

DMT SOLUTIONS U.K. LIMITED
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 2023

DMT SOLUTIONS U.K. LIMITED

COMPANY INFORMATION

Directors	D P LeStrange K Andersen
Secretary	K Andersen
Company number	11365624
Registered office	Ground Floor Rear Suite Derwent House Cranfield University Technology Park University Way Cranfield Bedfordshire MK43 0AZ United Kingdom
Auditor	Ernst & Young LLP 400 Capability Green Luton Bedfordshire LU1 3LU United Kingdom

DMT SOLUTIONS U.K. LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2023

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

Fair review of the Business

Results for the business have remained consistent over equipment, service and parts. We continue to see a consolidation of the market with customers moving from in house operations to outsourced service bureaus which is contributing to a static market. The business remains sustainable for the foreseeable future.

The Company continues to purchase the majority of its products and spare parts from its immediate parent, DMT Solutions Global Corporation.

Principal risks and uncertainties

The company faces certain risks which are considered in evaluating the business. Risk mitigation initiatives are in place to mitigate on a proactive basis.

Competition

The business competes with a number of companies, competitors range from large multinationals to smaller more narrowly focused regional and local firms. The company must continue to invest in the development of enhanced solutions, products and services in order to maintain and improve its competitive position.

Postal regulations and processes

A significant portion of revenue and profitability is directly or indirectly subject to regulation and oversight by postal authorities. The company depends on a healthy postal sector which could be influenced, positively or negatively, by legislative or regulatory changes.

Volume of physical mail

The historical decline in mail volume represents a challenge which is expected to continue to influence revenue and profitability in the future. The company has been employing strategies to stabilise the mailing business by providing clients with access to a broader range of products and services to offset the traditional mail volume decline.

Third-party suppliers and outsource providers

The company depends on third-party suppliers and outsourced providers for a variety of services, components and supplies. If outsourcing services were interrupted or if performance declined, the ability to process, record and report transactions with clients and other parties could be impacted. Such interruptions to the provision of supplies and/or services could impact the company's ability to meet client demand and damage reputation and client relationships, adversely affecting revenue and profitability.

Impact of the Ukraine war

The Ukraine war has not had an adverse impact on the company to date, and the directors do not currently believe it presents any imminent threat to the company's activities.

Liquidity risk

The Company is part of the group cash pooling arrangements that is secured by the group and has access to cash through its Parent Company to ensure sufficient funds are available for ongoing operations. The Company is reliant on the Parent Company support. The Parent Company's ability to support the Company is assessed by the directors and disclosed in the going concern statement in these financial statements.

DMT SOLUTIONS U.K. LIMITED
STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2023

Key Performance Indicators

The company's financial key performance indicators ('KPIs') are turnover and profit earned.

KPI	2023	2022
Turnover (£)	20,537,755	18,698,162
Operating profit/(loss) (£)	(4,365,773)	236,883

The directors have considered the company's performance against its KPIs, as set out in the table above, and consider it to be satisfactory. Overall turnover has increased by 10% due to an increase in equipment sales and a better product mix. Operating profit excluding one-off impairment investment write off and related party transactions provision in the current year was equal to £552,145. The profit has improved compared to prior year due to improved margins and effective pricing and cost control measures. Impairment of subsidiary for the total amount of £1,341,629 was classified as a significant, one-off event during the year. Associated intercompany receivable provision was for the total amount of £3,576,289. Both investment impairment and intercompany receivable provision subsequently reduced operating profit from £552,145 to operating loss £4,365,773.

Section 172(1) statement

The Directors are fully apprised of their responsibilities under section 172 of the Companies Act 2006. The following disclosure describes how the Directors have had regard to the matters set out in section 172 of the Companies Act and have taken decisions for the long-term benefit of DMT Solutions U.K. Limited and its stakeholders.

Business

In our opinion, given their probability of occurrence and their impact, the risks described below do not individually or collectively pose a threat to the continued existence of the Company. We remain confident that the earning power of our company provides a solid basis for our future business development and ensures that we have the necessary resources to pursue the opportunities available to the company.

The impact of the coronavirus and the Ukraine war will be analysed on an ongoing basis. Management continues to monitor and assess the ongoing situation in Russia and Ukraine. Following the invasion, energy prices in Europe increased which subsequently impacted supply chain and cost of materials.

Customers

The company is a high performing organisation with customer focus as the core driver. They aim to provide customers with the expertise, solutions and experience in the high-volume print, mail and parcel insertion and sortation space.

The company is committed to exceeding their customer's expectations in everything they do and manage and drive the business to be environmentally conscious, socially responsible and governed in a way that fosters trust across all business relationships.

Workforce

The company is investing in ensuring that they comply with all employment and health and safety laws. The Directors believe appropriate standards and processes to monitor and to ensure the welfare of those employees. These include the regular health and safety checks performed across the facility to ensure the safety of the employees. All employees undergo regular training programs covering, modern slavery, anti-harassment and discrimination, and ethics and corporate conduct.

