

# **Wurth Holding UK Limited**

## **Annual report and financial statements**

31 December 2021

Company Number: 2494010

---

**Directors**

J Kaltmaier  
A Dagnall

**Auditor**

Ernst & Young LLP  
No 1 Colmore Square  
Birmingham B4 6HQ  
United Kingdom

**Registered Office**

1 Centurion Way  
Erith  
Kent DA18 4AF  
United Kingdom

## Strategic Report

The Directors present their strategic report for the year ended 31 December 2021.

### Business Review

The principal activity of the company during the year was to act as a parent undertaking for UK based Würth subsidiaries.

The loss for the year after taxation amounted to £2,736,000 (2020: profit of £38,000). No dividend was paid during 2021 (2020: nil). The shareholder funds on 31 December 2021 amounted to £12,697,000 (2020: £6,975,000).

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

	2021	2020	Change
	£'000	£'000	%
Operating loss	(45)	(33)	-36.4
(Loss) / profit for the financial year	(2,736)	38	-7,100
Shareholder's equity	12,697	6,975	+82

The loss for the financial year is mainly due to an impairment of an investment (£2,115,000) and provision against debt (£627,000).

On 29 December 2021, the company received and allocated £8,458,185 of additional share capital to Würth International AG, following the approval of the central managing board of the ultimate parent company.

On 29 December 2021, the company paid and allocated £8,458,185 to Würth UK Limited in exchange for additional share capital.

### Principal risks and uncertainties

Being a parent undertaking, the company bears the risk of changes in the valuation of its investments in the individual subsidiaries. This is monitored by the company annually. The company operates a treasury function for its wholly owned subsidiaries; there is a risk that these amounts lent to subsidiaries are not recoverable. There is no external debt or exposure to foreign exchange.

The current conflict in the Ukraine is not having any direct impact on the company or its subsidiaries. Whilst inflation rates are rising, the company's costs are not likely to increase significantly and its subsidiaries are mitigating cost increases with increase in selling price to their customers.

## Strategic Report (continued)

### Section 172(1) Statement

The directors are aware of their duty under s172(1) of the Companies Act 2006 to act in the way which they consider, in good faith, would be most likely to promote the success of the Company for the benefit of its stakeholders as a whole, and in doing so, to have a regard (amongst other matters) to:

- the likely consequences of any decision in the long term;
- the interests of the Company's employees;
- the need to foster the Company's business relationships with suppliers, customers and others;
- the impact of the Company's operations on the community and the environment;
- the desirability of the Company maintaining a reputation for high standards of business conduct; and
- the need to act fairly towards all stakeholders of the Company.

The directors of the Company consider that they have had regard in material respects to the factors set out above.

The Company is a UK subsidiary of Adolf Würth GmbH & Co. KG (Würth Group), a company incorporated in Germany. Würth Group has policies and procedures as part of its overall stakeholder engagement framework that is shared by all subsidiaries. The Company follows group policies and procedures, including those relating to standards of business conduct, employees, customers, suppliers, the environment, the communities in which we operate, and other stakeholders such as regulatory bodies and non-government organisations.

Würth Group remains committed to delivering quality products and services to the customers. The safety of the Group's employees, customers and suppliers is the top priority of Würth Group and a core value of the company. To facilitate this the company's subsidiary, provide regular training to all employees throughout the year to emphasise the importance of safety and best practice. The company's subsidiaries have a number of safety targets and measures, which are communicated to staff on a frequent basis.

Board meetings are held from time to time where the directors consider Company business, such as appointment of directors, approval of accounts, approval of dividends, guarantees and other strategic decisions relating to business operations. In considering items of business the Company makes autonomous decisions on each item's own merits, after due consideration of the long-term success of the Company, where relevant, and the stakeholders impacted

The main purpose of the Company is as an intermediate holding company which holds investments in subsidiary undertakings with an objective to provide appropriate returns for its shareholder. The wider responsibilities of the directors of the Company's subsidiary companies, to interact with their respective stakeholders, including their suppliers, customers, workforce and local community and their responsibility to consider the environment are dealt with in the respective subsidiary company's annual report.

