Company Registration No. 11371436 (England and Wales)

WARRINGTONFIRE TESTING AND CERTIFICATION LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

WARRINGTONFIRE TESTING AND CERTIFICATION LIMITED

COMPANY INFORMATION

Directors	Jason Dodds Matthew Hopkinson Jonathan Lessimore
Company number	11371436
Registered office	3rd Floor Davidson Building 5 Southampton Street London WC2E 7HA United Kingdom
Auditor	Ernst and Young LLP 1 More London Place London SE1 2AF United Kingdom

WARRINGTONFIRE TESTING AND CERTIFICATION LIMITED

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WARRINGTONFIRE TESTING AND CERTIFICATION LIMITED
STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2024

The Directors, in preparing this strategic report, have complied with s414C of the Companies Act 2006.

Review of the business
Warringtonfire Testing and Certification Limited (the "Company") is part of a global network of laboratories with experts specialising in materials testing, product qualification testing and failure analysis. The Company is a wholly owned subsidiary of Warrington Fire & Building Products UK Limited which is part of the Element Group, headed by EM Topco Limited (the "Group" or "Element").

The Company continues to operate within a high demand market and is well supported with £12m of capital investment during the year and an increase in the colleague base. Although reported revenue is flat on prior year, underlying growth was stronger than this but the reported result reflects the disposal of its management systems certification division (operating under the BM Trada brand) during the year so 2024 includes only the revenue under the Company's ownership.

The disposal also impacts the reported profit but, nonetheless, operating margin increased to 19% through strong pricing measures that reflect our technical strength in the market and through indirect cost reduction actions deployed in the year. This aligns well with our strategy to focus our operations on our core end market and ensure that our resources and services align to the built environment customer base. This strategy led to the disposal of BM Trada management systems certification division which operated in an adjacent market and will be better suited to its new ownership.

The significant profit on disposal demonstrates a successful outcome which will allow the Company to continue to deliver strong growth in its Testing and Product Certification service lines. We expect these service lines to deliver strong revenue and margin growth in the future, especially through the new Fire Resistance centre of excellence at Birchwood Park, so the Company will continue to support it with capital and colleague additions as we work to ensure we create the capacity that the market and our customers require.

The principal activity is to provide specialist fire testing and certification of both products and management systems.

Key performance indicators
The Directors monitor the Company's performance in a number of ways including key performance indicators. The current year and prior year key financial performance indicators were as follows:

	2024	2023
	£	£
Revenue	54,608,206	54,451,993
Operating profit	10,603,452	9,497,510
Total shareholder's equity	87,515,257	57,992,784

WARRINGTONFIRE TESTING AND CERTIFICATION LIMITED
STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2024

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

Risk	Mitigating factor
Business continuity Major incident or site closure resulting from factors including pandemics, natural disasters, or flood risks could cause a temporary closure of the Company's facilities and result in a reduction in revenue.	All Element facilities have Business Continuity Plans in place as well as Health & Safety policies. The business continuity plan is focussed on how to conduct business in the event of a major incident. The actual response during the emergency is captured in the Emergency Response plan, focused on communications, technology, infrastructure, customer service and supply chain. Additionally, Element has a diversified footprint, customer and geographic base, which provides a level of resilience against a single-point exposure. Were any Lab to be unavailable, testing could in many cases be switched to another lab.
Innovation and digitisation The risk that new entrants or new ways of working could seriously disrupt the testing and certification sector.	Digitisation and novel ways of delivery to customers could in the longer term provide growth and position the Company well against its competitors. The Group has established new ways of working, to develop digital transformation strategies both externally and internally.
Workplace health and safety The Company's operations involve working with materials and chemicals that by their nature have inherent safety risks. Incidents may occur which could result in harm to employees, the temporary shutdown of facilities or other disruption to processes. The Company may be exposed to financial loss, regulatory action and potential liabilities for workplace injuries and fatalities.	Element's purpose is to "Make Tomorrow Safer Than Today". Managing its operations safely is the Group's number one priority and the Group puts continued emphasis on the promotion of a culture which puts safety first and encourages employees to take personal responsibility for their actions. The Element Safety, Health and Environment (SHE) Standard provides the standards and frameworks that are required to be met across all Element locations. The Safety Standard has established roles, responsibilities and expectations for leadership, driving awareness of requirements and developing further accountability. The Regional Safety, Health and Environment Leaders set annual priorities which are approved by the Operating Board. These form the basis for individual sites' own SHE priorities and plans. Each Business Unit (BU) has a SHE organization in place which holds regular meetings and audits and upgrades the safety aspects of the business. The company conducts a yearly engagement survey with safety focus. A yearly Element Safety week is conducted at the start of each year. The Safety Risk Registry is maintained and updated on a continuous basis.

WARRINGTONFIRE TESTING AND CERTIFICATION LIMITED
STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2024

Principal risks and uncertainties (continued)

Risk	Mitigating factor
Loss of reputation and/or exposure to liabilities due to quality issues The Company is exposed to loss of reputation and/or potential liabilities arising from quality issues in the provision of services.	The Company has quality management systems and training in place ensuring that processes and systems are established, deployed and fit for purpose. These remain under regular review and are subject to external audit by accreditation bodies and customers. Each facility has a Quality Assurance & Quality Control organization in place that monitors, audits and approves the test methods and products and if required, introduces and monitors process improvements to increase the quality of the product as well as maintain and further develop the Quality Control system. The Quality function is part of the Business Unit, Regional and Element-wide quality organisation.
Consolidation of customer base and/or competition Market consolidations and reduced customer base could lead to pressure in pricing and operational delivery.	The Company has Strategic and Key Account Management programs in place designed to build strong customer relationships achieved through operational excellence and on-time-delivery, identify opportunities to grow and find ways to maintain success within the account. Operational excellence principles and programmes are in place across all facilities, designed to improve operational delivery, regularly monitoring performance against expectations.
Global economic and market conditions Unmitigated delays in the receipt of orders or cancellation of existing contracts could affect the Company's financial performance. Abnormal cost inflation may create pressure on the Company's margin. If the Company is unable to continue trading profitably during periods of lower order intake or margin pressure, financial performance will deteriorate, and assets may be impaired.	The strength of our end-markets is an important driver for our growth. We actively monitor lead economic indicators in the market to support investment. The nature of the business and its variable cost base allows Management the flexibility to control costs and limit the impact of any global downturn. The Company continues to focus on cost control and efficiency programs to limit the impact of any abnormal cost inflation. Pricing is tracked by customer and contract on a monthly basis, allowing the Company real-time information on performance relative to external economic conditions, allowing the opportunity to increase prices if required. The Sales team conduct annual pricing workshops to continue to drive best practice across the organisation.
Liquidity and cashflow The Company is exposed to a range of financial risks, both internally and externally driven, such as trade and intercompany non-repayment of debt or fluctuation in foreign exchange rates.	In order to ensure that sufficient funds are available to fund ongoing operations and future developments, Management regularly reviews the cash flow forecasts and financing arrangements of the business to ensure that there is sufficient funding in place. This includes reviews of the cash flow forecasts and operational performance of the entities from which the intercompany debt is due to monitor recoverability issues or the presence of indicators of impairment.

Principal risks and uncertainties (continued)

Risk	Mitigating factor
Cyber security Cyber-security and related risks are key emergent areas of critical importance for all businesses. Cyber threats can emanate from a wide variety of sources and could target various systems for a wide range of purposes, making response particularly difficult. In addition to business interruption and financial loss, the Company may suffer reputational damage.	The Group's IT teams continually monitor cyber security developments as a business-as-usual activity. Working with a number of specialist and industry leading technical partners, multiple layers of business protection have been created through the use of advanced intrusion detection and protection systems, web access firewalls and advanced content filtering to combat denial of service attacks.
Recruitment and retention of key personnel Failure to recruit or retain qualified personnel in key areas of the business may result in the Company failing to achieve its future growth aspirations.	Element's employees are its greatest asset, and it is important that the company continues to invest in recruiting and retaining the best technical experts and ensuring that the management team and other highly skilled personnel are invested in the business. Retention of team members is a key deliverable for management. Voluntary turnover is at a manageable level and represents an improvement on the trends seen at the start of the year. Retention initiatives include development days and workshops for key leaders, improvements to onboarding process and enhanced reward initiatives. A range of programmes are being delivered to drive employee retention including Leadership and General Manager development programmes; succession planning for senior leaders; employee assistance programs; and investments to support improved communications and engagement. Element's annual employee engagement survey, 'Your Voice', provides employees with the opportunity to give feedback on what is working well and what could be done differently. The results of the survey provide feedback that can be acted upon by Lab management to improve the experience of working at Element and provide the Element Group and Company Directors with a snapshot of how employees rate Element's culture and employee engagement.

In accordance with its risk management guidelines the Company raises awareness of business risks at all operational management levels and encourages all management teams to assess and minimise risk. The Company's intermediate holding company, EM Midco2 Limited, ensures that appropriate insurance cover is in place for the Company and its subsidiaries in respect of customarily insured liabilities and claims. The risks are monitored by the Directors on a regular basis.

Corporate Responsibility: Section 172(1) Statement

The Directors are aware of their duty under Section 172(1) (A) to (F) of the Companies Act 2006 ("S172 Matters") to act when making decisions, in the way they consider, in good faith, would most likely promote the Company's success for the benefit of its members as a whole, and in doing so have regards to:

- s.172(1)(a) the likely consequences of any decision in the long term
- s.172(1)(b) the interests of the Company's employees;
- s.172(1)(c) the need to foster the Company's business relationships with customers, suppliers and others;
- s.172(1)(d) the impact of the Company's operations on the community and the environment;
- s.172(1)(e) the desirability of the Company's maintaining a reputation for high standards of business conduct; and
- s.172(1)(f) the need to act fairly as between members of the Company.

