

Company registration number 10114708 (England and Wales)

ULTIMA HOLDING LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

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ULTIMA HOLDING LIMITED

COMPANY INFORMATION

Directors	Adrian Yeandle Malte Witt (Appointed 20 March 2024)
Company number	10114708
Registered office	Mars Street Oldham Lancashire OL9 6LY
Auditor	Forvis Mazars LLP Chartered Accountants and Statutory Auditor 1 St Peter's Square Manchester M2 3DE

ULTIMA HOLDING LIMITED

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ULTIMA HOLDING LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2023

The directors present the strategic report for the year ended 31 December 2023.

Principal activities

The principal activity of the company is that of a holding company in a group who manufacture and sell insulation, speciality foams and rubber solutions for a wide range of industries.

Review of the business

During the year, the company made a loss before tax of €2,040,440 (2022: €1,454,880) and had net liabilities of €503,000 (2022: net assets - €1,537,000).

Principal risks and uncertainties

The company has direct investments in Ultima Acquisition GB Limited. The company also has indirect investments in Armacell Insulation UK Holding Limited, Insulation Spain Holdings SLU, Armacell UK Limited, Armacell Insulation United States Holding Inc, Insulation United States Holdings LLC, Armacell United States Holdings LLC, Armacell LLC, Armacell Iberia SLU, Armacell Brazil Ltda and a 49% holding (100% voting rights) in Armacell Thailand Limited.

The principal risk facing the company is the recoverability of its investments in subsidiaries. The company takes reasonable steps to manage and control these risks by regularly monitoring the performance of the subsidiaries and considering the impact it may have on the carry amounts of the investments and if any action is required.

The company holds loans payable to fellow group undertakings denominated in Euros. The interest payable on loans are denominated in Euros and are charged at fixed asset interest rates as shown in note 12.

Key performance indicators

Disclosures related to KPIs are not considered to be relevant to the readers of the financial statements due to the straight forward nature of the company's activities and have therefore been excluded.

ULTIMA HOLDING LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

Section 172(1) statement

In accordance with Section 172 of the Companies Act 2006, the directors of the company have acted in a way they consider to be in good faith and would be most likely to promote the success of the company for the benefit of its members as a whole. In doing so have regard to factors noted below:

- (a) The likely consequences of any decision in the long term,
- (b) The interests of the company's employees,
- (c) The need to foster the company's business relationships with suppliers, customers and others,
- (d) The impact of the company's operations on the community and the environment,
- (e) The desirability of the company maintaining a reputation for high standards of business conduct, and
- (f) The need to act fairly as between members of the company.

Given the company's only activity relates to being a non-trading holding company and it does not have any employees, no decisions were made by the directors during the reporting period which required them to have regard to (b) and (d) set out in section 172 of the Companies Act 2006.

Long-term decisions

The directors are committed to the long-term success of the company. All strategic decisions consider the interests of the company's key stakeholders including shareholders and the general public.

Engagement with other stakeholders

The company works closely with all its stakeholders and engages with them when it matters, always with a clear and distinct point of view.

High standards of business conduct and the need to act fairly between members

The directors and managements operate the business in a responsible manner by maintaining high standards of business conduct and considering all members equally and fairly.

On behalf of the board



Adrian Yeandle
Director

Date: 17/12/2024

ULTIMA HOLDING LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2023

The directors present their annual report and financial statements for the year ended 31 December 2023.

Results and dividends

The loss for the year, after taxation, amounted to €2,040,000 (2022: loss of €1,455,000).

No ordinary dividends were paid (2022: €nil). The directors do not recommend payment of a final dividend.

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

Patrick Mathieu

(Resigned 20 March 2024)

Adrian Yeandle

Malte Witt

(Appointed 20 March 2024)

Qualifying third party indemnity provisions

A qualifying third party indemnity provision as defined by Section 232(2) of the Companies Act 2006 is in force for the benefit of the directors in respect of liabilities incurred as a result of their office, to the extent permitted by law. In respect of those liabilities for which directors may not be indemnified, a directors' and officers' liability insurance policy was maintained by Armacell International Holding GmbH, a fellow group undertaking, throughout the financial year.

Post reporting date events

There have been no post balance sheet events that would require adjustment or disclosure in the financial statements for the year ended 31 December 2023.