### Shareholders

The Company is a subsidiary of Würth Group and as such the directors ensure that the strategy, values and policies of Würth Group form part of decision-making at all levels. This includes the comprehensive code of conduct, provided to every employee and reviewed annually, which guides all employees on the culture, ethical standards and behaviour expected at all levels of the organisation and every activity.

### Principal decision in the year

Principal decisions made by the Company during the year include renewing loans with its subsidiary, Würth UK Limited and Tooling International Limited. These principal decisions were approved by the board of directors.

The Directors made the decision to seek an increase in capital to fund its investments expansion plans and on 29 December 2021, the company received and allocated £8,458,185 of additional share capital to Würth International AG. Subsequently, on 29 December 2021, the Directors made the decision to increase the capital in Würth UK Limited to fund future expansion and invested £8,458,185 in exchange for additional share capital in that entity.

## Strategic Report (continued)

### Future developments

The company will continue in future to act as a parent undertaking for the UK subsidiaries of the Würth Group.

On behalf of the Board



8 December 2022

Andrew Dagnall  
Director

Registered No. 2494010

## Directors' report

The directors present their report and financial statements for the year ended 31 December 2021. Certain disclosures required within the director's report are included within the strategic report. The current directors are shown on page 1.

### Dividends

No dividend was paid during 2021 (2020: nil).

### Going concern

The directors note that, as of 31 December 2021 the Company has net assets of £12,697,000, with no financing or loan payable, and made a loss in the year then ended.

Whilst the Company does not have its own bank account, it participates in a Group wide cash pooling arrangement, which has a balance of £232,333 available to the Company as at 31 December 2021 and £307,399 as at 30 November 2022. However, as the Company does not have control over the funds in the pooled account, nor is there any formal commitment to such amounts remaining receivable, the Company has not factored this into its assessment of going concern. As a holding Company, the Company in 2022 and 2023 is consistently expected to incur minimal costs over the oncoming period to the end of December 2023, which it expects to be covered by the interest income it receives. The Company also controls the trading subsidiaries of Wurth Group in the UK, which individually are considered to be going concerns and therefore by virtue of the control it exercises over its subsidiaries, the Company could also require them to pay for its expenditures for the foreseeable future. The Directors consider that the UK subsidiaries have sufficient cash resources, including availability of credit facilities via letter of support from Wurth Finance International B.V to enable them to provide funds to the Company if required. The Directors have also made enquires of the Wurth group management to ensure that the Wurth Finance International BV have the ability to provide any funds if required to the UK subsidiaries.

Furthermore, no letter of support has been provided by the Company itself to those subsidiaries.

The directors therefore have a reasonable expectation that the company will be able to continue in operational existence for the foreseeable future, until 31 December 2023. Thus, they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

### Auditor

A resolution to reappoint Ernst & Young LLP as auditors will be put to the members at the Annual General Meeting.

### Disclosure of information to the auditors

The directors who were members of the board at the time of approving the directors' report are listed on page 1. Having made enquiries of fellow directors and of the company's auditor, each of these directors confirms that:

- to the best of each director's knowledge and belief, there is no information (that is, information needed by the company's auditor in connection with preparing of their report) of which the company's auditor is unaware; and
- each director has taken all the steps a director might reasonably be expected to have taken to be aware of relevant audit information and to establish that the company's auditor is aware of that information.

On behalf of the Board



8 December 2022

Andrew Dagnail

Director

## Statement of directors' responsibilities

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 accounting standards (United Kingdom Generally Accepted Accounting Practice and applicable law), including FRS 101 'Reduced Disclosure Framework' ('FRS 101'). 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 in accordance with IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- provide additional disclosures when compliance with specific requirements of FRS 101 is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the financial position and financial performance;
- 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 a 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.

Under applicable law and regulations, the directors are also responsible for preparing a strategic report, directors' report, that comply with that law and those regulations. The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website.

# Independent auditor's report

## to the members of Würth Holding UK Limited

### Opinion

We have audited the financial statements of Würth Holding UK Limited (the 'company') for the year ended 31 December 2021 which comprise the Profit and Loss Account, the Statement of other comprehensive income, the Statement of changes in equity, the Balance Sheet and the related notes 1 to 14, 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 101 "Reduced Disclosure Framework" (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 loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report below. 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 of 12 months 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.