Governance

Each quarter the Board members meet to review the status of the business in terms of financial performance, risks & key decisions and actions. Decisions taken are aligned with the long-term strategy of the company. The Board of Directors is responsible for ensuring adherence to the ethical standards as per the company's code of conduct and that all employees act with integrity.

DMT SOLUTIONS U.K. LIMITED
STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2023

Stakeholder Engagement

The Directors of the company actively work to strengthen relationships with the key stakeholders of the company both internal and external to DMT Solutions U.K. Limited. Internal stakeholder communication is managed by head office with regular business updates. Customer engagement is predominantly driven by the Service and Operations team using dedicated Account Managers and is either by telephone, email or when acceptable face to face meetings. The Procurement function of the company manage relationships and communications with suppliers.

On behalf of the board



D P LeStrange
Director

Date: *December 17, 2024*

DMT SOLUTIONS U.K. LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2023

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

Principal activities

The principal activity of the company is the supply and servicing of mailing machines, office equipment and consumable goods.

Branches

The company has foreign branches in Belgium, Switzerland, Denmark and the Republic of Ireland.

Directors

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

K Andersen
D P LeStrange

Results and dividends

The results for the year are set out in the statement of comprehensive Income.

No ordinary dividends were declared or paid in the year.

Qualifying third party indemnity provisions

The company has made qualifying third-party indemnity provisions for the benefit of its directors during the year. These provisions remain in force at the reporting date.

Financial risk management objectives and policies

The business' principal financial instruments comprise bank balances, trade debtors, group loans and trade creditors. The main purpose of these instruments is to finance the business' operations.

In respect of bank balances, all of the business' cash balances are held in such a way that achieves a competitive rate of interest.

Trade debtors are managed in respect of credit and cash flow risk by policies concerning the credit offered to customers and the regular monitoring of amounts outstanding.

Trade creditors liquidity risk is managed by ensuring sufficient funds are available to meet amounts due.

Future developments

The company expects to trade profitably in the future.

Matters of strategic importance

The Company has chosen in accordance with Companies Act 2006, s. 414C(11) to set out in the Company's Strategic Report information required by Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, Sch. 7 to be contained in the Directors' Report. It has done so in respect of stakeholder engagement reporting.

DMT SOLUTIONS U.K. LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

Statement of disclosure to auditor

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

Going concern

The financial statements have been prepared on a going concern basis.

The Company made net losses of £5.6m for 2023 and had net assets of £13.0m at 31 December 2023, including net current assets of £12.6m which is inclusive of amounts owed by DMT Solutions Global Corporation (Parent Company) via cash pooling of £16.7m and cash balance of £0.2m.

At the time of approving the financial statements, having reviewed the company's forecasts, and considering the parental support, the Directors have a reasonable expectation that the Company has adequate resources to manage its business satisfactorily and to continue in operational existence for the foreseeable future covering a period of 12 months from the date of the financial statements.

The Company has received a letter of support from its Parent Company indicating that it will provide the financial and other support necessary for the company to trade and meet its liabilities as and when they become due for a period of 12 months from the date of signing of these financial statements. The Parent Company had current net assets of \$58.9m at 31 December 2023, including deferred revenue of \$90.3m which is disclosed as a current liability. The Parent Company has external third-party borrowing arrangements (bank term loan and revolver) outstanding as of 31 December 2023 and at the time of issuance of these financial statements.

The Parent Company's revolver and term loan each mature in 2027. The term loan requires quarterly principal payments and both the revolver and term loan each contain certain financial covenants. At 31 December 2023 and through the issuance date of these financial statements, the Parent Company was compliant with its payment obligations and its debt covenants.

A cash flow model has been prepared for the Parent Company for a period to 31 December 2025, covering the period of 12 months from the date of approving the UK financial statements. The cashflow forecast model demonstrates that there is sufficient cash available for the Parent Company to meet daily operational requirements and continue to meet its loan repayments and financial covenants. Further, the Directors have considered reasonably plausible downside scenarios which demonstrate that the Parent Company can remain within its facilities and comply with the borrowing arrangement's loan covenants.

At the date of issuance of these financial statements, the Directors have reviewed forecasts and the support available from the Parent Company described above which indicate that the Parent Company has adequate and sufficient resources to continue in operational existence for the foreseeable future covering a period of 12 months from the date of signing of these financial statements. Accordingly, the financial statements have been prepared on the going concern basis.

However, the current trading environment, including interest rates and global political concerns remains challenging and uncertain which impacts consumer behaviour and continues to create uncertainty in sales volumes and ultimately revenue and EBITDA which could impact the ability of the parent company to meet loan covenants and or loan repayments and to continue to support the company which creates a material uncertainty related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern.

Nevertheless, the directors continue to adopt the going concern basis of preparation for these accounts. Accordingly, these financial statements do not include any adjustments to the carrying amount or classification of assets and liabilities that would result if the company were unable to continue as a going concern.