This S172 statement focuses on matters of strategic importance to the Company, and the level of information disclosed is consistent with the size and complexity of the business. The Directors consider S172(1) matters where appropriate at Board meetings as part of decision making. In 2024, significant capital expenditures, disposals and reorganisations were thoroughly reviewed by the Board, which then approved or declined these initiatives. In making these decisions, the Directors considered the long-term success of the Company, ensuring that the interests of stakeholders such as employees, suppliers, customers, and the broader community have been taken into account. The Directors have focused on maintaining positive relationships with key stakeholders, ensuring that the Company's operations are conducted in an ethical and sustainable manner, and balancing the financial success of the Company with its responsibilities to the environment and society.

S172(1)(A) - The likely consequences of any decision in the long term

The Company considers its long-term opportunities to create and preserve value on an ongoing basis

The Company's key objectives include driving strong organic growth across the business; attracting, retaining and developing technical talent; and investing and growing the business through targeted capital expenditure investment. The Board promotes these activities in line with the overall Group's aim of making Element the best and most trusted testing partner in the world.

S172(1) (B) – The interests of the Company's employees

Our people are central to the success of our business. We invest in professional development (our online Element Academy with extensive learning and development modules), health and well-being benefits, safety measures, and an inclusive workplace culture. Through our regular employee engagement surveys, training programs, town-halls and other open communication channels, we maintain interactive channels to ensure that our colleagues feel well informed and supported. New employees receive an induction and any relevant job training, giving them an opportunity to learn about the Company and understand their job and what is expected from them. All employees have regular opportunities to discuss their role and responsibilities throughout the year and managers are trained on how to hold such conversations. The following are some examples of how management listened and engaged with employees during the year:

- Senior management location visits
- Your 'Voice' engagement surveys
- Global town hall meetings
- Quarterly business unit town halls
- Monthly all-hands meetings for laboratory GMs
- Annual Performance reviews and personal development plans
- Colleague resource groups that champion Racial equality, Disability empowerment, LGBTQ+ and our Women's network
- Regular group communications and newsletters
- Regular informal team building initiatives such as One Element Week
- The Company's intranet site

Corporate Responsibility: Section 172(1) Statement (continued)

S172(1) (C) – The need to foster the Company's business relationships with suppliers

Customers
Our customers are at the heart of everything we do. We operate a range of interactive and customer care initiatives to ensure we remain close to their needs and feedback and respond quickly to any issues, including:

- Key Account Management programmes;
- Net Promoter Score (NPS) programme; and
- Voice of the Customer programme including proactive initiatives such as email and phone surveys and passive options such as email footers and a website link for customer feedback.

Vendors
We recognise the importance of ethical and sustainable supply chain practices. Our procurement processes include due diligence conducted on vendors during the onboarding process. New suppliers are also considered from a Modern Slavery perspective prior to being engaged.

We maintain open and transparent relationships with suppliers to ensure the consistent quality of our services. We are committed to building long-term, collaborative supply chain partnerships and aim to work responsibly with all our suppliers. We continuously strive to establish and strengthen these partnerships by utilising improved business processes. We expect our suppliers to follow our Supplier Code of Conduct and encourage them to develop their own codes, policies and procedures to adhere to the principles of our Supplier Code of Conduct.

We listen and engage primarily by utilising tender processes for major spend areas/categories and supplier pre-qualification checks to ensure responsible procurement, and through active supply chain review.

S172(1) (D) – The impact of the Company's operations on the community and the environment

The Company's approach to corporate responsibility is founded on Element's values: Integrity, Care and Progress. We are committed to conducting business responsibly and ethically to protect the health and safety of our team members, visitors and communities that we operate in. Our teams are encouraged to engage directly with their local communities through corporate social responsibility initiatives, including charitable and educational initiatives. Once per year, we celebrate 'In Our Element' week globally as part of our drive to support our local teams and communities. All colleagues have 12 hours of volunteering leave each year to support their local communities and local teams organize an extensive programme of charitable initiatives. The Group's ESG Committee has been formed to provide appropriate focus for the Group's ESG strategy, to underpin long-term shareholder and stakeholder value.

S172(1) (E) – The desirability of the Company maintaining a reputation for high standards of business conduct

As a TIC company, regulatory compliance and data security are paramount. Operating within a highly regulated industry, compliance with national and international standards is a priority. We have strong business ethics with data security and governance central to our operations. The Group Code of Conduct is a clear and straightforward framework to follow, irrespective of role, geography or culture. We continuously update our internal policies to reflect changes in legal and regulatory requirements. We are a member of the TIC Council, an international association representing independent testing, inspection and certification companies. Element's Compliance Programme allows the Group and the Company to meet the obligations laid down by the TIC Council and reflects the requirements of the TIC Council Compliance Code:

- Integrity - to act in a professional, independent and impartial manner in all activities Conflicts of Interest - to avoid actual, potential or perceived conflicts of interest
- Confidentiality and data protection - to respect the confidentiality and privacy of client information
- Anti-bribery - a zero tolerance approach to bribery and corruption in all business dealings and relationships
- Competition and Fair Business Conduct - to comply with all rules relating to fair competition, anti-trust and tendering
- Health and Safety - to protect the health and safety of colleagues, customers and third parties
- Fair Labour - a zero tolerance approach to abuse, bullying or harassment in the workplace. Equal opportunities in the workplace, compliance with minimum wage legislation and prohibition of forced and compulsory labour.

Corporate Responsibility: Section 172(1) Statement (continued)

S172(1) (F) – The need to act fairly as between members of the Company

The Directors act fairly and with due regard to the interests of its parent company in the management of the Company's affairs, ensuring that decisions are aligned with the collective goals of the group, while taking into account the needs of the Company's own employees, customers, and other stakeholders.

The Company also considers S172(1) matters where appropriate at Board meetings as part of decision making.

Principal decisions

Principal decisions made by the Directors during the year are outlined in the table below. Principal decisions are defined as those decisions that are of a strategic nature and that are significant to any of our key stakeholder groups which are employees, suppliers and group affiliates. The table below explains how the Directors have engaged with, or in relation to, the different key stakeholder groups and how stakeholder was considered in the course of decision making.

We describe how regard was given to likely long-term consequences of the decision, including how stakeholders were considered during the decision-making process.

Key stakeholders	Principal decision	Impact on the business	Stakeholder considerations	Outcomes and actions
Employees, customers and other external stakeholders	Sale of BM Trada management systems certification division	Strategic direction for the business	Requirement to direct resources deployed towards our strategic end markets.	Successful sale process with the disposal allowing better focus for the residual business on core markets.
Employees, customers and other external stakeholders	Closure of publication and technical consulting divisions	Rationalising our resources to match our core market drivers	Requirement to adapt resources to meet changing customer needs.	Decision taken to exit these service lines and ensure focus remained on current core end markets.

These are examples of how the Directors have had regard to the S172(1) Matters.

Approved by the Board and signed on its behalf by:

Signed by:
Jon Lessimore
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Jonathan Lessimore
Director

Date: 29 September 2025

WARRINGTONFIRE TESTING AND CERTIFICATION LIMITED
DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2024

The Directors present their report and financial statements of Warringtonfire Testing and Certification Limited for the financial year ended 31 December 2024.

Principal activities
The Company's principal activity is to provide specialist fire testing and certification of both products and management systems.

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

Jonathan Lessimore
Matthew Hopkinson
Jason Dodds

Dividends
The Directors do not recommend payment of a dividend (2023: £nil).

Financial risks
The Directors have chosen to include information on financial risks within the principal risks and uncertainties section in the strategic report.

Political contributions
The Company made no political donations and incurred no political expenditure during the year (2023: £nil).

Disabled employees
Applications for employment by disabled persons are always fully considered, bearing in mind the abilities of the applicant concerned. In the event of members of staff becoming disabled every effort is made to ensure that their employment with the Company continues and that appropriate training is arranged. It is the policy of the Company that the training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees.

Employee consultation
The Company places considerable value on the involvement of its employees and has continued to keep them informed on matters affecting them as employees and on the various factors affecting the performance of the Company. This is achieved through formal and informal meetings, the Group's intranet and internet sites, and presentations for employees of the financial performance of the Group. Employee representatives are consulted regularly on a wide range of matters affecting their current and future interests, as noted within the strategic report.

Going concern
The Company's business activities, together with factors likely to affect its future development, performance and position are considered by the Directors on an annual basis. The Directors believe that preparing the financial statements on the going concern basis is appropriate due to the continued financial support of the intermediate parent company, EM Topco Limited ("EM Topco"). The Directors have received confirmation that EM Topco will support the company as necessary, and has the ability to do so, until the end of the period considered by the Directors in their going concern assessment, being the period from the date of approval of the Annual Report and Financial Statements until 31 December 2026.

This financial support is required as the Company is a participant in the Element Group cash pooling arrangement and therefore as a result, ultimately relies on the liquidity of the Group.

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

Streamlined Energy and Carbon Reporting (SECR)
In accordance with the Streamlined Energy and Carbon Reporting (SECR) disclosure requirements, the Company presents our carbon footprint inside the UK across Scope 1, 2 and 3, appropriate intensity metrics, the total energy use of electricity and gas and a summary of energy initiatives taken during this financial year.

The baseline period for the SECR reporting was from 1 January 2020 to 31 December 2020. An analysis of the Company operations was completed for the fifth reporting year ended 31 December 2024 and showed gross greenhouse gas (GHG), reportable under SECR in 2024 was 1,316.75 tonnes of carbon dioxide equivalent (tCO_2e) This represents an overall reduction in emissions of 158.88 tonnes or 10.77% and consumed electricity compared to the previous twelve months.