# Independent auditor's report

to the members of Wurth Holding UK Limited (continued)

## 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.

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.

## 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 directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and directors' report have been prepared in accordance with applicable legal requirements.

## Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and 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 on page 6, 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.

# Independent auditor's report

to the members of Wurth Holding UK Limited (continued)

## 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.

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the company and determined that the most significant are relating to FRS101, the Companies Act 2006, and United Kingdom direct and indirect tax regulations.
- We understood how the Company is complying with those frameworks by making enquiries of management and those charged with governance and gaining an understanding of the entity level controls of the company in respect of these areas and the controls in place to reduce opportunity for fraudulent transactions and non-compliance. We corroborated our inquiries through our review of board minutes.
- We assessed the susceptibility of the company's financial statements to material misstatement, including how fraud might occur by obtaining and reading internal policies, making enquiries of management and those charged with governance.
- Based on this understanding we designed our audit procedures to identify noncompliance with such laws and regulations. Our procedures included those set out above and verifying that material transactions were recorded in compliance with FRS 101 and, where appropriate, the Companies Act 2006.

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 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.

*Lorna McNeil*

Lorna McNeil (Senior statutory auditor)  
for and on behalf of Ernst & Young LLP, Statutory Auditor  
Birmingham, UK

Date: 8 December 2022

## Profit and loss account

for the year ended 31 December 2021

	<i>Notes</i>	<i>2021</i> £000	<i>2020</i> £000
Administrative expenses		(45)	(33)
<b>Operating loss</b>	3	(45)	(33)
Amounts written off assets		(627)	-
Amounts written off investments		(2,115)	-
Interest receivable and similar income	5	51	71
<b>(Loss) / profit on ordinary activities before taxation</b>		(2,736)	38
Tax	7	-	-
<b>(Loss) / profit for the financial year</b>		<u>(2,736)</u>	<u>38</u>

All amounts relate to continuing activities.

## Statement of other comprehensive income

for the year ended 31 December 2021

There are no recognised gains or losses other than the losses attributable to the shareholders of the company of £2,736,000 in the year ended 31 December 2021 (2020: profit of £38,000).

The notes on pages 13 to 20 form part of these financial statements.

## Statement of changes in equity

for the year ended 31 December 2021

	<i>Share capital</i>	<i>Retained earnings</i>	<i>Total equity</i>
	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>
<b>At 1 January 2020</b>	<b>13,161</b>	<b>(6,224)</b>	<b>6,937</b>
Loss for the financial year	—	38	38
<b>At 1 January 2021</b>	<b>13,161</b>	<b>(6,186)</b>	<b>6,975</b>
Profit for the financial year	—	(2,736)	(2,736)
Increase in share capital	8,458	—	8,458
<b>At 31 December 2021</b>	<b>21,619</b>	<b>(8,922)</b>	<b>12,697</b>

The notes on pages 13 to 20 form part of these financial statements.

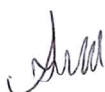
## Balance sheet

As at 31 December 2021

	Notes	2021 £'000	2020 £'000
<b>Fixed assets</b>			
Investments	8	8,490	2,147
		<u>8,490</u>	<u>2,147</u>
<b>Current assets</b>			
Debtors:			
Amounts falling due within one year	9	4,229	4,425
Amounts falling due over one year	10	–	422
		<u>4,229</u>	<u>4,847</u>
<b>Creditors: amounts falling due within one year</b>			
Other creditors	11	(22)	(19)
		<u>(22)</u>	<u>(19)</u>
<b>Net current assets</b>		4,207	4,828
<b>Net Assets</b>		<u>12,697</u>	<u>6,975</u>
<b>Capital and reserves</b>			
Share capital	12	21,619	13,161
Retained earnings		(8,922)	(6,186)
<b>Total equity</b>		<u>12,697</u>	<u>6,975</u>

The notes on pages 13 to 20 form part of these financial statements.

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



Andrew Dagnall

Director

Date: 8 December 2022

Company Number: 2494010

## Notes to the financial statements

at 31 December 2021

### 1. Authorisation of financial statements and statement of compliance with FRS101

The financial statements of Wurth Holding UK Ltd (the “company”) for the year ended 31 December 2021 were authorised for issue by the board of directors on 8 December 2022 and was signed on the board’s behalf by A Dagnall. Wurth Holding UK Limited is a Company limited by shares incorporated and domiciled in England and Wales.