DMT SOLUTIONS U.K. LIMITED
DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2023

Streamlined Energy Carbon Reporting

Energy use type	2023 energy consumption (kWh)	2023 emissions (tonnes CO2 equivalent)	2022 energy consumption (kWh)	2022 emissions (tonnes CO2 equivalent)
Combustion of gas in buildings	0	0.00	0	0.00
Fuel in company operated vehicles	126,320	31.17	203,368	49.04
Total Scope 1	126,320	31.17	203,368	49.04
Purchased electricity	17,286	3.58	16,607	3.21
Purchased electricity for EVs	5,708	1.18	0	0.00
Total Scope 2	22,994	4.76	16,607	3.21
Business travel in rental or employee-owned vehicles	369,706	86.83	489,641	116.44
Total Scope 3	369,706	86.83	489,641	116.44
Total	519,020	122.76	709,616	168.69

In order to facilitate year on year comparison of emissions taking into account fluctuations in activity Level, DMT Solutions U.K. Limited has calculated the intensity ratio of emissions per UK £M sales revenue.

	Emissions per turnover 2023 (tonnes CO2 equivalent per £million sales revenue)	Emissions per turnover 2022 (tonnes CO2 equivalent per £million sales revenue)
Total emissions	5.98	9.02
£m Sales Revenue	20.538	18.698

Energy efficiency action taken

On-going review of the company vehicle fleet in order to lower emission options, including review of hybrid options for those high mileage employees. No major changes to fleet to date.

DMT SOLUTIONS U.K. LIMITED
DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2023

Quantification and Reporting Methodology used

Calculations have been carried out using a methodology closely aligned with the principles of the Greenhouse Gas Protocol (GHG) Standard for Corporate Accounting and Reporting produced by the World Business Council for Sustainable Development (WBCSD) and the World Resources Institute (WRI) - a globally recognised standard. The GHG Protocol Standard is one of the recommended methodologies under SECR guidelines. Calculations utilised UK Government Conversion Factors for Company Reporting for the year of reporting. Methodology is also aligned with the 2013 UK Government Environmental Reporting Guidelines (updated March 2019).

The financial control approach has been used in defining the organisational boundary.

On behalf of the board



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D P LeStrange
Director

Date: December 17th, 2024

DMT SOLUTIONS U.K. LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2023

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable United Kingdom 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 FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland ("FRS 102"). 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 for that period.

In preparing these financial statements the directors are required to:

- select suitable accounting policies in accordance with Section 10 of FRS 102 and then apply them consistently.
- make judgements 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 102 is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the company's financial position and financial performance.
- state whether applicable UK Accounting Standards, including FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is 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 company financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DMT SOLUTIONS U.K. LIMITED

Opinion

We have audited the financial statements of DMT Solutions U.K. Limited for the year ended 31 December 2023 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity and the related notes 1 to 22, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

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

Basis for opinion

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

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

Material uncertainties relating to going concern

We draw attention to note 1 in the financial statements where the directors highlight the current trading environment remains challenging and uncertain which impacts consumer behaviour and continues to create uncertainty in sales volumes and ultimately revenue and EBITDA which could impact the ability of DMT Global Corporation, the parent company, to meet its loan covenants and or loan repayments during a period of 12 months from when these financial statements are authorized for issue.

As stated in note 1, these events or conditions, indicate that a material uncertainty exists that may cast significant doubt on the parent company's ability to continue as a going concern and to continue to support the company, DMT Solutions UK Limited. This results in a material uncertainty that may cast significant doubt on the company's ability to continue as a going concern.

Our opinion is not modified in respect of these matters.

Other information

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

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

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

We have nothing to report in this regard.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DMT SOLUTIONS U.K. LIMITED (CONTINUED)

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and 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 7, 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 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DMT SOLUTIONS U.K. LIMITED (CONTINUED)

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the company and determined that the most significant are relating to FRS102, the Companies Act 2006, and United Kingdom direct and indirect tax regulations. In addition, the company must comply with operational and employment laws and regulations including health and safety regulations, environmental regulations and GDPR.
- We understood how the company is complying with those frameworks by making enquiries of management and senior finance personnel and gaining an understanding of the entity level controls of the company in respect of these areas and the controls in place to reduce opportunity for fraudulent transactions.
- We assessed the susceptibility of the company's financial statements to material misstatement, including how fraud might occur by obtaining and reading internal policies, making enquiries of management and senior finance personnel.
- Based on this understanding we designed our audit procedures to identify noncompliance with such laws and regulations. Our procedures involved:
 - We assessed the susceptibility of the company's financial statements to material misstatement, including how fraud might occur by meeting with management and senior finance personnel to understand where they considered there was susceptibility to fraud. We considered the procedures and controls that the company has established to address risks identified, or that otherwise prevent, deter and detect fraud and gained an understanding as to how those procedures and controls are implemented and monitored.
 - We read minutes of meetings of those charged with governance where available.
 - We read financial statements disclosures and tested to supporting documentation to assess compliance with applicable laws and regulations.
 - We audited the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness. We also audited the risk of improper revenue recognition through performing audit procedures on top side journals to revenue and audit of revenue cut off.
 - We evaluated the business rationale of significant transactions outside the normal course of business; and
 - We challenged judgements made by management. This included corroborating the inputs and considering contradictory evidence.