Table 1 – Greenhouse gas emissions by source (tonnes CO2e), year-on-year change

Emissions Source (tCO_2e)	**2024**	**% Share**	**2023**	**% Share**	**YoY Change**
Fuel Combustion: Natural Gas	1,105.53	83.96%	1,120.09	75.91%	-1.30%
Fuel Combustion: Fossil Fuels for Testing	82.28	6.25%	97.44	6.60%	-15.56%
Fuel Combustion: Transportation	101.71	7.72%	223.71	15.16%	-54.53%
Consumed Electricity	27.23	2.07%	34.39	2.33%	-20.82%
Total Emissions (tCO2e)	**1,316.75**	**100%**	**1,475.63**	**100%**	**-10.77%**
Revenue (£m)	54.61		54.45		0.29%
Intensity: (tCO2e per £m of revenue)	**24.11**		**27.10**		**-11.03%**
FTE*	426.00		400.00		6.50%
Intensity: (tCO2e per FTE*)	**3.09**		**3.69**		**-16.26%**

**FTE: number of full-time equivalent employees*

Table 2 – Greenhouse gas emissions by scope (tonnes CO_2e)

Emissions Source	**Scope 1 (tCO_2e)**	**Scope 2 (tCO_2e)**	**Scope 3 (tCO_2e)**	**Total (tCO_2e)**
Fuel Combustion: Natural Gas	1,105.53	0.00	0.00	1,105.53
Fuel Combustion: Fossil Fuels for Testing	82.28	0.00	0.00	82.28
Fuel Combustion: Transportation	101.71	0.00	0.00	101.71
Consumed Electricity	0.00	0.00	27.23	27.23
Total	**1,289.52**	**0.00**	**27.23**	**1,316.75**
Share of total	97.93%	—%	2.07%	100%

Scope 1: Natural gas, testing fuels and company-operated transport. Scope 2: Electricity. Scope 3: Losses from electricity distribution and transmission, private vehicles used for business travel. This only includes emissions reportable under SECR and may not reflect the entire carbon footprint of the organisation.

Table 3 – Energy consumption (kWh), year-on-year change

Emissions Source	**2024**	**% Share**	**2023**	**% Share**	**YoY Change**
Fuel Combustion: Natural Gas	6,044,489	72.63%	6,222,745	68.28%	-2.86%
Fuel Combustion: Fossil Fuels for Testing	383,547	4.61%	454,313	4.99%	-15.58%
Fuel Combustion: Transportation	405,871	4.88%	896,836	9.84%	-54.74%
Consumed Electricity	1,487,990	17.88%	1,539,131	16.89%	-3.32%
Total (kWh)	**8,321,897**	**100%**	**9,113,025**	100.0%	**-8.7%**

Streamlined Energy and Carbon Reporting (SECR) (continued)

The Company is committed to achieving net zero emissions in direct operations by 2030 for Scope 1 & 2 emissions and achieving net zero emissions across the entire business to cover all Scope 1, 2, and 3 by 2035 through a number of initiatives. During the year this included the following:

- Continuing the transfer of the vehicle fleet to hybrid/electric vehicles. Charging points are also now being installed at office locations;
- Ensuring the new Birchwood business location under construction in Warrington has been designed with reduced emissions in mind.

Methodology
We have used 2024 UK Government's Conversion Factors for Company Reporting and the Energy Institute Energy Savings Opportunity Scheme toolkit and the GWP's used within that were consistent with those used in the 2024 UK Government Conversion Factors.

Reporting period	**1st January 2024 to 31 December 2024**
Organisational boundary	*Operational control approach*
Alignment with financial reporting	SECR disclosure has been prepared in line with the annual accounts made up to 31 December 2024
Emissions factor source	DEFRA, 2024 for all emissions factors - https://www.gov.uk/government/publications/greenhouse-gas-reporting-conversion-factors-2024
Calculation method	Activity Data x Emission Factor = GHG emissions
Reason for the intensity measurement choice	The chosen metrics are based on revenue and the average number of full-time employees, being £54.6m and 426 respectively in the year ended 31 December 2024. The Company has selected both metrics to comparably normalise emissions data for stakeholders and transparently demonstrate environmental improvements over time as core operations continue to grow.

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

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

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

Statement of disclosure to auditor
Each of the persons who are directors at the time when this Directors' Report was approved has confirmed that:

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

Auditor reappointment
The auditor, Ernst & Young LLP, will be deemed to be reappointed in accordance with section 487 of the Companies Act 2006 and will therefore continue in office.

Approved by the Board and signed on its behalf by:

Signed by:
Jon Lessimore
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....
Jonathan Lessimore
Director

Date: 29 September 2025

WARRINGTONFIRE TESTING AND CERTIFICATION LIMITED
DIRECTORS' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2024

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 Financial Reporting Standard 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 year.

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 accounting estimates that are reasonable and prudent;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements in FRS 101 is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the company financial position and financial performance; and
- prepare the financial statements on the going concern basis unless it is appropriate to presume that the Company will not 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WARRINGTONFIRE TESTING AND CERTIFICATION LIMITED

Opinion
We have audited the financial statements of Warringtonfire Testing and Certification Limited ('the company') for the year ended 31 December 2024 which comprise the statement of profit or loss and other comprehensive income, the statement of financial position, the statement of changes in equity and the related notes 1 to 28, including material accounting policy information. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 'Reduced Disclosure Framework' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:
- give a true and fair view of the company's affairs as at 31 December 2024 and of its profit 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 over a period from the date of approval of the Annual Report and Financial Statements to 31 December 2026.

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

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

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 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 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 or 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 12, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

Our approach was as follows:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the company and determined that the most significant are those that relate to the reporting framework (FRS 101 and the Companies Act 2006) and the relevant tax compliance regulations.

- We understood how the company is complying with those frameworks by making enquiries of management including those responsible for legal and compliance procedures. We corroborated our enquiries through our review of minutes of board meetings and consideration of the results of our audit procedures for the company.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WARRINGTONFIRE TESTING AND CERTIFICATION LIMITED (CONTINUED)

- We designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures included reading board minutes to identify any non-compliance with laws and regulations; reading legal documents; and enquiries of in-house and external general counsel, those charged with governance and management. If we identify instances of non-compliance, we understand how management and those charged with governance responded to them, including understanding the remediation actions taken, through enquiry of management and inspection of relevant documentation and correspondence. We also consider the appropriateness of the accounting for the impact of any such non-compliance, and the adequacy of the financial statement disclosures;

- We assessed the susceptibility of the company's financial statements to material misstatement, including how fraud might occur by meeting with management to understand where it considered there was susceptibility to fraud, reviewing documentation of the company's policies and procedures including the Code of Conduct and assessing whistleblowing incidences for those with a potential financial reporting impact. We also considered performance targets and whether they might influence management to override controls to manipulate revenue. As a result, we identified fraud risks relating to journals to revenue outside the normal course of business and the classification and disclosure of expenses as separately disclosed items (SDIs). We considered the controls that the company has established to address the risks identified, or that otherwise prevent, deter or detect fraud; and how senior management monitors those controls;

- We designed our audit procedures to respond to the identified fraud risks as follows
    - We obtained an understanding of the expected nature of postings to revenue, and we tested a sample of journals outside this expectation.
    - We obtained support for the nature and amount of a sample of SDIs and assessed whether the classification as SDIs is in line with the company's accounting policy. We tested the allocation to the different categories and challenged management where required in relation to the classification. We also challenged the appropriateness and sufficiency of disclosures in relation to SDIs.

- We also, as part of the overall response to the risk of fraud, performed journal entry testing.

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

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

DocuSigned by:
Ernst & Young LLP
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Judith Smith (*Senior statutory auditor*)
for and on behalf of Ernst & Young LLP, Statutory Auditor
London

Date: 29 September 2025

WARRINGTONFIRE TESTING AND CERTIFICATION LIMITED
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2024

	Notes	2024 £	2023 £
Revenue	3	54,608,206	54,451,993
Cost of sales		(31,406,601)	(30,484,413)
Gross profit		23,201,605	23,967,580
Administrative expenses		(8,961,160)	(8,977,269)
Other operating income	4	65,214	84,048
Separately disclosed items	5	(3,702,207)	(5,576,849)
Operating profit	6	10,603,452	9,497,510
Profit on sale of division	9	21,684,140	–
Finance costs		(1,713,584)	(141,984)
Profit before taxation		30,574,008	9,355,526
Taxation charge	11	(1,114,535)	(455,525)
Profit for the financial year		29,459,473	8,900,001
Other comprehensive income:			
Items that will not be reclassified to profit			
Actuarial gain/(loss) on defined benefit pension scheme	22	84,000	(8,568,000)
Deferred tax relating to such items	22	(21,000)	2,142,000
Total items that will not be reclassified to profit		63,000	(6,426,000)
Total other comprehensive gain/(loss) for the year		63,000	(6,426,000)
Total comprehensive gain for the year		29,522,473	2,474,001

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

WARRINGTONFIRE TESTING AND CERTIFICATION LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2024

	Notes	2024 £	Restated (Note 15) 2023 £
Non-current assets			
Intangible assets	**12**	16,352,064	21,785,254
Property, plant and equipment	**13**	32,341,399	20,893,945
Right of use assets	**14**	12,171,630	2,964,525
Retirement benefit asset	**22**	845,000	–
Deferred tax asset	**20**	921,939	2,024,535
Amounts due from group undertakings	**15**	46,696,539	30,575,963
		109,328,571	78,244,222
Current assets			
Trade and other receivables	**17**	6,815,028	8,994,546
Cash and cash equivalents	**18**	554,761	210,571
		7,369,789	9,205,117
Current liabilities			
Trade and other payables	**19**	14,628,242	24,866,243
Lease liabilities	**14**	449,370	258,335
Provisions	**21**	104,525	414,025
		15,182,137	25,538,603
Net current liabilities		(7,812,348)	(16,333,486)
Total assets less current liabilities		101,516,223	61,910,736
Non-current liabilities			
Lease liabilities	**14**	11,012,639	2,340,104
Retirement benefit obligations	**22**	–	250,000
Provisions	**21**	2,988,327	1,327,848
		14,000,966	3,917,952
Net assets		87,515,257	57,992,784

WARRINGTONFIRE TESTING AND CERTIFICATION LIMITED
STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT 31 DECEMBER 2024

	Notes	2024 £	2023 £
Shareholder's equity			
Share capital	**23**	2	2
Share premium account	**24**	20,802,861	20,802,861
Retained earnings		66,712,394	37,189,921
Total shareholder's equity		87,515,257	57,992,784

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

The financial statements of Warringtonfire Testing and Certification Limited were approved by the Board of Directors and authorised for issue on 29 September 2025 and were signed on its behalf by:

Signed by:
Jon Lessimore
DBFC6AAF7B274AC...