Future developments

The company will continue to act as a holding company.

Auditor

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed, Forvis Mazars LLP will therefore continue in office.

Energy and carbon report

As a holding company whose carbon emissions are below the reporting threshold of 40,000 kWh per year, the company has not produced non-financial information in relation to SECR requirements.

ULTIMA HOLDING LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

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 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 judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company or cease operations, or have no realistic alternative but to do so.

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 responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

ULTIMA HOLDING LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

Going concern

The company is part of the Armacell International S.A. group of companies (the Group). As a holding company, the company meets its day to day cash requirements from intercompany balances with other Group companies. Therefore the company is dependent on the group as a whole. The finance statements have been prepared on a going concern basis which the directors consider to be appropriate for the following reasons.

The directors have prepared cash flow forecasts for a period of 12 months from the date of approval of these financial statements which indicate that, taking account of reasonably possible downsides, the company will have access to sufficient funds, through funding from its intermediate parent company, Armacell International S.A. to meet its liabilities as they fall due for that period.

Those forecasts are dependent on the company's intermediate parent company, Armacell International S.A., not seeking repayment of the amounts currently due to the Group from the UK Armacell subsidiaries, which includes the company and a number of holding or management companies, and providing further funding if required. The net amount outstanding at 31 December 2023 from the UK Armacell subsidiaries is €45.6 million, but as set out in note 12, the amount owed to group undertakings by the company at the same date is €38.9 million. Armacell International S.A. has indicated its intention to continue to make available such funds as are needed by the company, and that it does not intend to seek repayment of the amounts for the period covered by the forecasts.

As with any company placing reliance on other group entities for financial support, the directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

Consequently, the directors are confident that the company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

On behalf of the board


.....
Adrian Yeandle
Director
Date: 17/12/24
.....

ULTIMA HOLDING LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF ULTIMA HOLDING LIMITED

Opinion

We have audited the financial statements of Ultima Holding Limited (the 'company') for the year ended 31 December 2023 which comprise of the Profit and loss account, Balance Sheet, the Statement of Changes in Equity and notes to the financial statements, including a summary of material accounting policy information.

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 state of the company's affairs as at 31 December 2023 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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 of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

ULTIMA HOLDING LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF ULTIMA HOLDING 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 directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

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

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

Responsibilities of directors

As explained more fully in the directors' responsibilities statement 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 the financial statements.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud.

Based on our understanding of the company and its industry, we considered that non-compliance with the following laws and regulations might have a material effect on the financial statements: employment regulation, health and safety regulation, anti-money laundering regulation.

ULTIMA HOLDING LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF ULTIMA HOLDING LIMITED (CONTINUED)

To help us identify instances of non-compliance with these laws and regulations, and in identifying and assessing the risks of material misstatement in respect to non-compliance, our procedures included, but were not limited to:

- Inquiring of management and, where appropriate, those charged with governance, as to whether the company is in compliance with laws and regulations, and discussing their policies and procedures regarding compliance with laws and regulations;
- Inspecting correspondence, if any, with relevant licensing or regulatory authorities;
- Communicating identified laws and regulations to the engagement team and remaining alert to any indications of non-compliance throughout our audit; and
- Considering the risk of acts by the company which were contrary to applicable laws and regulations, including fraud.

We also considered those laws and regulations that have a direct effect on the preparation of the financial statements, such as tax legislation, pension legislation, the Companies Act 2006.

In addition, we evaluated the directors' and management's incentives and opportunities for fraudulent manipulation of the financial statements, including the risk of management override of controls, and determined that the principal risks related posting manual journal entries to manipulate financial performance, management bias through judgements and assumptions in significant accounting estimates, and significant one-off or unusual transactions.

Our audit procedures in relation to fraud included but were not limited to:

- Making enquiries of the directors and management on whether they had knowledge of any actual, suspected or alleged fraud;
- Gaining an understanding of the internal controls established to mitigate risks related to fraud;
- Discussing amongst the engagement team the risks of fraud; and
- Addressing the risks of fraud through management override of controls by performing journal entry testing.

There are inherent limitations in the audit procedures described above and the primary responsibility for the prevention and detection of irregularities including fraud rests with management. As with any audit, there remained a risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at 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.