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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Farzin Radfar (Senior Statutory Auditor)

For and on behalf of Ernst & Young LLP, Statutory Auditor

Luton

Date:18..December 2024

DMT SOLUTIONS U.K. LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2023

	Notes	2023 £	2022 £
Turnover	3	20,537,755	18,698,162
Cost of sales		(10,965,506)	(8,875,590)
Gross profit		9,572,249	9,822,572
Administrative expenses:			
Goodwill Amortisation		(1,475,833)	(1,475,833)
Impairment provision of intercompany receivable		(3,576,289)	-
Investment impairment	12	(1,341,629)	-
Other administrative expenses		(7,544,271)	(8,109,856)
		(13,938,022)	(9,585,689)
Operating profit/(loss)	5	(4,365,773)	236,883
Interest receivable and similar income	7	2,046,810	2,205,541
Interest payable and similar expenses	8	(2,984,000)	(3,136,161)
Profit/(loss) before taxation		(5,302,963)	(693,737)
Tax on profit/(loss)	9	(255,185)	(144,656)
Profit/(loss) for the financial year		(5,558,148)	(838,393)
Other comprehensive income			
Currency translation differences		(3,677)	226,492
Total comprehensive income for the		(5,561,825)	(611,901)

DMT SOLUTIONS U.K. LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2023

	Note	2023 £	£	2022 £	£
Fixed assets					
Goodwill	10		6,884,996		8,360,829
Tangible assets	11		63,541		77,587
Investments	12		14,613,099		13,106,427
			21,561,636		21,544,843
Current assets					
Stocks	14	4,614,206		4,199,581	
Debtors: amounts falling due within one year	15	34,774,290		31,155,512	
Debtors: amounts falling due after more than one year	15	26,058,912		32,441,836	
Cash at bank and in hand		202,769		1,287,369	
		65,650,177		69,084,298	
Creditors: amounts falling due within one year	16	(26,970,319)		(74,665,951)	
Net current assets			38,679,858		(5,581,653)
Total assets less current liabilities			60,241,494		15,963,190
Creditors: amounts falling due after more than one year	17		(47,253,453)		-
Net assets			12,988,041		15,963,190
Capital and reserves					
Called up share capital	19		17,617,006		17,617,006
Capital contribution	20		2,586,676		-
Profit and loss reserves	20		(7,215,641)		(1,653,816)
Total equity			12,988,041		15,963,190

The financial statements were approved by the board of directors and authorised for issue on December 17, 2024 and are signed on its behalf by:



D P LeStrange
 Director

DMT SOLUTIONS U.K. LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2023

	Share capital	Capital Contribution	Profit and loss reserves	Total
Notes	£	£	£	£
Balance at 1 January 2022	17,617,006	-	(1,041,915)	16,575,091
Year ended 31 December 2022:				
Loss for the year	-	-	(838,393)	(838,393)
Currency translation differences	-	-	226,492	226,492
Total comprehensive loss for the year	-	-	(611,901)	(611,901)
Balance at 31 December 2022	17,617,006	-	(1,653,816)	15,963,190
Year ended 31 December 2022:				
Loss for the year	-	-	(5,558,148)	(5,558,148)
Currency translation differences	-	-	(3,677)	(3,677)
Total comprehensive loss for the year	-	-	(5,561,825)	(5,561,825)
Capital contribution	-	2,586,676	-	2,586,676
Balance at 31 December 2023	17,617,006	2,586,676	(7,215,641)	12,988,041

DMT SOLUTIONS U.K. LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

1 Accounting policies

Company information

DMT Solutions U.K. Limited is a private company limited by shares and is registered and incorporated in England and Wales. The registered office is Ground Floor Rear Suite, Derwent House Cranfield University Technology Park, University Way, Cranfield, Bedfordshire, United Kingdom, MK43 0AZ.

The company's principal activities and nature of its operations are disclosed in the Strategic and Directors' Reports.

Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006, including the provisions of the Large and Medium sized Companies and Groups (Accounts and Reports) Regulations 2008, under the historical cost convention and on a going concern basis. Accounting policies have been consistently applied to all the years presented unless otherwise stated.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £1.

The principal accounting policies adopted are set out below.

The company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements:

- Section 7 'Statement of Cash Flows' – Presentation of a statement of cash flow and related notes and disclosures.
- Section 11 'Basic Financial Instruments' – Interest income/expense and net gains/losses for each category of financial instrument.
- Section 33 'Related Party Disclosures' – Compensation for key management personnel.