....
Jonathan Lessimore
Director

Date: 29 September 2025

Company Registration No. 11371436

WARRINGTONFIRE TESTING AND CERTIFICATION LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2024

	Share capital	Share premium account	Retained earnings	Total
	£	£	£	£
Balance at 1 January 2023	2	20,802,861	34,715,920	55,518,783
Profit for the financial year	–	–	8,900,001	8,900,001
Other comprehensive income:				
Actuarial (loss) on defined benefit plan	–	–	(8,568,000)	(8,568,000)
Deferred tax effect of actuarial loss	–	–	2,142,000	2,142,000
Total comprehensive income for the year	–	–	2,474,001	2,474,001
Balance at 31 December 2023	2	20,802,861	37,189,921	57,992,784
Profit for the financial year	–	–	29,459,473	29,459,473
Other comprehensive income:				
Actuarial gain on defined benefit plan	–	–	84,000	84,000
Deferred tax effect on actuarial gain	–	–	(21,000)	(21,000)
Total comprehensive income for the year	–	–	29,522,473	29,522,473
Balance at 31 December 2024	2	20,802,861	66,712,394	87,515,257

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

1 Accounting policies

1.1 General information and basis of accounting

Warringtonfire Testing and Certification Limited (the 'Company') is a private limited company incorporated in England and Wales. The Company is domiciled in the UK and its registered office is 3rd Floor Davidson Building, 5 Southampton Street, London, United Kingdom, WC2E 7HA. The Company is part of the Element Group, headed by EM Topco Limited (the "Group" or "Element").

The Company's principal activity is to provide specialist fire testing and certification of both products and management systems.

The Company meets the definition of a qualifying entity under Financial Reporting Standard 101 Reduced Disclosure (FRS 101) issued by the Financial Reporting Council. These financial statements were prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework and the provisions of the Companies Act 2006, as applicable to companies using FRS 101, except in relation to goodwill. Under IFRS 3 Business Combinations, goodwill is not amortised, but is reviewed for impairment on an annual basis. This is a departure from the requirements of the Companies Act 2006, which requires goodwill to be amortised over its useful economic life. The Company is therefore invoking a 'true and fair' view override to overcome the requirement to write off goodwill over its useful economic life. Goodwill as at 31 December 2024 is £14,842,684 (2023: £19,299,909). Had the Company amortised goodwill, a period of 20 years would have been estimated as its useful economic life. Profit for the financial year would have been £964,995 lower (2023: £964,995 lower) had goodwill been amortised on this basis. The amortisation is unchanged due to the disposal of BM Trada management systems certification division towards the end of the year.

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

The Company is a wholly owned subsidiary of Warrington Fire & Building Products UK Limited and indirectly of EM Midco2 Limited. It is included in the consolidated financial statements of EM Midco2 Limited, which are publicly available. Therefore, the Company is exempt, by virtue of section 400 of the Companies Act 2006, from the requirement to prepare consolidated financial statements. The group financial statements of EM Midco2 Limited are available to the public and can be obtained as set out in Note 28.

The accounting policies have been consistently applied throughout the current and prior year. The financial statements have been prepared on a going concern basis. The reasons for this are outlined in Note 1.2.

The financial statements are presented in pounds sterling which is also the functional currency of the Company.

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

- The requirements of IFRS 7 Financial Instruments: Disclosures
- The requirements of paragraphs 91 to 99 of IFRS 13 Fair Value Measurement
- The requirements of the second sentence of paragraph 110 and paragraphs 113(a), 114, 115, 118, 119(a) to (c), 120 to 127 and 129 of IFRS 15 Revenue from Contracts with Customers
- The requirements of paragraph 52, the second sentence of paragraph 89, and paragraphs 90, 91 and 93 of IFRS 16 Leases
- The requirements of paragraph 58 of IFRS 16
- The requirement in paragraph 38 of IAS 1 Presentation of Financial Statements to present comparative information in respect of:
    1. paragraph 79(a)(iv) of IAS 1;
    2. paragraph 73(e) of IAS 16 Property, Plant and Equipment;
    3. paragraph 118(e) of IAS 38 Intangible Assets.
- The requirements of paragraphs 10(d), 16, 38A, 38B, 38C, 38D, 40A, 40B, 40C, 40D, 111 and 134 to 136 of IAS 1 Presentation of Financial Statements
- The requirements of IAS 7 Statement of Cash Flows

1 Accounting policies (continued)

1.1 General information and basis of accounting (continued)

- The requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors
- The requirements of paragraphs 17 and 18A of IAS 24 Related Party Disclosures
- The requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member
- The requirements of paragraphs 130(f)(ii), 130(f)(iii), 134(d) to 134(f) and 135(c) to 135(e) of IAS 36 Impairment of Assets

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

1.2 Going concern

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

The Company has, as at 31 December 2024, net assets of £87,515,257 (2023: £57,992,784). The Company has no external loans or other borrowings or complex financial instruments as at 31 December 2024 (2023: £nil). The Company generated a profit after tax of £29,459,473 in the year ended 31 December 2024 (2023: £8,900,001).

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

The Directors believe that preparing the financial statements on the going concern basis is appropriate due to the continued financial support of the intermediate parent company, EM Topco. The Directors have received confirmation that EM Topco will support the company as necessary, and has the ability to do so, until the end of the period considered by the Directors in their going concern assessment, being the period from the date of approval of the Annual Report and Financial Statements until 31 December 2026.

This financial support is required as the Company is a participant in the Element Group cash pooling arrangement and therefore as a result, ultimately relies on the liquidity of the Group. The going concern assessment, which has been performed for the period up to 31 December 2026, takes into account the Group's cash flow and available undrawn banking facilities. The analysis, which involved a base case modelled on a plausible reduction to forecast EBITDA and a break-even scenario which the Group and Company directors consider implausible, concluded that even under the break even scenario modelled, the Group would have sufficient funds to trade and settle its liabilities as they fall due.

The Directors believe that the Group is well placed to manage its business risks successfully, despite the current uncertain economic outlook. The Group's forecasts and projections, taking account of reasonably possible changes in trading performance, show that the Group would be able to operate within the level of its current committed facilities. As part of a regular assessment of the Group's working capital and financing position, the Directors have prepared a detailed bottom-up trading budget and cash flow forecast for the period through 31 December 2026.

The Directors have chosen the period to 31 December 2026 to assess the going concern because this is the end of the date of the period used for the going concern assessment of the Group headed by EM Topco Limited, the intermediate parent, upon whose continued financial support the Company relies.

1 Accounting policies (continued)

1.2 Going concern (continued)

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

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

The going concern assessment takes into account the Group's cash flow and available undrawn credit facilities. Based on the going concern assessment performed over the period to 31 December 2026, the Group and Company directors have a reasonable expectation that the Group will continue in operation, settle its liabilities as they fall due, and remain compliant with banking facilities and have adequate liquidity to trade.

The base case includes an adjustment to the forecasts to consider the impact of plausible scenarios on the headroom on cash and available credit facilities. This base case scenario, which sensitized the forecasts for specific identified risks, modelled the reduction in anticipated levels of underlying EBITDA and the associated increase in net debt. It was also further sensitized to consider the impact of higher than forecast interest rates.The EBITDA reduction scenario modelled the sustained decline in Group performance due to a variety of macroeconomic issues including, but not limited to, cost inflation and a decline in end markets.

Throughout this scenario, and scenarios in which interest charges are higher than forecast, the Group continues to have significant liquidity headroom on its new debt commitments and existing facilities and against the revolving credit facility covenant.

Further considerations were made to assess a further deterioration to the EBITDA reduction modelled in the base case scenario. that would result in a break-even liquidity position for the Group, including consideration of the plausibility of the occurrence of this deterioration and the Group and Company Directors concluded that it is implausible that such a scenario would occur.

As a result of the Group wide going concern assessment described above and the confirmation received that EM Topco will support the Company as necessary and has the ability to do so, to 31 December 2026, the Directors are satisfied that the Company has access to adequate resources to continue in operational existence for the foreseeable future and will be able to meet its liabilities as they fall due during the period from the date of the approval of these financial statements to 31 December 2026.

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

1.3 Goodwill

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business less accumulated impairment losses, if any.