These financial statements were prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101) applicable accounting standards and the Companies Act 2006.

The company’s functional currency is Sterling, its financial statements are presented in Sterling and all values are rounded to the nearest thousand pounds (£000) except when otherwise indicated.

The company has taken advantage of the exemption under s400 of the Companies Act 2006 not to prepare group accounts as it is a wholly owned subsidiary of Adolf Würth GmbH & Co. KG. The financial statements can be obtained from Adolf Würth GmbH & Co. KG, Reinhold Würth Strasse, 74650 Künzelsau, Germany.

### 2. Accounting policies

#### Basis of preparation

The accounting policies which follow set out those policies which apply in preparing the financial statements for the year ended 31 December 2021.

The company has taken advantage of the following disclosure exemptions under FRS 101:

- (a) The requirements of IFRS 7 Financial Instruments: Disclosures,
- (b) 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; and
- (c) The requirements of paragraphs 10(d), 10(f), 39(c) and 134-136 of IAS 1 Presentation of Financial Statements;
- (d) The requirements of IAS 7 Statement of Cash Flows;
- (e) The requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors;
- (f) The requirements of paragraph 17 of IAS 24 Related Party Disclosures; and
- (g) 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.

Furthermore, no letter of support has been provided by the Company itself to those subsidiaries.

## Notes to the financial statements (continued)

at 31 December 2021

### 2. Accounting policies (continued)

Basis of preparation (continued)

#### Going concern

The directors note that, as of 31 December 2021 the Company has net assets of £12,697,000, with no financing or loan payable, and made a small profit in the year then ended.

Whilst the Company does not have its own bank account, it participates in a Group wide cash pooling arrangement which has a balance of £232,333 available to the Company as at 31 December 2021 and £307,399 as at 30 November 2022. However, as the Company does not have control over the funds in the pooled account, nor is there any formal commitment to such amounts remaining receivable, the Company has not factored this into its assessment of going concern. As a holding Company, the Company in 2022 and 2023 is consistently expected to incur minimal costs over the oncoming period to the end of December 2023, which it expects to be covered by the interest income it receives. The Company also controls the trading subsidiaries of Wirth Group in the UK, which individually are considered to be going concerns and therefore by virtue of the control it exercises over its subsidiaries, the Company could also require them to pay for its expenditures for the foreseeable future. The Directors consider that the UK subsidiaries have sufficient cash resources, including availability of credit facilities via letter of support from Wurth Finance International B.V to enable them to provide funds to the Company if required. The Directors have also made enquires of the Wurth group management to ensure that the Wurth Finance International BV have the ability to provide any funds if required to the UK subsidiaries.

The directors therefore have a reasonable expectation that the company will be able to continue in operational existence for the foreseeable future, until 31 December 2023. Thus, they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Changes in accounting policy

#### *New standards, interpretations and amendments effective*

No new standards have been applied for the first time from 1 January 2021.

#### *Judgements and key sources of estimation uncertainty*

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates.

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements:

#### *Investments:*

The company carries its financial investment in its subsidiaries at cost less any applicable provision for impairment. Where an indication of impairment is identified the estimation of recoverable value of investments require estimation of future cash flows from the relevant subsidiary and also selection of an appropriate discount rate to apply to those cash flows. Further details are provided in Note 8.

## Notes to the financial statements (continued)

at 31 December 2021

### 2. Accounting policies (continued)

#### Significant accounting policies

##### *Foreign currency translation*

The company's financial statements are presented in sterling, which is also the company's functional currency.

Transactions in foreign currencies are initially recorded in the entity's functional currency by applying the spot exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency rate of exchange ruling at the balance sheet date. All differences are taken to the income statement.

##### *Investments*

Investments in subsidiary undertakings are stated at cost. To the extent that the carrying value exceeds the recoverable amount, any impairment loss is recognised in the profit and loss account. The carrying value of the investments is reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

##### *Impairment of Investments*

The company assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the company makes an estimate of the asset's recoverable amount in order to determine the extent of the impairment loss.