The financial statements of the company are consolidated in the financial statements of DMT Solutions Global Corporation, whose registered office is 37 Executive Drive, Danbury, Connecticut, 06810-4147, United States of America. These consolidated financial statements can be obtained from the registered office.

Consolidated accounts

The company has taken advantage of the exemption under section 401 of the Companies Act 2006 not to prepare consolidated accounts. Consequently, these financial statements present the financial position and financial performance of the company as a single entity.

Business combinations

The cost of a business combination is the fair value at the acquisition date, of the assets given, equity instruments issued, and liabilities incurred or assumed, plus costs directly attributable to the business combination. The excess of the cost of a business combination over the fair value of the identifiable assets, liabilities and contingent liabilities acquired is recognised as goodwill.

DMT SOLUTIONS U.K. LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

1 Accounting policies (Continued)

Going concern

The financial statements have been prepared on a going concern basis.

The Company made net losses of £5.6m for 2023 and had net assets of £13.0m at 31 December 2023, including net current assets of £12.6m which is inclusive of amounts owed by DMT Solutions Global Corporation (Parent Company) via cash pooling of £16.7m and cash balance of £0.2m.

At the time of approving the financial statements, having reviewed the company's forecasts, and considering the parental support, the Directors have a reasonable expectation that the Company has adequate resources to manage its business satisfactorily and to continue in operational existence for the foreseeable future covering a period of 12 months from the date of the financial statements.

The Company has received a letter of support from its Parent Company indicating that it will provide the financial and other support necessary for the company to trade and meet its liabilities as and when they become due for a period of 12 months from the date of signing of these financial statements. The Parent Company had current net assets of \$58.9m at 31 December 2023, including deferred revenue of \$90.3m which is disclosed as a current liability. The Parent Company has external third-party borrowing arrangements (bank term loan and revolver) outstanding as of 31 December 2023 and at the time of issuance of these financial statements.

The Parent Company's revolver and term loan each mature in 2027. The term loan requires quarterly principal payments and both the revolver and term loan each contain certain financial covenants. At 31 December 2023 and through the issuance date of these financial statements, the Parent Company was compliant with its payment obligations and its debt covenants.

A cash flow model has been prepared for the Parent Company for a period to 31 December 2025, covering the period of 12 months from the date of approving the UK financial statements. The cashflow forecast model demonstrates that there is sufficient cash available for the Parent Company to meet daily operational requirements and continue to meet its loan repayments and financial covenants. Further, the Directors have considered reasonably plausible downside scenarios which demonstrate that the Parent Company can remain within its facilities and comply with the borrowing arrangement's loan covenants.

At the date of issuance of these financial statements, the Directors have reviewed forecasts and the support available from the Parent Company described above which indicate that the Parent Company has adequate and sufficient resources to continue in operational existence for the foreseeable future covering a period of 12 months from the date of signing of these financial statements. Accordingly, the financial statements have been prepared on the going concern basis.

However, the current trading environment, including interest rates and global political concerns remains challenging and uncertain which impacts consumer behaviour and continues to create uncertainty in sales volumes and ultimately revenue and EBITDA which could impact the ability of the parent company to meet loan covenants and or loan repayments and to continue to support the company which creates a material uncertainty related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern.

Nevertheless, the directors continue to adopt the going concern basis of preparation for these accounts. Accordingly, these financial statements do not include any adjustments to the carrying amount or classification of assets and liabilities that would result if the company were unable to continue as a going concern.

DMT SOLUTIONS U.K. LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

1 Accounting policies (Continued)

Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably and, it is probable that the economic benefits associated with the transaction will flow to the entity.

Revenue for the provision of professional services is recognised over the period the services are provided.

Other operating income

Government grants are recognised as income when the associated performance conditions are met.

Investment income

Interest income is accrued on a time-apportioned basis, by reference to the principal outstanding at the effective interest rate. Dividend income is accrued when dividends have been declared in subsidiary companies.

Intangible fixed assets - goodwill

Goodwill represents the excess of the cost of acquisition of unincorporated businesses over the fair value of the identifiable assets and liabilities acquired. It is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is considered to have a finite useful life and is amortised on a systematic basis over its expected life, which is 10 years, which represents the period over which the goodwill is expected to give rise to economic benefits. Amortisation is charged to the administrative expenses line on the statement of comprehensive income.

For the purposes of impairment testing, goodwill is allocated to the cash-generating units expected to benefit from the acquisition. Cash-generating units to which goodwill has been allocated are tested for impairment when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit.

Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost of assets less their residual values over their useful lives on the following bases:

Fixtures and fittings	3-10 years straight line
Computers	3 years straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset and is credited or charged to profit or loss.