Goodwill is tested for impairment annually, or more frequently when there is an indication that it may be impaired. Any impairment loss for goodwill is recognised directly in the statement of profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent years.

1 Accounting policies (continued)

1.4 Other intangible assets

Intangible assets that are acquired separately or developed in-house are carried at cost less accumulated amortisation and accumulated impairment losses, if applicable. The estimated useful life and amortisation method are reviewed at the end of each reporting year, and if necessary, any changes in estimates are accounted for on a prospective basis.

Intangible assets acquired in a business combination and recognised separately from goodwill are initially recognised at their fair value at the acquisition date, together with any related deferred tax liability.

Amortisation is charged on a straight-line basis to the statement of profit or loss over the expected useful economic lives as follows:

Customer relationships	5 - 20 years
Computer software	1 - 4 years

An intangible asset is derecognised on disposal, or when no further economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the net carrying amount of the asset, are recognised in the statement of profit or loss when the asset is derecognised.

Intangible asset values are reviewed for impairment annually, or more frequently when there is an indication that they may be impaired. Any impairment loss is recognised directly in profit or loss. For assets where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, not to exceed the carrying amount that would have been determined, net of amortisation, had no impairment losses been recognised for the asset in prior years. A reversal of impairment loss is recognised immediately in profit or loss and only if the reasons for the impairment loss have ceased to apply.

1.5 Property, plant and equipment

Property, plant and equipment is stated at historical cost, less accumulated depreciation and impairment. The cost of property, plant and equipment is the purchase cost, together with any directly attributable costs.

Depreciation is provided on all property, plant and equipment, at rates calculated to write off the cost or valuation, less estimated residual value, of each asset on a straight-line basis over its expected useful life, as follows:

Buildings	20 - 50 years
Plant and machinery	3 - 15 years
Leasehold improvements	Lower of useful life or remaining contractual lease term (3 - 20 years)

Assets in the course of construction are reclassified to the appropriate categories of property, plant and equipment when completed and ready for their intended use.

Property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the profit or loss.

1 Accounting policies (continued)

1.6 Lease arrangements

The Company holds leases on assets used in the ordinary course of business. The Company recognises a right-of-use asset and a lease liability at the commencement date of the contract for all leases conveying the right to control the use of an identified asset for a period of time. The commencement date is the date on which a lessor makes an underlying asset available for use by a lessee.

All leases where the Company is the lessee (except for low-value lease arrangements and those with less than a 12-month duration) are recognised in the statement of financial position. A lease liability is recognised based on the present value of the future lease payments, and a corresponding right-of-use asset is recognised. Lease payments are apportioned between finance charges and a reduction of the lease liability.

The right-of-use assets are initially measured at cost, which comprises:

- the amount of the initial measurement of the lease liability;
- any lease payments made at or before the commencement date, less any lease incentives received; and,
- any initial direct costs incurred by the lessee.

After the commencement date the right-of-use assets are measured at cost less any accumulated depreciation and any accumulated impairment losses and adjusted for any remeasurement of the lease liability.

The cost of a right-of-use asset also includes an estimate of costs to be incurred by the lessee in restoring the underlying asset to the condition required by the terms and conditions of the lease.

The Company depreciates the right-of-use asset from the commencement date to the earlier of the end of the lease term and the end of the useful life of the asset.

The lease liability is initially measured at the present value of the lease payments that are not paid at that date. These include:

- fixed payments, less any lease incentives receivable; and
- variable lease payments that depend on a fixed rate, as at the commencement date.

The leases held by the Company are split into two categories: property and non-property. The Company leases various properties, principally offices and laboratories, which have varying terms and renewal rights that are typical to the area in which they are located. Non-property leases include all other leases, such as motor vehicles and plant and equipment.

Variable lease payments not included in the initial measurement of the lease liability are recognised in the statement of profit or loss as they arise.

The lease payments are discounted using the incremental borrowing rate at the commencement of the lease contract or modification. Generally, it is not possible to determine the interest rate implicit in the land and building leases. The incremental borrowing rate is estimated taking account of the economic environment of the lease, the currency of the lease and the lease term. The lease term determined by the Company comprises:

- non-cancellable period of lease contracts;
- periods covered by an option to extend the lease if the Company is reasonably certain to exercise that option; and
- periods covered by an option to terminate the lease if the Company is reasonably certain not to exercise that option.

After the commencement date the Company measures the lease liability by:

- increasing the carrying amount to reflect interest on the lease liability;
- reducing the carrying amount to reflect lease payments made; and
- remeasuring the carrying amount to reflect any reassessment or lease modifications.

1 Accounting policies (continued)

1.7 Investments in subsidiaries

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

1.8 Impairment of non-financial assets

The Company assesses at each reporting date whether there is an indication that an asset, other than goodwill which is tested for impairment annually, may be impaired. If any such indication exists, the Company makes an estimate of the asset's recoverable amount compared to the carrying value.

The recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs to sell and its value in use. Value in use is defined as the present value of future cash flows before interest and tax.

Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount through the profit or loss.

For assets where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, not to exceed the carrying amount that would have been determined, net of depreciation, had no impairment losses been recognised.

1.9 Trade and other receivables

Trade and other receivables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method, less expected loss allowance. The Company applies IFRS 9 to measure expected credit losses (ECL) which uses a lifetime expected loss allowance for all trade receivables.To measure the expected credit losses, trade receivables, unbilled revenue and contract assets are grouped based on shared credit risk characteristics and the days past due. The contract assets and unbilled revenue relate to unbilled work in progress and have substantially the same risk characteristics as the trade receivables for the same type of contracts.

Intercompany loans are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Intercompany loans and other receivables are measured at amortised cost, less impairment.

1.10 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Where relevant, bank overdrafts are presented within trade and other payables.

1.11 Trade and other payables

Trade and other payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method. Contract liabilities arise where the Company has invoiced the customer or received payment from them but has not yet done the work and the invoices and/or payments exceed the revenue recognised to date. Loans payable are recorded at the proceeds received, net of direct issue costs. Finance charges and direct issue costs, are accounted for on an accrual basis in the statement of profit or loss using the effective interest rate method and are added to the carrying amount of the loan to the extent that they are not settled in the period in which they arise.

1.12 Provisions

Provisions are recognised when the Company has a present obligation, legal or constructive, as a result of a past event, it is probable that the Company will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting year end date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

1 Accounting policies (continued)

1.12 Provisions (continued)

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

A restructuring provision is recognised when the Company has developed a detailed formal plan for restructuring and has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement the plan or announcing its main features to those affected by it. The measurement of a restructuring provision includes only the direct expenditures arising from the restructuring which are those amounts that are both necessarily entailed by the restructuring and not associated with the on-going activities of the Company.

Provisions for dilapidation liabilities are made when there is a present obligation and where it is probable that expenditure on restoration work will be required, and a reliable estimate can be made of the cost. Estimates are established at the inception of the lease and are reviewed annually for the impact of inflation, any material changes in underlying cost of restoration or any significant redevelopment works which have taken place.

1.13 Revenue from contracts with customers

The Company recognises revenue from the rendering of material and product qualification testing, inspection, certification and calibration services pursuant to written contracts with its customers.

Revenue is measured at the fair value of the consideration to which the Company expects to be entitled and represents amounts receivable for services provided in the normal course of business, net of VAT and other sales-related taxes. These services are recognised using the output method of revenue recognition as the performance obligations are satisfied over time and reflect the transfer of rights to testing data to the customer.

Revenue is reduced for estimated and agreed liquidated damages resulting from failure to meet the agreed service performance levels set out in the contract.

In most instances, activities undertaken to fulfil performance obligations to the customer represent a series of substantially-the-same services which have the same pattern of transfer. On this basis most of the Company's contracts have a single performance obligation. In cases where the Company identifies more than one performance obligation such as added services or different product subgroups the transaction price is allocated between the performance obligations based on the observable stand-alone selling prices.

Output methods are normally used for contracts with well-defined milestones. This ensures that no material work-in-progress is omitted and at the same time, externally relevant milestones in a form of tests completed, test report issued, etc are utilised.

Contract assets are recognised in line with revenue and the timing of invoicing. Contract Assets are reclassified to unbilled revenue at the point when performance obligations are satisfied. Unbilled revenue is reclassified to trade receivables at the point when invoices are issued to customers. Contract liabilities are recognised when customer payments precede the satisfaction of performance obligations and are reduced when corresponding revenue is recognised.

The Company does not consider a significant financing component to be present in any of its contracts. The period between the recognition of revenue and payments is rarely greater than one year.

1 Accounting policies (continued)

1.14 Employee benefit plans

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

The Company operated a defined benefit plan which required contributions to be made to a separately administered fund. The cost of providing benefits under the defined benefit plan is determined using actuarial valuations that are carried out at the end of each reporting period. Re-measurement of actuarial gains and losses, and the return on scheme assets (excluding interest) are recognised immediately in the statement of financial position with a charge or credit to other comprehensive income in the period in which they occur. Re-measurement recorded in other comprehensive income is not recycled. Past service costs are recognised in profit or loss in the period of scheme amendment. Net interest is calculated by applying a discount rate to the defined benefit liability or asset. Defined benefit plan costs are split into three categories:

- current service cost, past service cost and gains and losses on curtailments and settlements;
- net interest expense or income; and
- re-measurement.

The current and past service costs are presented within operating expenses in the statement of profit or loss. Curtailment gains and losses are accounted for as past service costs.

Net interest expense or income is recognised within finance costs.

The retirement benefit obligation/asset recognised in the statement of financial position represents the deficit or surplus in the Company's defined benefit scheme. Any surplus resulting from this calculation is limited to the present value of economic benefits available in the form of refunds from the scheme or reductions in the future contributions to the scheme.

