of which the company's auditors are unaware, and each director has taken all the steps they ought to have taken as a director, in order to make himself/herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

POST BALANCE SHEET EVENTS

ESAB Corporation a premier global fabrication and specialty gas control technology company focused on welding technology, advanced equipment, consumables, specialty gas control, robotics, and digital solutions announced on 5th April 2022 the completion of its separation from Enovis Corporation, formerly known as Colfax Corporation, and its launch as an independent, publicly traded corporation. ESAB's common stock will begin trading "regular way" from April 5, 2022, on the New York Stock Exchange under the symbol "ESAB." Post year end ultimate parent changes to ESAB Corporation.

Russia's recent invasion of Ukraine poses wide-ranging challenges. Given the evolving situation, there are many unknown factors and events that could materially impact our operations or the operations of the wider group. These events have and continue to impact commodity prices, supply chains, credit risks including those related to receivables, treasury and other factors. Any of these factors, individually or in aggregate, could have a material effect on our earnings, financial condition and cash flows.

ON BEHALF OF THE BOARD:

DocuSigned by:

.....765A768B5D654B7...
G Rostron - Director

Date: 19 October 2022

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF H UK ENGINEERING LIMITED

Opinion

We have audited the financial statements of H UK Engineering Limited for the year ended 31 December 2021 which comprise the Income Statement, the Statement of Other Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity and the related notes 1 to 9, 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 FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the company's affairs as at 31 December 2021 and of its results for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period to 31 December 2023.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF H UK ENGINEERING LIMITED – continued

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Strategic Report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Report of the Directors have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

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 set out on page 4, 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.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF H UK ENGINEERING LIMITED - continued

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the company and determined that the most significant are those that relate to the reporting framework (the Companies Act 2006 and FRS 102 'The financial reporting standard applicable in the UK and Republic of Ireland') and the relevant tax compliance regulations in the UK. In addition, we concluded that there are certain significant laws and regulations that may have an indirect effect on the determination of the amounts and disclosures in the financial statements. These are those laws and regulations relating to employee matters, health and safety, environmental and bribery and corruption practices.
- We understood how H UK Engineering Limited is complying with those frameworks by making enquiries of management and those responsible for legal and compliance procedures. We corroborated our enquiries by performing a review of the company's board minutes as well as correspondence from regulatory bodies. We also reviewed the code of conduct, which drives the culture of honesty and ethical behaviour within the Company. We noted no contradictory evidence.
- We assessed the susceptibility of the financial statements to material misstatement, including how fraud might occur by considering the controls that the company established to address risks identified that otherwise seek to prevent, deter and detect fraud.
- Based on this understanding we designed audit procedures to identify noncompliance with laws and regulations. We considered the risk of fraud through management override of controls and designed testing over manual journals entries as part of our audit approach. We selected manual journals with specific risk criteria and obtained supporting evidence for the journals selected.

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

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Ernst & Young LLP

Neil Corry (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
Belfast
Date: 19 October 2022

H UK ENGINEERING LIMITED (REGISTERED NUMBER: SC291298)

**INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2021**

	Note	2021 £'000	2020 £'000
TURNOVER		<u>-</u>	<u>-</u>
OPERATING RESULTS	2	-	-
Interest payable and similar expenses	3	<u>-</u>	<u>-</u>
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		-	-
Tax on loss on ordinary activities	4	<u>-</u>	<u>-</u>
LOSS FOR THE FINANCIAL YEAR		<u><u>-</u></u>	<u><u>-</u></u>

The notes form part of these financial statements

H UK ENGINEERING LIMITED (REGISTERED NUMBER: SC291298)

STATEMENT OF OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2021


	2021 £'000	2020 £'000
LOSS FOR THE FINANCIAL YEAR	-	-
OTHER COMPREHENSIVE LOSS	<u>-</u>	<u>-</u>
TOTAL COMPREHENSIVE EXPENSE FOR THE FINANCIAL YEAR	<u>-</u>	<u>-</u>