DMT SOLUTIONS U.K. LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

1 Accounting policies (Continued)

Fixed asset investments

Interests in subsidiaries are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investment is tested for impairment when there is an indication that the unit may be impaired, and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

A subsidiary is an entity controlled by the company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

Impairment of fixed assets

The company reviews the carrying amounts of its fixed assets to determine whether there is any indication that those assets have suffered an impairment loss when there is an indication of an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition. Cost is determined using the first-in, first-out (FIFO) method.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

DMT SOLUTIONS U.K. LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

1 Accounting policies (Continued)

Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised when the company becomes party to the contractual provisions of the instrument.

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

Basic financial assets

Basic financial assets, which include trade and other debtors and amounts owed by group undertakings, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost, being the amount initially recognised less amounts settled and any impairment losses.

Impairment of financial assets

Financial assets are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including trade creditors, other creditors, accruals and amounts due to fellow group undertakings, are initially recognised at transaction price and are subsequently carried at amortised cost. For debt instruments amortised costs is calculated using the effective interest rate method. Under the effective interest method, the interest expense is recognised at the effective interest rate which is the rate that exactly discounts future discounted payments through the expected life of the loan. For all other financial liabilities amortised, cost is transaction price less amounts settled.

DMT SOLUTIONS U.K. LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

1 Accounting policies (Continued)

Derecognition of financial liabilities

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

Equity instruments

Equity instruments issued by the company are recorded at the fair value of proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

Taxation

The tax expense represents the sum of the current tax expense and deferred tax expense. Current tax assets are recognised when tax paid exceeds the tax payable.

Current and deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited to other comprehensive income or equity, when the tax follows the transaction or event it relates to and is also charged or credited to other comprehensive income, or equity.

Current tax assets and current tax liabilities and deferred tax assets and deferred tax liabilities are offset, if and only if, there is a legally enforceable right to set off the amounts and the entity intends either to settle on the net basis or to realise the asset and settle the liability simultaneously.

Current tax is based on taxable profit for the year. Current tax assets and liabilities are measured using tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised, or the liability is settled based on tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax liabilities are recognised in respect of all timing differences that exist at the reporting date. Timing differences are differences between taxable profits and total comprehensive income that arise from the inclusion of income and expenses in tax assessments in different periods from their recognition in the financial statements. Deferred tax assets are recognised only to the extent that it is probable that they will be recovered by the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is recognised on income and expenses from branches when such income and expenses will be assessed or allowed for tax in a future period except where the company is able to control the reversal of the timing difference and it is probable that the timing difference will not reverse in the foreseeable future.

Deferred tax is recognised on differences between the value of assets (other than goodwill) and liabilities recognised in a business combination and the amounts that can be deducted or assessed for tax. The deferred tax recognised is adjusted against goodwill.

Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense as incurred.

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

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

DMT SOLUTIONS U.K. LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

1 Accounting policies (Continued)

Retirement benefits

For defined contribution schemes the amount charged to profit or loss is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments.

Leases

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight-line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leases asset are consumed.

Foreign exchange

Transactions in currencies other than the functional currency (foreign currency) are initially recorded at the exchange rate prevailing on the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are re-translated at the rate of exchange ruling at the reporting date. Non-monetary assets and liabilities denominated in foreign currencies are translated at the rate ruling at the date of the transaction and not subsequently re-translated.

All such translation differences are taken to profit or loss within administrative expenses.

The assets and liabilities of the company's overseas operations, the functional currency of which is not sterling, are translated into the company's presentational currency of sterling at the rate ruling at the reporting date.

Income and expenses of foreign operations are translated at the average rate for the year as the directors consider this to be a reasonable approximation to the rate at the date of the transaction. Exchange differences are recognised in other comprehensive income and accumulated in equity.

Related party transactions

The company discloses transactions with related parties which are not wholly owned within the same group. It does not disclose transactions with members of the same group that are wholly owned.

2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount 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 period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

There are no judgements, estimates or assumptions that are material for the financial statements.

DMT SOLUTIONS U.K. LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

3 Turnover and other revenue

	2023	2022
	£	£
Turnover analysed by class of business		
Equipment sales	10,117,335	7,634,425
Software sales	2,526,612	2,605,921
Service and maintenance sales	7,893,808	8,457,816
	<u>20,537,755</u>	<u>18,698,162</u>
	2023	2022
	£	£
Turnover analysed by geographical market		
United Kingdom	15,049,380	12,744,098
Rest of Europe	5,441,146	5,843,953
Rest of World	47,229	110,111
	<u>20,537,755</u>	<u>18,698,162</u>

4 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2023	2022
	Number	Number
Service	78	89
Sales and administration	34	34
	<u>112</u>	<u>123</u>

Their aggregate remuneration comprised:

	2023	2022
	£	£
Wages and salaries	6,460,030	6,968,074
Social security costs	781,149	824,772
Pension costs	342,402	295,847
	<u>7,583,581</u>	<u>8,088,693</u>

The directors received no remuneration from the company (2022: £nil) in the financial year. During the year, all directors were either directors or employees of other DMT group companies. No part of any remuneration they received from other DMT group companies was in respect of their qualifying services to the company.