A liability for a termination benefit is recognised at the earlier of when the entity can no longer withdraw the offer of the termination benefit and when the entity recognises any related restructuring costs.

1.15 Separately disclosed items

In order to present the performance of the Company in a clear, consistent and comparable format, certain items are disclosed separately on the face of the statement of profit or loss and other comprehensive income. Separately disclosed Items are items which by their nature or size, in the opinion of the Directors, should be excluded from the other lines in the statement of profit or loss and other comprehensive income to provide readers with a clear and consistent view of the business performance of the Company.

The Directors define separately disclosed items as those expense and income items which fall into one or both of following categories:

1. A transaction that results from a corporate activity that has neither a close relationship to our businesses' operations nor any associated operational cash flows (for example, costs incurred in connection with a refinancing activity).
2. A transaction is so material in size and nature that it would obscure an understanding of underlying outcomes and trends in revenues, costs or other components of performance (for example, restructuring activities and reversals of any provisions for the costs of restructuring).

1.16 Finance costs

Defined benefit pension scheme interest is included in Finance Costs. In addition finance costs includes interest on lease liabilities and other finance costs which are recognised in profit or loss using the effective interest rate method.

1 Accounting policies (continued)

1.17 Taxation

Current tax
The current tax (charge) is based on the taxable profit for the year. Taxable profit differs from profit or loss as reported in the statement of profit or loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible.

Deferred tax
Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and associates, except where the Company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting year and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the year in which the liability is settled or the asset realised, based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting year. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting year, to recover or settle the carrying amount of its assets and liabilities.

Current and deferred tax for the year
Current and deferred tax are recognised in the profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

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

1.19 Adoption of new and revised accounting standards

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

2 Critical accounting judgements and key sources of estimation

In the application of the Company's accounting policies which are described in note 1 the Directors are required to make judgements that have a significant impact on the amounts recognised and to make estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised if the revision affects only that year, or in the year of the revision and future years if the revision affects both current and future years.

2.1 Critical accounting judgements

The following are the critical judgments, apart from those involving estimations (which are dealt with separately below), that the Directors have made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

a) Separately disclosed items

In order to present the performance of the Company *in a clear,* consistent and *comparable format,* certain items are disclosed separately on the face of the statement of profit or loss and other comprehensive income. Separately disclosed items are items which by their nature or size, in the opinion of the Directors, should be excluded from the other lines in the statement of profit or loss and other comprehensive income to provide readers with a clear and consistent view of the business performance of the Company.

b) Impairment of tangible fixed assets

Critical judgement is applied when determining whether there are indicators of impairment in relation to tangible fixed assets. In making this judgement the directors have considered internal factors including current asset utilisation and external market factors which may impact asset utilisation.

2.2 Key sources of estimation

There are no key assumptions concerning the future, and other key sources of estimation uncertainty at the reporting period end, that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

3 Revenue

Analysis of revenue by customer location:

	2024	2023
	£	£
United Kingdom	46,053,014	44,935,062
Rest of Europe	4,385,993	5,568,386
Rest of World	4,169,199	3,948,545
	54,608,206	54,451,993

Set out below is the amount of revenue recognised from:	2024	2023
	£	£
Amounts included in contract liabilities at the beginning of the year recognised as revenue in the year	8,056,034	6,542,390

The table below represents contract assets which are initially recognised for revenue earned from ongoing services. Upon completion of services and invoice being issued to the customer, the amount recognised as contract asset is reclassified to unbilled revenue prior to invoicing when it moves to trade receivables.

Set out below is the amount of revenue recognised from:	2024	2023
	£	£
Amounts included in contract assets at the end of the year	251,175	474,296

Payment of invoiced revenue is generally due within 45 to 60 days of satisfaction of performance obligations.

4 Other operating income

	2024	2023
	£	£
Other operating income	65,214	84,048
	65,214	84,048

5 Separately disclosed items

	2024	2023
	£	£
Partial relocation of the Warrington site	1,644,237	1,924,081
Legal costs and professional fees	898,265	1,290,634
IT infrastructure	1,159,705	1,329,860
Professional fees - TTL Chiltern Pension Scheme	–	1,032,274
	3,702,207	5,576,849

The Company continued to incur costs relating to the Birchwood site relocation in Warrington ahead of its official opening in January 2025. Further one-off costs were incurred in relation to a significant IT systems implementation project to enhance the Company's Certification activities.

Legal costs and professional fees include costs incurred by the Company in relation to the Group providing support and input into a multi regulatory matter.

During the prior year, the Trustee of the TTL Chiltern Pension Scheme purchased a bulk annuity buy-in policy to materially reduce exposure to changes in the value of the defined benefit obligation. The Company incurred material one-off professional fees in relation to this restructuring exercise.

6 Operating profit

Operating profit for the year is stated after charging/(crediting):	2024	2023
	£	£
Loss/(gain) on foreign exchange	23,195	(237,965)
Amortisation of intangible assets (note 12)	213,529	338,735
Depreciation of property, plant and equipment (note 13)	728,537	862,593
Depreciation of right of use assets (note 14)	1,221,520	377,082
Loss/(gain) on disposal of fixed assets	56,074	(650)

7 Auditor's remuneration

Fees payable to Ernst & Young LLP for the audit of the Company were borne by another company within the Group and disclosed in the consolidated financial statements of EM Midco2 Limited. Fees payable in the prior year were also borne by another company within the Group.

There were no non-audit services provided to the Company during the year (2023: none).

8 Employees and directors

Employees
The average monthly number of persons employed by the Company during the year was:

	2024	2023
Production and distribution	338	318
Administration	88	82
	426	400

Their aggregate remuneration comprised:

	2024	2023
	£	£
Wages and salaries	17,335,577	16,036,153
Social security costs	2,314,042	1,953,338
Pension costs	1,204,958	1,064,738
	20,854,577	19,054,229

Directors
The 3 Directors who served during 2024 are also directors of other group companies and do not consider it possible to identify the proportion of their remuneration relating to their roles as directors of this company. The total remuneration for the Directors for services to the Group was £1,103,670 (2023: £735,765) of which £202,324 (2023: £160,826) has been paid through these financial statements.

There were no other short-term employee benefits paid to the Directors in the year (2023: £nil) and there were no retirement benefits accruing to the Directors under pension schemes as at 31 December 2024 (2023: £nil).

The highest paid director received £577,569 (2023: £331,020).

9 Profit on sale of division

	2024	2023
	£	£
Sale of management systems certification division	21,684,140	–
	21,684,140	–

The Company entered into a sale agreement to dispose of its management systems certification division (BM Trada) to NQA Certification Limited, a fellow Element Group subsidiary, for a total consideration of £25.4m. The assets and trade of BM Trada were subsequently combined and ultimately sold by NQA Certification Limited to a third party. The sale of BM Trada completed on 31 October 2024. Net assets of £3.2m, including £5.2m of goodwill and customer relationships was derecognised on disposal and costs of £0.5m were incurred.

10 Finance costs

	2024	2023
	£	£
Interest expense on lease liabilities	1,603,744	156,447
Defined benefit pension scheme interest (income)	(11,000)	(57,000)
Other interest payable	120,840	42,537
	1,713,584	141,984

11 Taxation

a) The tax charge in the profit or loss is made up as follows:

	2024	2023
	£	£
Deferred tax		
Origination and reversal of timing differences	388,133	446,844
Adjustment in respect of prior years	693,463	(4,128)
Total deferred tax	1,081,596	442,716
Withholding tax		
Withholding tax written off	32,939	12,809
	32,939	12,809
Total tax on continuing operations	1,114,535	455,525

b) Tax income included in other comprehensive income is made up as follows:

	2024	2023
	£	£
Deferred tax		
Movement in relation to pension remeasurement (note 21)	(21,000)	2,142,000
Total deferred tax recognised in other comprehensive income	(21,000)	2,142,000

11 Taxation (continued)

c) Reconciliation of the total tax charge

The tax expense in the profit or loss for the year is lower than the standard rate of corporation tax in the UK of 25% (2023 - 23.5%). The differences are explained below:

	2024	2023
	£	£
Accounting profit before income tax	30,574,008	9,355,526
Tax calculated at UK standard rate of corporation tax of 25% (2023 - 23.5%)	7,643,502	2,198,549
Effect of:		
Group relief claimed for no consideration	(1,727,956)	(2,114,371)
Withholding tax written off	32,939	12,809
Adjustment in respect of prior periods	693,463	(4,128)
Tax rate change	–	26,810
Disallowed expenses and non-qualifying depreciation	(5,527,413)	335,856
Taxation charge for the period	1,114,535	455,525

12 Intangible assets

	Goodwill	Customer relationships	Total
	£	£	£
Cost			
At 1 January 2024	19,299,909	5,216,626	24,516,535
Disposal	(4,457,225)	(1,750,732)	(6,207,957)
At 31 December 2024	14,842,684	3,465,894	18,308,578
Amortisation and impairment			
At 1 January 2024	–	2,731,281	2,731,281
Charge for the year	–	213,529	213,529
Disposal	–	(988,296)	(988,296)
At 31 December 2024	–	1,956,514	1,956,514
Carrying amount			
At 31 December 2024	14,842,684	1,509,380	16,352,064
At 31 December 2023	19,299,909	2,485,345	21,785,254

The customer relationships have a remaining amortisation period of 7.5 years (2023: 8.5 years) on a straight-line basis. There are no other individually material assets.

Goodwill is assessed annually for impairment. The impairment assessment is based on a projected cashflow over a five-year period and the key assumptions utilised in the model are the discount rate and long-term growth rate which were 9.40% and 3.29% respectively. No impairment was identified for the period ended 31 December 2023 or 2024.