The notes form part of these financial statements

H UK ENGINEERING LIMITED (REGISTERED NUMBER: SC291298)**BALANCE SHEET
31 DECEMBER 2021**

	Note	2021 £'000	2020 £'000
CURRENT ASSETS			
Cash at bank and in hand		3	3
CREDITORS			
Amounts falling due within one year	5	<u>(4,525)</u>	<u>(4,525)</u>
NET CURRENT LIABILITIES		<u>(4,522)</u>	<u>(4,522)</u>
NET LIABILITIES		<u>(4,522)</u>	<u>(4,522)</u>
CAPITAL AND RESERVES			
Called up share capital	6	-	-
Retained earnings	7	<u>(4,522)</u>	<u>(4,522)</u>
SHAREHOLDERS' DEFICIT		<u>(4,522)</u>	<u>(4,522)</u>

The financial statements were approved by the Board of Directors on 19 October 2022 and were signed on its behalf by:

DocuSigned by:

 765475985C55487...
 G Rostron - Director

The notes form part of these financial statements

H UK ENGINEERING LIMITED (REGISTERED NUMBER: SC291298)

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2021**

	Called up share capital £'000	Retained earnings £'000	Total deficit £'000
Balance at 1 January 2020	-	(4,522)	(4,522)
Changes in equity			
Total comprehensive loss	-	-	-
Balance at 31 December 2020	-	(4,522)	(4,522)
Changes in equity			
Total comprehensive loss	-	-	-
Balance at 31 December 2021	-	(4,522)	(4,522)

The notes form part of these financial statements

H UK ENGINEERING LIMITED (REGISTERED NUMBER: SC291298)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

These financial statements have been prepared in compliance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention. All amounts are presented to the nearest thousand unless otherwise stated.

H UK Engineering Limited is a limited liability company incorporated and domiciled in Scotland. The Registered Office is 14 City Quay, Dundee, DD1 3JA.

Going concern

The company has sufficient financial resources and support of the ultimate parent undertaking to continue to operate. Consequently, the directors believe the company has an effective framework for its business risks and that it is well managed.

The company is a wholly owned subsidiary of Colfax Corporation as of 31 December 2021. In April 2022, Colfax Corporation completed the spin-off of Colfax's Fabrication Technology business and certain other corporate entities. ESAB Corporation then became the new ultimate parent of the company in April 2022. ESAB Corporation is the ultimate parent and not immediate parent company. The directors have obtained a letter of support from the ultimate parent company, ESAB Corporation. The letter of support confirms that ESAB Corporation will support the company to meet all liabilities for a period to 31 December 2023, which is consistent with the company's going concern assessment period. The directors have assessed the ability of ESAB Corporation to provide this support and have no concerns. The directors therefore have a reasonable expectation that the company can continue as going concern to 31 December 2023, which is at least 12 months from the date of approval of these financial statements. Accordingly, these financial statements have been prepared on the going concern basis.

Russia's recent invasion of Ukraine poses wide-ranging challenges. Given the evolving situation, there are many unknown factors and events that could materially impact our operations or the operations of the wider group. These events have and continue to impact commodity prices, supply chains, credit risk included those related to receivables, treasury and other factors. Any of these factors, individually or in aggregate, could have a material effect on our earnings, financial condition and cash flows. Despite this fact the ESAB group is well capitalised and has adequate access to capital in order to continue its operations for a period to 31 December 2023.

Financial reporting standard 102 - reduced disclosure exemptions

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

- the requirements of Section 7 Statement of Cash Flows;
- the requirement of Section 33 Related Party Disclosures paragraph 33.7.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the Balance Sheet date, where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the Balance Sheet date.

A net deferred tax asset is recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits against which to recover carried forward tax losses and from which the future reversal of underlying timing differences can be deducted.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the Balance Sheet date. Deferred tax is measured on an undiscounted basis.

Interest and dividends

Interest payable or receivable on amounts due to or from group companies is calculated using the effective interest method.

H UK ENGINEERING LIMITED (REGISTERED NUMBER: SC291298)**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2021****1. ACCOUNTING POLICIES - continued****Interest and dividends - continued**

Dividend distributions to the company's shareholders are recognised in the accounts in the period when paid. Dividends receivable are recognised when the company's right to receive payment has been established and is unconditional.

Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities at the Balance Sheet date and the amounts reported for revenues and expenses during the year. Actual results could differ from those estimates. There were no significant judgements or estimates made in connection with the preparation of these financial statements.

Amounts owed by or to group undertakings

Amounts owed by or to group undertakings are initially recorded at the present value of future payments discounted at a market rate of interest for a similar loan. Subsequently, they are measured at amortised cost using the effective interest method. Amounts that are due within one year are not discounted.

2. OPERATING RESULTS**Directors' emoluments**

The company's directors are employed and remunerated by a fellow subsidiary undertaking in respect of their services as a director of a number of group companies. No recharge is made to the company and it is not possible to make an accurate apportionment of their emoluments in respect of each of the group companies. Directors' emoluments are disclosed in the employing company's financial statements.

Employees

The company had no employees in the current or prior year.

Auditors' remuneration

Auditors' remuneration was borne by a fellow subsidiary undertaking in the current and prior year and not recharged to the company.

3. INTEREST PAYABLE AND SIMILAR EXPENSES

	2021 £'000	2020 £'000
Interest payable to group undertakings	—	—

4. TAX ON LOSS**Analysis of the tax credit**

No liability to UK corporation tax arose for the year ended 31 December 2021 (2020: £nil).

There are no other recognised or unrecognised deferred tax assets or liabilities that are required to be disclosed in these financial statements.

Reconciliation of total tax credit included in income statement

The tax assessed for the year is the same as (2020: same as) than the standard rate of corporation tax in the UK.

The rate of corporation tax will remain at 19% until 31 March 2023. From 1 April 2023 the rate will increase to 25% in accordance with the Finance Act 2021.

H UK ENGINEERING LIMITED (REGISTERED NUMBER: SC291298)**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2021****5. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2021 £'000	2020 £'000
Amounts owed to group undertakings	<u>4,525</u>	<u>4,525</u>
	<u>4,525</u>	<u>4,525</u>

Amounts owed to group undertakings attract variable interest on a monthly basis at 1% above the Sterling 3 month LIBOR rate, are repayable on demand and unsecured.

6. CALLED UP SHARE CAPITAL

Called up share capital represents the issued and fully paid-up equity share capital of the company.

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2021 £'000	2020 £'000
2	Ordinary shares	£1	<u>-</u>	<u>-</u>
			<u>-</u>	<u>-</u>

7. RESERVES**Retained earnings account**

Retained earnings is the amount of net income left over for the business after it has paid out dividends to its shareholders.

8. ULTIMATE PARENT COMPANY AND CONTROLLING PARTY

The company's shares are held by Airgare Limited, its immediate parent company and controlling party. The company regards Colfax Corporation, which is listed on the New York Stock Exchange, as the Company's ultimate parent company and controlling party as at 31 December 2021. As a result of the separation, as discussed in Note 9, Colfax Corporation changed its name to Enovis Corporation.

The parent undertaking of the largest and smallest group of undertakings for which group financial statements for the year ended 31 December 2021 are prepared and of which the company is a member is Colfax Corporation, now Enovis Corporation, a company incorporated in the United States of America. Copies of its group financial statements are publicly available at www.enovis.com.

9. EVENTS AFTER THE BALANCE SHEET DATE

ESAB Corporation a premier global fabrication and specialty gas control technology company focused on welding technology, advanced equipment, consumables, specialty gas control, robotics, and digital solutions announced on 5th April 2022 the completion of its separation from Enovis Corporation, formerly known as Colfax Corporation, and its launch as an independent, publicly traded corporation. ESAB's common stock will begin trading "regular way" from April 5, 2022, on the New York Stock Exchange under the symbol "ESAB." As a result, the ultimate parent has changed from Enovis Corporation, formerly known as Colfax Corporation, to ESAB Corporation.

Russia's recent invasion of Ukraine poses wide-ranging challenges. Given the evolving situation, there are many unknown factors and events that could materially impact our operations or the operations of the wider group. These events have and continue to impact commodity prices, supply chains, credit risks including those related to receivables, treasury and other factors. Any of these factors, individually or in aggregate, could have a material effect on our earnings, financial condition and cash flows.