DMT SOLUTIONS U.K. LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

9 Taxation

	2023	2022
	£	£
Current tax		
UK corporation tax for the year	262,229	150,704
Adjustments in respect of prior years	(7,044)	(6,048)
	<hr/>	<hr/>
Total current tax	255,185	144,656
Deferred tax	-	-
Total tax charge	<hr/> <u>255,185</u>	<hr/> <u>144,656</u>

The total tax charge for the year included in the income statement can be reconciled to the profit/(loss) before tax multiplied by the standard rate of tax as follows:

	2023	2022
	£	£
Loss before taxation	<hr/> (5,302,963)	<hr/> (693,737)
Expected tax charge/(credit) based on the standard rate of corporation tax in the UK of 23.50% (2022: -)	(1,246,196)	(131,810)
Tax effect of (Income)/expenses that are not deductible in determining taxable profit	(5,558)	2,469
Tax effect of impairment not deductible in determining taxable profit	1,167,214	-
Adjustments in respect of prior years	(7,044)	(6,048)
Amortisation on assets not qualifying for tax	346,769	280,045
	<hr/>	<hr/>
Total taxation charge for the year	<hr/> <u>255,185</u>	<hr/> <u>144,656</u>

Factors that may affect future tax charges

In the March 2021 Budget, it was announced that the UK corporation tax rate would increase to 25% from 1 April 2023. Since 2023 there has been a main rate set at 25%. There are no other significant factors that may affect future tax charges.

DMT SOLUTIONS U.K. LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

10 Goodwill

	Goodwill £
Cost	
At 1 January 2023 and 31 December 2023	14,759,833
Amortisation and impairment	
At 1 January 2023	6,399,004
Amortisation charged for the year	1,475,833
At 31 December 2023	7,874,837
Carrying amount	
At 31 December 2023	6,884,996
At 31 December 2022	8,360,829

11 Tangible assets

	Fixture and fittings £	Computers £	Total £
Cost			
At 1 January 2023	58,590	90,768	149,358
Additions	-	26,531	26,531
At 31 December 2023	58,590	117,299	175,889
Depreciation and impairment			
At 1 January 2023	32,766	39,005	71,771
Depreciation charged in the year	7,946	32,631	40,577
At 31 December 2023	40,712	71,636	112,348
Carrying amount			
At 31 December 2023	17,878	45,663	63,541
At 31 December 2022	25,824	51,763	77,587

DMT SOLUTIONS U.K. LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2023

12 Investments

	Notes	2023 £	2022 £
Investments in subsidiaries	13	14,613,099	13,106,427
Movements in investments			
			Shares in subsidiary undertakings £
Cost			
At 1 January 2023			13,106,427
Additions			2,848,301
At 31 December 2023			15,954,728
Impairment			
At 1 January 2023			-
Impairment			(1,341,629)
At 31 December 2023			(1,341,629)
Net Book Value			
At 31 December 2023			14,613,099
At 31 December 2022			13,106,427

Additions during the year pertains to voluntary contributions made to certain existing subsidiaries for DMT UK.

The directors have reviewed the carrying value of investments at 31 December 2023. Accordingly, they consider it appropriate to record an impairment provision of £1,341,629 to write down the net book value of the investments to reflect expected recoverable net assets of the underlying subsidiaries at 31 December 2023.

13 Subsidiaries

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

Name of undertaking	Registered office key	Nature of business	Class of shares held	% Held
DMT Solutions France SAS	1	Supply and servicing of mailing machines, office equipment and consumable	Ordinary	100
DMT Solutions Australia Pty Ltd	2	As above	Ordinary	100
DMT Solutions Japan KK	3	As above	Ordinary	100
DMT Solutions Germany GmbH	4	As above	Ordinary	100
DMT Solutions Poland SP. Z o.o.	5	As above	Ordinary	100
DMT Solutions Sweden AB	6	As above	Ordinary	100
DMT Solutions Norway AS	7	As above	Ordinary	100
DMT Solutions Finland Oy	8	As above	Ordinary	100
DMT Solutions Italy Srl	9	As above	Ordinary	100

DMT SOLUTIONS U.K. LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

13 Subsidiaries (Continued)

Registered Office addresses:

- 1 Immeuble le Cap-Bat. B, 3 Rue Brennus, 93200 Saint Denis, France
- 2 Baker & McKenzie, Tower One – International Towers Sydney, Level 46, 100 Barangaroo Avenue, Sydney NSW 2000, Australia
- 3 Kadoya No. 10 Building 6F, 6-24-10 Manami-Ooi, Shinagawa-ku, Tokyo, Japan
- 4 Steubenplatz 17, 64293 Darmstadt, Germany
- 5 Powstancow Slaskich 3, 43-300 Bielsko-Biala, Poland
- 6 Turebergs alle 2, 191 62 Sollentuna, Sweden
- 7 Karihaugveien 89, 1086 Oslo, Norway
- 8 Teknbulevardi 3-5, 01530 Vantaa, Finland
- 9 Palazzo Cassiopea 3 – Centro Direzionale Colleoni, Via Paracelso 26, First Floor, Room 111, 20864 Agrate Brianza MB, Italy

14 Stocks

	2023 £	2022 £
Finished goods and components	4,614,206	4,199,581
	<u>4,614,206</u>	<u>4,199,581</u>

The difference between the carrying value of stock and its replacement cost is not material.