The Company entered into a sale agreement to dispose of its management systems certification division (BM Trada) to NQA Certification Limited, a fellow Element Group subsidiary, for a total consideration of £25.4m. The assets and trade of BM Trada were subsequently combined and ultimately sold by NQA Certification Limited to a third party. The sale of BM Trada completed on 31 October 2024. A £4.5m reduction to the carrying value of goodwill and £0.8m of customer relationships was recognised on disposal.

WARRINGTONFIRE TESTING AND CERTIFICATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2024

13 Property, plant and equipment

	Leasehold land and buildings	Plant and machinery	Assets under construction	Total
	£	£	£	£
Cost				
At 1 January 2024	391,658	5,579,902	18,551,969	24,523,529
Transfers	646,078	1,588,883	(2,234,961)	–
Additions	346,253	1,038,401	10,853,511	12,238,165
Disposals	(18,368)	(68,546)	–	(86,914)
At 31 December 2024	1,365,621	8,138,640	27,170,519	36,674,780
Accumulated depreciation				
At 1 January 2024	318,764	3,310,820	–	3,629,584
Charge for the year	29,905	698,632	–	728,537
Disposals	(1,427)	(23,313)	–	(24,740)
At 31 December 2024	347,242	3,986,139	–	4,333,381
Net book value				
At 31 December 2024	1,018,379	4,152,501	27,170,519	32,341,399
At 31 December 2023	72,894	2,269,082	18,551,969	20,893,945

Amounts reported in assets under construction at 31 December 2024 principally includes amounts relating to a multi-year project to build a new site in Birchwood, Warrington.

14 Lease arrangements

Right of use assets

	Property	Non-property	Total
	£	£	£
Cost			
At 1 January 2024	4,089,864	166,694	4,256,558
Additions	10,452,487	36,980	10,489,467
Remeasurement	(96,993)	36,151	(60,842)
Expiry	–	(73,084)	(73,084)
At 31 December 2024	14,445,358	166,741	14,612,099
Accumulated depreciation			
At 1 January 2024	1,200,897	91,136	1,292,033
Charge for the year	1,137,226	84,294	1,221,520
Expiry	–	(73,084)	(73,084)
At 31 December 2024	2,338,123	102,346	2,440,469
Net book value			
At 31 December 2024	12,107,235	64,395	12,171,630
At 31 December 2023	2,888,967	75,558	2,964,525

Lease liabilities
Lease liabilities are classified based on the amounts that are expected to be settled within the next 12 months and after more than 12 months from the reporting date, as follows:

	Current		Non-current	
	2024	2023	2024	2023
	£	£	£	£
Property	402,951	214,421	10,992,030	2,302,338
Non-property	46,419	43,914	20,609	37,766
Total	449,370	258,335	11,012,639	2,340,104

The non-current balance above is due between 1-19 years.

Interest expense
Interest expense on the lease liabilities recognised within finance costs was £1,603,744 (2023: £156,447). Total lease payments of £1,926,279 (2023: £378,364) is set first against the interest expense with the remaining £322,535 (2023: £221,917) against the principal. As at 31 December 2024, there were no leases which the Company was committed to with future cash flows which have not been accounted for except certain leases with lease terms of less than 12 months and leases that are low value. The total expense recognised for such leases was £61,633 (2023: £85,455). The Company holds no variable leases. The property lease includes an option for the company to terminate the lease in 2028, as this is not expected to be exercised the lease liability has been calculated assuming the early termination option will not be exercised.

15 Amounts due from group undertakings

	2024	Restated (Note 15) 2023
	£	£
Amounts due from group undertakings	46,696,539	30,575,963
	46,696,539	30,575,963

Amounts due from group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

Prior year restatement
As part of a review of the settlement dates for Amounts due from group undertakings it was identified that in the prior year Amounts due from group undertakings presented within Trade and other receivables and classified as current was incorrectly forecast to be settled within 12 months of the Statement of Financial Position date. The 2023 balances have been restated to correct the presentation.

The impact of correcting this error, on the Statement of Financial Position balances for 2023, is an increase of £30,575,963 in Amounts due from group undertakings in non-current assets and a decrease of the same amount in Trade and other receivables in Current assets.

16 Subsidiaries

Warringtonfire Testing and Certification Limited's shareholdings in subsidiary companies are listed below. The carrying amount of these investments is £nil (2023: £nil).

Subsidiary undertakings	Registered office	Country of incorporation	Principal activity	Percentage holding %
Trada Technology Limited	3rd Floor Davidson Building, 5 Southampton Street, London, WC2E 7HA	United Kingdom	Dormant	100
Chiltern International Fire Limited	3rd Floor Davidson Building, 5 Southampton Street, London, WC2E 7HA	United Kingdom	Dormant	100
BM Trada Certification Limited	3rd Floor Davidson Building, 5 Southampton Street, London, WC2E 7HA	United Kingdom	Dormant	100

17 Trade and other receivables

	2024	Restated (Note 15) 2023
	£	£
Trade receivables	4,564,866	4,849,346
Amounts owed by group undertakings	1,389,689	2,515,652
Contract assets	251,175	474,296
Prepayments and other receivables	609,298	1,155,252
	6,815,028	8,994,546

No trade receivables fall due after more than one year. Amounts owed by group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand. Trade receivables, contract assets and amounts owed by group undertakings are stated after an expected credit loss of £881,622 (2023: £184,370). The trade receivables, unbilled revenue and contract asset balances relate to contracts with customers.

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

In determining the recoverability of a trade receivable, the Company considers any change in the credit quality of the trade receivable from the date credit was initially granted up to the reporting date. The Directors consider that the carrying amount of trade and other receivables is approximately equal to their fair value.

The 2023 balance for Amounts due to group undertakings has been restated – details of the restatement are included in note 15 – non-current amounts due from group undertakings.

18 Cash and cash equivalents

	2024	2023
	£	£
Cash at bank denominated in GBP	410,932	175,975
Cash at bank denominated in EUR	44,527	4,504
Cash at bank denominated in USD	99,302	30,092
	554,761	210,571

19 Trade and other payables

	2024	2023
	£	£
Trade payables	1,394,551	2,515,466
Contract liabilities	9,151,976	9,487,341
Amounts owed to group undertakings	206,953	7,905,743
Taxation and social security	1,134,454	541,863
Accrual and other payables	2,740,308	4,415,830
	14,628,242	24,866,243

Amounts owed to group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

20 Deferred taxation

The following are the deferred tax liabilities and assets recognised by the Company and movements thereon during the current reporting year.

	Tangible asset timing differences	Intangible asset timing differences	Retirement benefit obligation	Total asset timing differences
	£	£	£	£
Deferred tax asset/(liability) at 1 January 2024	879,221	(621,337)	1,766,651	2,024,535
Deferred tax movements in current year				–
Current year movement	188,676	243,991	(820,800)	(388,133)
Adjustment in respect of prior years	(693,463)	–	–	(693,463)
Current year movement recognised through OCI	–	–	(21,000)	(21,000)
Deferred tax asset/(liability) at 31 December 2024	374,434	(377,346)	924,851	921,939

21 Provisions

The Company has the following provisions as at 31 December 2024:

	2024	2023
	£	£
Dilapidations	2,988,327	1,327,848
Environmental	78,385	352,885
Restructuring	26,140	61,140
	3,092,852	1,741,873

	Dilapidations	Environmental	Other	Total
	£	£	£	£
At 31 December 2023	1,327,848	352,885	61,140	1,741,873
Increase in provision	1,528,632	–	–	1,528,632
Remeasurement of provision	11,007	–	–	11,007
Interest	120,840	–	–	120,840
Release of provision	–	(274,500)	–	(274,500)
Utilisation	–	–	(35,000)	(35,000)
At 31 December 2024	2,988,327	78,385	26,140	3,092,852

	2024	2023
	£	£
Current	104,525	414,025
Non-current	2,988,327	1,327,848
	3,092,852	1,741,873

The dilapidations provision represents management's best estimate of restoration costs with respect to leased properties for which a present obligation exists and a reliable estimate can be made. As at 31 December 2024, the dilapidation provisions increased to £2,988,327 (2023: £1,327,848). The liability is management's best estimate regarding cost of restoring operating sites to their original condition in accordance with the terms of the lease contracts where relevant. Given the nature of the provision, it is not possible to predict the exact timing of cash flows but they are generally expected to occur between 0 and 2 years after a lease expires; property lease expiry dates fall between 2025 and 2043.

The environmental provisions at 31 December 2024 and 2023 represent the estimated cost of restoration of the land on which the leased properties are situated. Given the nature of the provision, it is not possible to predict the exact timing of the remaining cash flows but they are generally expected to occur between 0 and 2 years after a lease expires; property leases expiry date is in 2025.

Other provisions includes £26,140 as an estimate (2023: £61,140) for restructuring costs remaining at the end of 2024.

22 Retirement benefit scheme

Defined contribution plans
A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an employee benefit expense in the profit or loss as incurred. The Company made £1,204,958 contribution to defined contribution plans in the year to 31 December 2024 (2023: £1,064,738). At the year end, contributions of £155,734 (2023: £147,755) due in respect of the current reporting period had not been paid over to the scheme. These balances are reported within trade and other payables, within accruals and other payables.

Defined benefit schemes
A defined benefit plan is a post-employment benefit plan other than a defined contribution plan.

The Company's net obligation in respect of defined benefit pension plans is calculated separately for each plan by estimating the amount of future benefits that employees have earned in return for their service in the current and prior years; that benefit is discounted to determine its present value. Any unrecognised past service costs and the fair values of any plan assets are deducted.