John Daly (Dec 17, 2024 17:26 GMT)

John Daly (Senior Statutory Auditor)
For and on behalf of Forvis Mazars LLP
Chartered Accountants and Statutory Auditor
1 St Peter's Square
Manchester
M2 3DE
Date: Dec 17, 2024

ULTIMA HOLDING LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2023

	Notes	2023 €000	2022 €000
Turnover		-	-
Administrative expenses		(14)	(21)
Operating loss		(14)	(21)
Interest payable and similar expenses	6	(2,026)	(1,434)
Loss before taxation		(2,040)	(1,455)
Tax on loss	7	-	-
Loss and total comprehensive income for the financial year		(2,040)	(1,455)

There were no recognised gains and losses for 2023 or 2022 other than those included in the profit and loss account and therefore no statement of other comprehensive income has been presented.

The notes on pages 12 to 22 form part of these financial statements.

ULTIMA HOLDING LIMITED

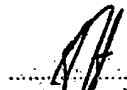
BALANCE SHEET

AS AT 31 DECEMBER 2023

	Notes	2023 €000	2022 €000
Fixed assets			
Investments	8	38,267	38,267
Current assets			
Debtors	10	113	282
Creditors: amounts falling due within one year	11	(38,883)	(37,012)
Net current liabilities		(38,770)	(36,730)
Net (liabilities)/assets		(503)	1,537
Capital and reserves			
Called up share capital	13	-	-
Share premium account	14	13,870	13,870
Profit and loss reserves	15	(14,373)	(12,333)
Total equity		(503)	1,537

The notes on pages 12 to 22 form part of these financial statements.

The financial statements were approved by the board of directors and authorised for issue on 17/12/24 and are signed on its behalf by:


Adrian Yeandle
Director

Company registration number 10114708 (England and Wales)

ULTIMA HOLDING LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2023

	Share capital €000	Share premium account €000	Profit and loss reserves €000	Total €000
Balance at 1 January 2022	-	13,870	(10,878)	2,992
Year ended 31 December 2022:				
Loss and total comprehensive income	-	-	(1,455)	(1,455)
Balance at 31 December 2022	-	13,870	(12,333)	1,537
Year ended 31 December 2023:				
Loss and total comprehensive income	-	-	(2,040)	(2,040)
Balance at 31 December 2023	-	13,870	(14,373)	(503)

The notes on pages 12 to 22 form part of these financial statements.

ULTIMA HOLDING LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

1 Accounting policies

Company Information

Ultima Holding Limited is a private company limited by shares incorporated in England and Wales. The registered office is Mars Street, Oldham, Lancashire, OL9 6LY. The company's principal activities and nature of its operations are disclosed in the strategic report.

1.1 Accounting convention

The financial statements have been prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101) and in accordance with applicable accounting standards.

The company's functional and presentational currency is Euros. All financial information is presented in Euros and has been rounded to the nearest thousand.

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

The following exemptions from the requirements of IFRS have been applied in the preparation of these financial statements, in accordance with FRS 101:

- IFRS 7, 'Financial Instruments: Disclosures';
- Paragraph 38 of IAS 1, 'Presentation of financial statements' comparative information requirements in respect of:
 - (i) paragraph 79(a)(iv) of IAS 1;
- The following paragraphs of IAS 1, 'Presentation of financial statements':
 - 10(d), (statement of cash flows);
 - 16 (statement of compliance with all IFRS);
 - 38A (requirement for including a cash flow statement);
 - 38B-D (additional comparative information);
 - 40A-D (requirements for a third statement of financial position);
 - 111 (cash flow statement information); and
 - 134-136 (capital management disclosures).
- IAS 7, 'Statement of cash flows';
- Paragraph 30 and 31 of IAS 8 'Accounting policies, changes in accounting estimates and errors' (requirement for the disclosure of information when an entity has not applied a new IFRS that has been issued but is not yet effective);
- Paragraph 17 of IAS 24, Related party disclosures (key management compensation);
- The requirements in IAS 24, 'Related party disclosures' to 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 company has taken advantage of the exemptions listed above as it is a wholly owned subsidiary of Neptune Holdco S.A.R.L., which prepares consolidated financial statements which are publicly available.