##### *Financial assets and liabilities*

###### *Classification*

The Company's financial assets include inter-company receivables. The Company's financial liabilities include inter-company and other payables.

###### *Recognition and measurement*

Financial assets are initially recognised at fair value plus transaction costs and are subsequently measured at amortised cost using the effective interest method.

Borrowings and other financial liabilities are recognised initially at fair value less transaction costs and subsequently measured at amortised cost using the effective interest method.

The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts over the estimated term of the financial instrument or, where applicable, over a shorter period, to the net carrying amount of the financial asset or liability.

###### *Impairment of financial assets*

The company assesses, at the end of each reporting period, whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.



## Notes to the financial statements (continued)

at 31 December 2021

### 2. Accounting policies (continued)

#### *Income taxes*

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates and laws that are enacted or substantively enacted by the balance sheet date.

Deferred income tax is recognised on all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements, with the following exceptions:

- when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss

Deferred income tax assets are recognised only to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, carried forward tax credits or tax losses can be utilised.

Deferred income tax assets and liabilities are measured on an undiscounted basis at the tax rates that are expected to apply when the related asset is realised or liability is settled, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

The carrying amount of deferred income tax assets is reviewed at each balance sheet date. Deferred income tax assets and liabilities are offset, only if a legally enforceable right exists to set off current tax assets against current tax liabilities, the deferred income taxes relate to the same taxation authority and that authority permits the company to make a single net payment.

Income tax is charged or credited to other comprehensive income if it relates to items that are charged or credited to other comprehensive income. Similarly, income tax is charged or credited directly to equity if it relates to items that are credited or charged directly to equity. Otherwise income tax is recognised in the income statement.

#### *Interest income*

Interest income is recognised as interest accrues using the effective interest method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument to its net carrying amount.

#### *Dividends*

Dividend income is recognised when the company right to receive dividend payment is established.

## Notes to the financial statements (continued)

at 31 December 2021

### 3. Operating loss

This is stated after charging:

		<i>2021</i>	<i>2020</i>
		<i>£000</i>	<i>£000</i>
Auditor's remuneration	– audit	15	12
	– taxation	<u>3</u>	<u>2</u>

### 4. Staff costs

The Company has no employees (2020: Nil)

	<i>2021</i>	<i>2020</i>
	<i>No.</i>	<i>No.</i>
Directors	<u>2</u>	<u>2</u>

The directors are also directors of other group companies and received no direct remuneration for their services to the company during the year and the prior year and were remunerated by other companies within the Group. Their role is considered incidental to the services performed elsewhere in the Würth Group.

A management charge of £14,651 (2020: £10,864) in respect of administration costs has been made by Adolf Würth GmbH & Co. KG, the Company's ultimate parent undertaking, which includes the directors' remuneration which it is not possible to identify separately. A further management charge of £6,000 (2020: £6,000) in respect of administration and management costs has been made by Würth UK Limited.

### 5. Interest receivable and similar income

	<i>2021</i>	<i>2020</i>
	<i>£000</i>	<i>£000</i>
Interest receivable from group undertakings	<u>51</u>	<u>71</u>

## Notes to the financial statements (continued)

at 31 December 2021

### 6. Interest payable and similar charges

	2021	2020
	£000	£000
Interest payable to group undertakings	-	-

### 7. Tax

(a) Tax on profit / (loss) on ordinary activities

The tax loss is made up as follows:

	2021	2020
	£000	£000
<b>Current tax:</b>		
Group relief payable	-	-
Adjustments in respect of previous years	-	-
<b>Deferred tax</b>	-	-
Total tax (note 7(b))	-	-

(b) Factors affecting total tax charge for the year

The tax assessed for the year differs from the standard rate of corporation tax in the UK of 19.00% (2020: 19.00%). The differences are explained below:

	2021	2020
	£000	£000
Profit/ (loss) on ordinary activities before tax	(2,736)	38
Profit / (loss) on ordinary activities multiplied by standard rate of corporation tax in the UK of 19.00% (2020: 19.00%)	(520)	7
<i>Effects of:</i>		
Expenses not deductible	522	-
Amounts not recognised	(2)	(7)
Tax charge for the period	-	-

#### **Deferred Tax**

The Company has unrecognised carried forward tax losses from prior periods of £110,797 (2020: £44,854). The company does not generate profits and therefore the losses cannot be utilised. There is no provided or unprovided deferred tax (2020: Nil)

#### **Change in Corporation Tax rate**

The Finance Act 2021 enacted on 10 June 2021 increased the main rate of UK corporation tax from 19% to 25%, effective from 1 April 2023. Deferred taxes on the balance sheet have been measured at 25% which represents the future corporation tax rate that was enacted at the balance sheet date.