DMT SOLUTIONS U.K. LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

15 Debtors

	2023	2022
	£	£
Amounts falling due within one year:		
Trade debtors	3,246,887	4,687,118
Amounts owed by parent undertaking	16,666,283	14,925,491
Amounts owed by fellow group undertakings	131,070	110,709
Amounts owed by subsidiary undertakings	13,808,348	10,743,175
Other debtors	-	57,687
Corporation tax	76,117	374,572
Prepayments and accrued income	845,585	256,760
	<u>34,774,290</u>	<u>31,155,512</u>
	2023	2022
	£	£
Amounts falling due after more than one year:		
Amounts owed by subsidiary undertakings	<u>26,058,912</u>	<u>32,441,836</u>
	<u>26,058,912</u>	<u>32,441,836</u>

Amount owed by parent undertaking of £16,666,283 (2022: £14,925,491) relate to amounts held under the cash pool arrangements within the group.

Amounts owed by subsidiary undertakings, shown within debtors falling due after more than one year, comprise of loans to various group companies. Included in these balances there are agreements with a total of £256k that state that they are payable on demand. However, the directors consider these loans to be due in more than one year. The loans accrue interest at rates ranging from 6% to 9% per annum depending on the agreement and are un-secured.

16 Creditors: amounts falling due within one year

	2023	2022
	£	£
Trade creditors	711,786	442,267
Amounts owed to fellow group undertakings	-	19,791,068
Amounts owed to subsidiary undertakings	90,179	632,172
Amounts owed to parent undertakings	23,328,406	49,314,739
Other taxation and social security	1,187,140	1,367,757
Accruals and deferred income	1,652,808	3,117,948
	<u>26,970,319</u>	<u>74,665,951</u>

Previous year included loan to parent that was renewed during the current year and that matures on 30th November 2028.

DMT SOLUTIONS U.K. LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2023

17 Creditors: amounts falling due after more

	2023	2022
	£	£
Amounts owed to parent undertakings	47,253,453	-
	<u>47,253,453</u>	<u>-</u>

Amounts owed to parent undertakings comprise of loan that accrues interest at 8% per annum and is un-secured.

18 Retirement benefit schemes

	2023	2022
	£	£
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	<u>342,402</u>	<u>295,847</u>

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

Contributions totalling £47,120 (2022: £26,884) were payable to the fund at the year end and are included in creditors.

19 Share capital

	2023	2022
	£	£
Ordinary share capital		
Issued and fully paid		
17,617,006 Ordinary shares of £1 each	<u>17,617,006</u>	<u>17,617,006</u>
	<u>17,617,006</u>	<u>17,617,006</u>

The company has one class of ordinary shares which carry no rights to fixed income. Each share carries the right to one vote at general meetings of the company.

20 Reserves

Profit and loss reserve

Profit and loss reserves include cumulative profit and loss net of distributions to owners.

Capital contribution

On 30 November 2023, intercompany loans payable amounting to \$3,250,000 (£2,586,676) were converted to Capital Contribution reserve as a voluntary, non-refundable and gratuitous contribution to the capital of DMT Solutions U.K. Limited (DMT UK) without the issuance of any shares or any rights in the DMT UK in exchange (the "Contribution"). The Contribution is subject to the condition that it shall not be credited to the DMT UK's profit and loss account but shall be credited to the Capital Contribution reserve which shall be treated by the directors of DMT UK as not being a distributable reserve. DMT UK's acceptance of the Contribution shall be deemed to be an acceptance of the above condition.

DMT SOLUTIONS U.K. LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

21 Operating lease commitments

Lessee

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2023	2022
	£	£
Within one year	132,069	165,147
Between one and five years	186,250	365,660
In over five years	-	-
	<u>318,319</u>	<u>530,807</u>

22 Ultimate controlling party

DMT Solutions Global Corporation, which is incorporated in the United States of America, is the parent of the only group for which consolidated accounts including the company are prepared and publicly available. Copies of the consolidated accounts of DMT Solutions Global Corporation can be obtained from its registered office at 37 Executive Drive, Danbury, Connecticut, 06810-4147, United States of America.

The ultimate parent undertaking and controlling party of the company are Funds managed by Platinum Equity, LLC, which is incorporated in the United States of America.

DMT Solutions International Holding, LLC which is incorporated in the United States of America, is the immediate parent by virtue of the ownership of 100% of the share capital.