The company proposes to continue to adopt the reduced disclosure framework of FRS 101 in its next financial statements.

The financial statements contain information about Ultima Holding Limited as an individual company. The company is exempt under Section 401 of the Companies Act 2006 from the requirement to prepare consolidated financial statements as it and its subsidiary undertakings are included in the publicly available consolidated statements of an intermediate parent undertaking, Neptune Holdco S.A.R.L., a company incorporated in Luxembourg.

ULTIMA HOLDING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

1 Accounting policies

(Continued)

1.2 Going concern

The company is part of the Armacell International S.A. group of companies (the Group). As a holding company, the company meets its day to day cash requirements from intercompany balances with other Group companies. Therefore the company is dependent on the group as a whole. The finance statements have been prepared on a going concern basis which the directors consider to be appropriate for the following reasons.

The directors have prepared cash flow forecasts for a period of 12 months from the date of approval of these financial statements which indicate that, taking account of reasonably possible downsides, the company will have access to sufficient funds, through funding from its intermediate parent company, Armacell International S.A. to meet its liabilities as they fall due for that period.

Those forecasts are dependent on the company's intermediate parent company, Armacell International S.A., not seeking repayment of the amounts currently due to the Group from the UK Armacell subsidiaries, which includes the company and a number of holding or management companies, and providing further funding if required. The net amount outstanding at 31 December 2023 from the UK Armacell subsidiaries is €45.6 million, but as set out in note 12, the amount owed to group undertakings by the company at the same date is €38.9 million. Armacell International S.A. has indicated its intention to continue to make available such funds as are needed by the company, and that it does not intend to seek repayment of the amounts for the period covered by the forecasts.

As with any company placing reliance on other group entities for financial support, the directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

Consequently, the directors are confident that the company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

1.3 Investments

Investments in subsidiary undertakings are recognised and carried at cost less amounts written off.

The company reviews its investments for impairment whenever events or changes in circumstances indicate that the carrying amounts may not be supported by their underlying assets. Any impairment in value is charged through profit or loss.

1.4 Financial assets

Classification

The company classifies its financial instruments in the following measurement categories:

- Those to be measured subsequently at fair value (either through other comprehensive income, or through profit and loss), and
- Those to be measured at amortised cost.

The classification depends on the entity's business model for managing the financial instrument and the contractual terms of the cash flows.

Financial assets at fair value through profit or loss

When any of the above-mentioned conditions for classification of financial assets is not met, a financial asset is classified as measured at fair value through profit or loss. Financial assets measured at fair value through profit or loss are recognized initially at fair value and any transaction costs are recognised in profit or loss when incurred. A gain or loss on a financial asset measured at fair value through profit or loss is recognised in profit or loss, and is included within finance income or finance costs in the statement of income for the reporting period in which it arises.

ULTIMA HOLDING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

1 Accounting policies

(Continued)

Financial assets held at amortised cost

In order for a financial asset to be classified and measured at the amortised cost its contractual cash flows should be 'solely payments of principal and interest (SPPI)' on the principal amount outstanding and the financial assets should be held under a business model where cash flows result from collecting contractual cash flows. Financial assets which are debt instruments are measured at fair value through other comprehensive income where the contractual cash flows are SPPI and the assets are managed under a business model where cash flows result from both collecting contractual cash flows and selling the financial assets.

For instruments measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income.

The company reclassifies debt instruments when and only when its business model for managing those assets changes.

Recognition, measurement and derecognition

Financial assets are recognised on the statement of financial position when, and only when, the company becomes a party to the contractual provisions of the financial instrument.

When financial assets are recognised initially, they are measured at fair value, plus, in the case of financial assets not at fair value through profit and loss ('FVTPL'), directly attributable transaction costs.

Financial assets at fair value through other comprehensive income

Debt instruments

Subsequent measurement of debt instruments depends on the entity's business model for managing the asset and the cash flow characteristics of the asset. All the company's debt instruments are measured at amortised cost as the assets are held for collection of contractual cash flows and those cash flows represent solely payments of principal and interest.

The company's debt instruments consist of the following:

- Amounts owed by parent and fellow subsidiary undertakings.