## Notes to the financial statements (continued)

at 31 December 2021

### 8. Investments

	<i>Subsidiary undertakings £000</i>
<b>Cost:</b>	
At 1 January 2021	22,972
Addition	8,458
At 31 December 2021	<u>31,430</u>
<b>Provisions for impairment:</b>	
At 1 January 2021	20,825
Provided in the year	2,115
At 31 December 2021	<u>22,940</u>
<b>Net book value:</b>	
At 31 December 2021	<u>8,490</u>
At 1 January 2021	<u>2,147</u>

Following a review of investment carrying values, the Company recorded an impairment of £2,115,000 against one of its investments, during the year ended 31 December 2021 (2020: Nil), reducing the carrying value of the investment to net assets due to uncertainty over future profitability.

The company has investments in the following subsidiary undertakings and other investments-

<i>Subsidiary undertakings</i>	<i> Holding</i>	<i> %</i>	<i> Principal activity</i>	<i> Registered office</i>
Winzer Würth Industrial Limited*	Ordinary shares	100	Dormant	1 Centurion Way, Erith, DA18 4AE
Reca-UK Limited*	Ordinary shares	100	Fixings – Construction	Doranda Way, West Bromwich, B71 4LU
Würth UK Limited*	Ordinary shares	100	Fixings – Automotive	1 Centurion Way, Erith, DA18 4AE
Tooling International Limited*	Ordinary Shares	100	Consumables and tooling for engineering industry	Focus Park, Solihull, B90 4QU Brownsburn Ind Est Peterhead, Airdrie, ML6 9SE
Anchorfast Ltd	Ordinary Shares	100	Dormant	9SE

\* Held directly by Wurth Holding UK Limited

## Notes to the financial statements (continued)

at 31 December 2021

### 9. Debtors: amounts falling due within one year

	2021	2020
	£000	£000
Amounts owed by group undertakings	3,996	3,987
Other debtors	233	438
Amounts owed by group undertakings	<u>4,229</u>	<u>4,425</u>

Amounts due from group undertakings are unsecured, repayable on demand and carry interest rates of 1.46%. Other debtors are unsecured, carrying an interest rate of 6%, and reflect the current portion of amount receivable.

### 10. Debtors: amounts falling due over one year

	2021	2020
	£000	£000
Other debtors	<u>-</u>	<u>422</u>

Other debtors are unsecured, carrying an interest rate of 6%, and reflect the non-current portion of amount receivable.

### 11. Creditors: amounts falling due within one year

	2021	2020
	£000	£000
Other creditors	<u>22</u>	<u>19</u>
	<u>22</u>	<u>19</u>

### 12. Issued share capital

	No.	2021		2020	
		No.	£000	No.	£000
<i>Allotted, called up and fully paid</i>					
Ordinary shares of £0.10 each	216,189,977	21,619	131,608,127	13,161	13,161

On 29 December 2021, the company received and allocated £8,458,185 of additional share capital to Würth International AG against an issue of 80,458,185 Shares of £0.10 each, following the approval of the central managing board of the ultimate parent company.

### 13. Related party transactions

The company has taken advantage of the exemption under paragraph 8(k) of FRS101 not to disclose transactions with fellow wholly owned subsidiaries. There are no other related party transactions.

### 14. Ultimate Group undertaking

The immediate parent undertaking is Würth International AG, a company incorporated in Switzerland.

The ultimate parent undertaking and controlling party is Adolf Würth GmbH & Co. KG, a company incorporated in Germany. The smallest and largest group in which the results of the company are consolidated is that headed by Adolf Würth GmbH & Co. KG. The financial statements can be obtained from Adolf Würth GmbH & Co. KG, Reinhold Würth Strasse, 74650 Künzelsau, Germany.