Warringtonfire Testing and Certification Limited became the principal employer of the TTL Chiltern Group Pension Scheme in place of Exova (UK) Limited, and the scheme was transferred on 1 December 2018. The assets of this scheme are administered by trustees in a fund independent from those of the Company and invested directly on the advice of the independent professional investment managers.

The Scheme provides pensions in retirement and death benefits to members. Pension benefits are linked to a member's final salary at retirement and their length of service. Since 1 October 2015 the Scheme has been closed to future accrual. The Scheme is a registered scheme under UK legislation and was contracted out of the State Second Pension. The Scheme is subject to the scheme funding requirements outlined in UK legislation. The Scheme was established from 2 March 1978 under trust and is governed by the Scheme's rules dated 22 July 2011 and subsequent amending deeds (the "Rules"). The Trustees are responsible for the operation and the governance of the Scheme, including making decisions regarding the Scheme's funding and investment strategy. Under clause 66 of the Rules the Company is entitled to an unconditional right to a refund of surplus if the Scheme winds up with excess assets.

The Scheme exposes the Company to actuarial risks such as: market (investment) risk, interest rate risk, inflation risk currency risk and longevity risk. The Scheme does not expose the Company to any unusual Scheme-specific or Company-specific risks.

On 6 October 2023, the Trustee purchased a bulk annuity buy-in policy from Just Retirement Limited, a private limited life insurance company, covering all members of the Scheme (excluding GMP Equalisation). Consequently any changes in the value of the defined benefit obligation will be largely offset by a change in the Scheme's asset value and the funding position will remain unchanged. As such, the Group's exposure to such risks has been materially reduced.

The Scheme's investment strategy is to invest broadly 55% in return seeking assets (with 27.5% allocated to diversified growth funds and 27.5% allocated to equities) and 45% in matching assets (with 20.5% allocated to index-linked gilts or other inflation linked assets and 24.5% allocated to corporate bonds). This strategy reflects the Scheme's liability profile and the Trustees' and Company's attitude to risk.

The last funding valuation of the Scheme prior to the balance sheet date of 31 December 2024 was as at 31 December 2016 and revealed a funding deficit of £22.6 million. Payment of monthly contributions of £147,000 was agreed, payable from 1 October 2018, increasing at a rate of 3% per annum each 1 January, ceasing on 31 December 2025 in line with the recovery plan dated 15 October 2018. From 1 December 2018, the Company took over responsibility for contributions.

22 Retirement benefit scheme (continued)

In addition, Scheme expenses, Pension Protection Fund Levies and insurance premiums are paid directly by the Company. Contributions to the Scheme are subject to review at future actuarial valuations and subsequent certification of a new schedule of contributions. The triennial actuarial valuation as at 31 December 2022 was completed during 2023. As anticipated by the Company and the Trustees, the outcome was an improvement compared to the 2016 actuarial valuation. These actuarial valuations are carried out in accordance with the requirements of the Pensions Act 2004 and so include deliberate margins of prudence. This contrasts with these accounting disclosures, which are determined using best estimate assumptions.

As part of the triennial actuarial valuation of the scheme completed during 2023, underlying membership data has been updated as at 31 December 2022. Pension commitments recognised in these financial statements have been calculated based on that updated membership data.

The liabilities of the Scheme are based on the current value of expected benefit payment cashflows to members of the Scheme. On the chosen IAS 19 assumptions, the average duration of the liabilities at 31 December 2024 is approximately 12 years (31 December 2023: 12 years).

Defined benefit schemes	**2024**	**2023**
	£	**£**
The amounts recognised in profit or loss were as follows:		
Net pension interest (income)	(11,000)	(57,000)
	(11,000)	(57,000)

Net pension interest income is included in net finance costs (note 10).

Actuarial gains/(losses) are recognised directly in other comprehensive income:

	2024	**2023**
	£	**£**
Actuarial gain/(loss)	84,000	(8,568,000)
Deferred tax effect of actuarial (gain)/loss	(21,000)	2,142,000
	63,000	(6,426,000)

Employer contributions
The Company made contributions of £1,000,000 in 2024 (2023: £10,158,000).

Pension asset/(liability) for defined benefit schemes

The amounts recognised in the statement of financial position for defined benefit schemes were as follows:

	2024	**2023**
	£	**£**
Fair value of scheme assets	36,445,000	39,749,000
Present value of funded defined benefit obligations	(35,600,000)	(39,999,000)
Net asset/(liability) in the statement of financial position	845,000	(250,000)

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2024

22 Retirement benefit scheme (continued)

The fair value changes in the scheme are shown below:

	Fair value of plan assets 2024 £	Defined benefit obligation 2024 £	Total £
As at 1 January 2024	39,749,000	(39,999,000)	(250,000)
Net interest income/(cost)	1,817,000	(1,806,000)	11,000
Actuarial (losses)/gains	(3,795,000)	3,879,000	84,000
Contributions by the employer	1,000,000	–	1,000,000
Benefits paid	(2,326,000)	2,326,000	–
At 31 December 2024	36,445,000	(35,600,000)	845,000

	Fair value of plan assets 2023 £	Defined benefit obligation 2023 £	Total £
As at 1 January 2023	37,521,000	(38,903,000)	(1,382,000)
Net interest income/(cost)	1,927,000	(1,870,000)	57,000
Actuarial (losses)	(7,614,000)	(954,000)	(8,568,000)
Contributions by the employer	10,158,000	–	10,158,000
Benefits paid	(2,243,000)	2,243,000	–
Past service cost	–	(515,000)	(515,000)
At 31 December 2023	39,749,000	(39,999,000)	(250,000)

Composition of scheme assets in each category:

	2024 £	2023 £
Insurance contracts	34,709,000	39,004,000
Cash and cash equivalents	1,736,000	745,000
Fair value of scheme assets	36,445,000	39,749,000

22 Retirement benefit scheme (continued)

The actual return on scheme assets was as follows:

	2024	2023
	£	£
Actual return	3,795,000	7,614,000

The pension surplus/(deficit) was as follows:

	2024	2023
	£	£
Present value of funded defined benefit obligations	(35,600,000)	(39,999,000)
Fair value of scheme assets	36,445,000	39,749,000
Net defined benefit asset/(obligation)	845,000	(250,000)

Principal actuarial assumptions:

	2024	2023
Discount rate	5.60 %	4.65 %
Inflation rate	3.10 %	2.95 %
Rate of salary increases	2.60 %	2.40 %
Life expectancy for pensioners at the age of 65 (years):		
Male	22.20	22.90
Female	24.80	25.40

Sensitivity analysis
The impact on the defined obligations of changes in significant assumptions are presented below:

Assumptions	**31-Dec 2024**	**31-Dec 2024**	**31-Dec 2023**	**31-Dec 2023**
	Increase by 0.25%	Decrease by 0.25%	Increase by 0.25%	Decrease by 0.25%
Discount rate	(955,000)	955,000	(1,090,000)	1,090,000
Inflation rate	762,000	(762,000)	885,000	(885,000)
	Increase by 1 year		Increase by 1 year	
Assumed life expectancy at the age of 65	1,183,000		1,061,000	

The sensitivity analyses above have been determined based on a method that extrapolates the impact on the defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

23 Share capital

	2024	2023
	£	£
Authorised, issued and fully paid		
2 Ordinary shares of £1 each	2	2
	2	2

The shares have attached to them full voting, dividend and capital distribution rights (including on winding up); they do not confer any rights of redemption.

24 Share premium account

	2024	2023
	£	£
Share premium	20,802,861	20,802,861

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

25 Commitments and contingent liabilities

Capital commitments
At 31 December 2024, the Company had capital commitments as follows:

	2024	2023
	£	£
Contracted for but not provided	387,597	11,792,094

Capital committed at 31 December 2024 is for spend on assets under construction and plant and machinery.

Contingent liabilities and guarantees
The Company has given a guarantee in respect of the Senior Facilities Agreement (SFA) of EM Midco2 Limited, another group company. As at 31 December 2024, the Company along with a number of other group companies has jointly and severally guaranteed $1,781 million which is secured by a charge on the Company's assets. Security will only be enforceable on the occurrence of an Event of Default as defined by the SFA.

The Company, in the ordinary course of business, is undertaking an internal review of fire safety advice (including classifications). Where potential claims may exist, it is not possible, at this time, to measure reliably possible outflows arising from these claims, nor can the timing of possible outflows be determined, as the Company is not yet in receipt of all the relevant information for these matters. Therefore, the Company has contingent liabilities, in respect of these matters and outflows of cash are possible.

The company had jointly and severally guaranteed the value added tax liability (VAT) of other companies within the same VAT group. The VAT balance at 31 December 2024 was recoverable totalling £1.9m (2023: payable of £3.7m).

26 Events after the reporting date

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

27 Related party transactions

The Company has taken advantage of the exemptions contained within paragraphs 8(j) and (k) of FRS 101, and has not disclosed transactions entered into with wholly owned group companies or key management personnel.

The Company is disclosing here transactions entered into with one partially owned group company. During the financial year to 31 December 2024, the Company made sales of £nil (2023: £nil) to Al Futtaim Element Materials Technology Dubai L.L.C, and purchases of £248,121 (2023: £123,505) from the same company. The total net amount due from/(to) Al Futtaim Element Materials Technology Dubai L.L.C at 31 December 2024 was £27,551 payable (2023: £138,724 payable).

28 Ultimate holding company and controlling party

The Company's ultimate parent undertaking is Temasek Holdings (Private) Limited, a company incorporated in Singapore. The Company's immediate parent is Warrington Fire & Building Products UK Limited, registered in England and Wales.

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

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

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