The company has made an irrevocable election to recognize changes in fair value of investments in equity instruments through other comprehensive income, not through profit or loss. A gain or loss from fair value changes will be shown in other comprehensive income and will not be reclassified subsequently to profit or loss. Equity instruments measured at fair value through other comprehensive income are recognized initially at fair value plus transaction cost directly attributable to the asset. After initial recognition, each asset is measured at fair value, with changes in fair value included in other comprehensive income. Accumulated gains or losses recognized through other comprehensive income are directly transferred to retained earnings when the equity instrument is derecognized or its fair value substantially decreased. Dividends are recognized as finance income in profit or loss.

ULTIMA HOLDING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

1 Accounting policies

(Continued)

Impairment of financial assets

To measure the expected credit losses contract assets have been grouped based on shared credit risk characteristics and they days past due. The company uses judgement in making assumptions around the risk of default and expected loss rates, based on company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period. The expected loss rates are based on the payment profiles of sales over a period of 24 months before 31 December 2023 and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward looking information on factors affecting the ability of customers to settle the receivables.

For amounts owed by parent and fellow subsidiary undertakings, the company applies the general approach to providing for expected credit losses, as prescribed by IFRS 9. The general expected credit loss model under IFRS 9 requires the calculation of '12 month expected credit losses' (losses based on defaults which are possible within 12 months of the reporting date) for financial assets, unless the asset at the reporting date is not considered to be 'low credit risk' and is deemed to have had a 'significant increase in credit risk' since the initial recognition, in which case lifetime expected credit losses should be recorded.

Management consider amounts owed by parent and fellow subsidiary undertakings to have 'low credit risk' when they have a low risk of default and the issuer has a strong capacity to meet its contractual cash flow obligations in the short term.

Derecognition of financial assets

A financial asset is derecognised where the contractual right to receive cash flows from the asset has expired or have been transferred and the company has transferred substantially all risks and rewards of ownership. On derecognition of a financial asset in its entirety, except for those subsequently measured at fair value through other comprehensive income ('FVTOCI'), the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that has been recognised directly in equity is recognised in profit or loss.

For derecognition of financial assets measured at FVTOCI, any cumulative gains or loss is recognised in other comprehensive income. All regular way purchases and sales of financial assets are recognised or derecognised on the trade date i.e. the date that the company commits to purchase or sell the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation of convention in the marketplace concerned.

1.5 Financial liabilities

Financial liabilities at amortised cost include borrowings and trade and other creditors. These financial instruments are initially measured at fair value, net of any transaction costs in the case of borrowings, and subsequently measured at amortised cost using the effective interest rate. Borrowings are classified as current liabilities (creditors due within one year), unless the company has an unconditional right to defer settlement of the liability for at least one year after the statement of financial position date.

Financial liabilities are derecognised when the company's obligations specified in the contract expire, are discharged or cancelled. Interest expense is recognised using the effective interest rate method.

Derecognition of financial liabilities

Financial liabilities are derecognised when, and only when, the company's obligations are discharged, cancelled, or they expire.

Offsetting

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

ULTIMA HOLDING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

1 Accounting policies

(Continued)

1.6 Share capital

Ordinary shares are classified as equity, incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction, net of tax, from the proceeds.

1.7 Taxation

Taxation expense for the period comprises current and deferred tax recognised in the reporting period. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case tax is also recognised in other comprehensive income or directly in equity respectively.

Current or deferred taxation assets and liabilities are not discounted.

Current tax

Current tax is the amount of income payable in respect of the taxable profit for the year or prior years. Tax is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the period end.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred tax

Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for:

- The initial recognition of goodwill;
- The initial recognition of assets or liabilities that affect neither accounting nor taxable profit other than in a business combination; and
- Differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future.

The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised.

1.8 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of inventories or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.9 Foreign exchange

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of transaction. Monetary assets and liabilities denominated in foreign currencies are translated using the contracted rate or the rate of exchange ruling at the balance sheet date and the gains or losses on translation are included in profit or loss.

ULTIMA HOLDING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

1 Accounting policies

(Continued)

1.10 Interest payable and similar charges

Interest payable is charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated instrument.

1.11 New standard, amendments, IFRIC interpretations and disclosure requirements

There are no amendment to accounting standards, or IFRIC interpretations that are effective for the year ended 31 December 2023 that have a material impact on the company's financial statements.

2 Adoption of new and revised standards and changes in accounting policies

There are no amendments to accounting standards, or IFRIC interpretations that are effective for the year ended 31 December 2023 that have a material impact on the company's financial statements.

3 Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

(i) Impairments of investments

Impairment testing is an area involving management judgements, requiring assessment as to whether the carrying value of assets can be supported by the net present value of future cash flows derived from such assets using cash flow projections which have been discounted at an appropriate rate. In calculating the net present value of the future cash flows, certain assumptions are required to be made in respect of highly uncertain matters.

4 Auditor's remuneration

	2023	2022
Fees payable to the company's auditor and associates:	€000	€000

For audit services

Audit of the financial statements of the company	4	4
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5 Directors' remuneration

The directors did not receive or waive any emoluments in respect of their services to the company during the year ended 31 December 2023 or the previous financial year.

The company has no employees other than the directors.

ULTIMA HOLDING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

6 Interest payable and similar expenses

	2023	2022
	€000	€000
Interest on financial liabilities measured at amortised cost:		
Interest payable to group undertakings	1,856	1,254
Finance costs	170	180
	<u>2,026</u>	<u>1,434</u>

7 Taxation

There is no current or deferred tax charge for the financial year ended 31 December 2023 or the previous financial year.

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2022: higher than) the standard rate of corporation tax in the UK of 23.52% (2022: 19%). The differences are explained below:

	2023	2022
	€000	€000
Loss before taxation	(2,040)	(1,455)
Expected tax credit based on a corporation tax rate of 23.52% (2022: 19.00%)	(480)	(276)
Effect of expenses not deductible in determining taxable profit	1	-
Change in unrecognised deferred tax assets	345	276
Group relief	134	-
Taxation charge for the year	<u>-</u>	<u>-</u>

Change in tax rates

In the Spring Budget 2021, the UK Government announced that from 1 April 2023 the corporation tax rate would increase to 25% (rather than remaining at 19%, as previously enacted). This new law was substantively enacted on 24 May 2021. Deferred taxes at the balance sheet date have been measured using these enacted rates and reflected in these financial statements. Companies with profits of £50,000 or less will continue to be taxed at 19%, which is a new small profits rate. Where taxable profits are between £50,000 and £250,000, the higher 25% rate will apply but with a marginal relief applying as profits increase.

ULTIMA HOLDING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

7 Taxation

(Continued)

New tax legislation

Legislation was enacted in the UK on 11 July 2023 which introduced an Income Inclusion Rule (IIR), known locally as the "multinational top-up tax", and domestic minimum top-up tax (DTT), as part of Finance (No 2) Act 2023.

Both the UK IIR and the UK DTT apply for accounting periods beginning on or after 31 December 2023.

On 18 July the UK government published proposals for a number of amendments to the UK's Pillar Two rules for inclusion in Finance Bill 2024. These include measures to implement an Under Taxed Profits Rule (UTPR) in the UK. The draft provisions do not include a commencement date, and will not take effect until they have been included in a Finance Bill, but (as previously indicated) HMRC has confirmed that the commencement date will not be earlier than account periods beginning on or after 31 December 2024.

8 Investments

	Non-current	
	2023	2022
	€000	€000
Investments in subsidiaries	38,267	38,267
	<u>38,267</u>	<u>38,267</u>

Fair value of financial assets carried at amortised cost

In the opinion of the directors the market value of the above investments exceeds the carrying amounts and no impairment charge was deemed necessary.

ULTIMA HOLDING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

9 Subsidiaries

Details of the company's subsidiaries at 31 December 2023 are as follows:

Name of undertaking	Registered office	Principal activities	Class of shares held	% Held	
				Direct	Indirect
Ultima Acquisition GB Limited	Mars Street, Oldham, OL9 6LY	Holding company	Ordinary shares	100.00	-
Armacell Insulation UK Holding Limited	Mars Street, Oldham, OL9 6LY	Holding company	Ordinary shares	-	100.00
Insulation Spain Holdings SLU	Pil. Ind Riera d'Esclanya, C/Can, Magi, 1, 17213, Esclanya - Segur (Girona), Spain	Holding company	Ordinary shares	-	100.00
Armacell UK Limited	Mars Street, Oldham, OL9 6LY	Manufactures, markets and distributes elastomeric and polyethylene insulation and engineered foams	Ordinary shares	-	100.00
Armacell Insulation United States Holding Inc	55 Vilcom Center Dr #200, Chapel Hill, NC 27514, USA	Holding company	Ordinary shares	-	100.00
Armacell Iberia SLU	Pil. Ind Riera d'Esclanya, C/Can, Magi, 1, 17213, Esclanya - Segur (Girona), Spain	Manufactures, markets and distributes elastomeric and polyethylene insulation and engineered foams	Ordinary shares	-	100.00
Insulation United States Holdings LLC	55 Vilcom Center Dr #200, Chapel Hill, NC 27514, USA	Holding company	Ordinary shares	-	100.00
Armacell United States Holdings LLC	55 Vilcom Center Dr #200, Chapel Hill, NC 27514, USA	Holding company	Ordinary shares	-	100.00
Armacell LLC	55 Vilcom Center Dr #200, Chapel Hill, NC 27514, USA	Manufactures, markets and distributes elastomeric and polyethylene insulation and engineered foams	Ordinary shares	-	100.00
Armacell Brazil Ltda	R. Ferreira de Araujo, 202 - CJ 1010 - Pinheiros, Sao Paulo - SP, 05428-000	Manufactures, markets and distributes elastomeric and polyethylene insulation and engineered foams	Ordinary shares	-	100.00
Armacell Thailand Limited	88 Moo 4 Donkrabueng Banpong Ratchaburi 70110	Importing and sales of insulation for chilled and hot water piping	Ordinary shares	-	49.00

The 49% holding in Armacell Thailand Limited equated to 100% of the voting shares. Subsequent to the year end, the share capital of Armacell Thailand increased to 100% of its total shares, with the indirect shareholding becoming 2.94%. The remaining 97.06% of shares are now owned by Armacell Group affiliates.

10 Debtors

	2023	2022
	€000	€000
Prepayments and accrued income	113	282

ULTIMA HOLDING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

11 Creditors

	Notes	2023 €000	2022 €000
Loans due to group undertakings	12	38,855	36,979
Accruals and deferred income		28	33
		<u>38,883</u>	<u>37,012</u>

12 Loans and overdrafts

	2023 €000	2022 €000
Borrowings held at amortised cost:		
Loans due to group undertakings	<u>38,855</u>	<u>36,979</u>

In 2016, the company received loan notes of €24,397,000. Accrued but not paid interest is compounded at 31 December resulting in outstanding balances of €38,854,558 (2022: €36,979,142). The loan notes accrue interest at rates of 4.70-7.32% (2022: 3.38-4.70%) and have no fixed date of repayment.

13 Share capital

	2023 Number	2022 Number	2023 €	2022 €
Ordinary share capital				
Issued and fully paid				
Ordinary shares of £1 each	2	2	2	2
Ordinary share of €1 each	1	1	1	1
	<u>3</u>	<u>3</u>	<u>3</u>	<u>3</u>

14 Share premium account

	2023 €000	2022 €000
At the beginning and end of the year	<u>13,870</u>	<u>13,870</u>

The share premium account represents the difference between the par value of the shares issued and the subscription or issue price.

15 Profit and loss reserves

Retained earnings represents cumulative profits or losses, net of dividends paid and other adjustments.

16 Related party transactions

The company is exempt from disclosing related party transactions with companies that are wholly owned within the PAI partners SARL group.

ULTIMA HOLDING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

17 Controlling party

The company's immediate parent undertaking is Armacell International S.A. and its registered office is 89C Rue Pafebruch, West Side Village, L8308 Capellen, GD of Luxembourg, B176931.

The company's ultimate parent company and ultimate controlling party is PAI partners SARL and its registered office is 53 Boulevard Royal, L-2449 Luxembourg, B234201.

The following are the parents of the largest and smallest groups in which this company's results are consolidated:

Largest group	Neptune Holdco S.à.r.l.
Smallest group	Neptune Holdco S.à.r.l.

The consolidated financial statements of these groups are available to the public and may be obtained from Neptune Holdco S.à.r.l., 53 Boulevard Royal, L-2449 Luxembourg, R.C.S. Luxembourg, B234201.