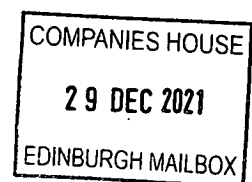
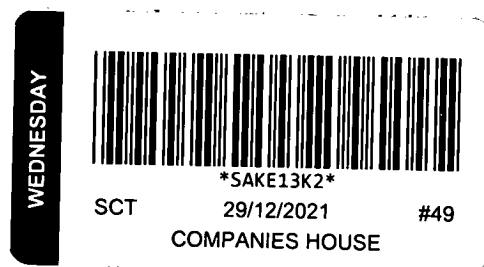


Company Registration No. 06674383 (England and Wales)

EXOVA TREASURY LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020



EXOVA TREASURY LIMITED

COMPANY INFORMATION

Directors	Neil MacLennan Thomas Fountain
Secretary	Neil MacLennan
Company number	06674383
Registered office	3rd Floor Davidson Building 5 Southampton Street London WC2E 7HA United Kingdom
Auditor	Ernst & Young LLP 1 More London Place London SE1 2AF United Kingdom

EXOVA TREASURY LIMITED

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EXOVA TREASURY LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2020

The Directors present their report and financial statements of Exova Treasury Limited (the "Company") for the financial year ended 31 December 2020. This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies. The Directors have taken advantage of section 414B whereby the Company is exempt from preparing a strategic report.

Principal Activity

The principal activity of the Company throughout the year was to operate as an intermediary holding company.

Directors

The Directors who served during the financial year and to the date of this report were as follows:

Neil MacLennan	(Appointed 28 October 2020)
Thomas Fountain	(Appointed 16 March 2021)
Ruth Prior	(Appointed 28 October 2020 and resigned 16 March 2021)
Jo Wetz	(Resigned 28 October 2020)
Niall McCallum	(Resigned 9 October 2020)

Dividends

The Directors do not recommend payment of a dividend (2019: £nil).

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
Cash flow, credit and liquidity risk	In order to ensure that sufficient funds are available to fund ongoing operations and future developments, management regularly reviews cash flow forecasts and financing arrangements of the business to ensure that there is sufficient funding in place.
Exchange rate risk	The Company continues to monitor the risks associated with the revaluation of investments and intercompany balances, and the impact that this has on the Statement of profit or loss and Statement of financial position. Monitoring activities include the assessment of cash requirements and loan arrangements in place and taking actions to move funds as appropriate.
Operational performance of the companies from which balances are recoverable	Management regularly review the cash flow forecasts and operational performance of the companies in which the underlying investments are held to ensure that no recoverability issues or indicators of impairment are present. Management account for any recoverability issues or impairment identified appropriately where or if applicable.
Prolonged pandemic impact	The Company has carried out a robust assessment of its financial position and in the event that investment performance fails to recover to pre Covid-19 levels, the Company has support from the ultimate parent Company Element Materials Technology Limited to continue to operate as a going concern.

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 manage risk appropriately. The Company's ultimate holding company, Element Materials Technology Group 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 continual basis.

EXOVA TREASURY LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

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 ultimate parent company, Element Materials Technology Group Limited ("Element"). The Directors have received confirmation that Element 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 2022.

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 the 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.

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 in the next year.

Directors' Insurance and indemnities

As permitted by the Companies Act 2006, Element Materials Technology Group Limited 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:

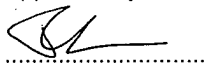
- so far as that Director is aware, there is no relevant material audit information of which the Company's auditor is unaware; and
- the Director has taken all the steps that they ought to have taken as a director in order to be aware of any relevant audit information and to establish that the Company's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

Auditor reappointment

The auditor, Ernst & Young LLP, will be proposed for reappointment in accordance with section 487 of the Companies Act 2006.

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies' exemption.

Approved by the Board and signed on its behalf by:



Thomas Fountain

Director

Date: 21 December 2021

EXOVA TREASURY LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2020

The Director is responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Director to prepare financial statements for each financial year. Under that law the Director has elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law) including FRS 101 "Reduced Disclosure Framework". Under company law the director must not approve the financial statements unless he is 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 Director is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The Director is 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. He is 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 EXOVA TREASURY LIMITED

Opinion

We have audited the financial statements of Exova Treasury Limited (the 'Company') for the year ended 31 December 2020, which comprise the Statement of Profit or Loss, the Statement of Financial Position, the Statement of Changes in Equity and the related Notes 1 to 20, 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 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 2020 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

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

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from the date when the financial statements are authorised for issue.

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

Other information

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

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

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF EXOVA TREASURY LIMITED (CONTINUED)

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 Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Directors has 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 Report of the Directors.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemptions in preparing the Report of the Directors and from the requirement to prepare a strategic report.

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement set out on page 3, 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF EXOVA TREASURY LIMITED (CONTINUED)

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 direct and indirect tax compliance regulation in the UK.
- We understood how the company is complying with those frameworks by making enquiries of management to understand how the company maintains and communicates its policies and procedures in these areas. We inquired of management to identify if there were any matters where there is risk of breaching these frameworks that could have a material impact on the company. We also understood the controls put in place by the wider Element Group to reduce opportunities for fraudulent transactions.
- We assessed the susceptibility of the Company's financial statements to material misstatement, including how fraud might occur by considering the risk of management override through internal team meetings, inquiry of management and review of the Element Group fraud assessments. Where the risk was considered to be higher, we performed audit procedures to address each identified fraud risk.
- Based on this understanding we designed our audit procedures to identify noncompliance with such laws and regulations. Our procedures involved: journal entry testing, review of significant contracts and enquiries of management.

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

Use of our report

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

Ernst & Young L.L.P.

Cameron Cartmell (Senior Statutory Auditor)
For and on behalf of Ernst & Young LLP
London

Date: December 24, 2021

EXOVA TREASURY LIMITED

STATEMENT OF PROFIT OR LOSS

FOR THE YEAR ENDED 31 DECEMBER 2020

	Notes	2020 £	2019 £
Administrative expenses	3	(1,530,560)	(5,186,802)
Finance income	6	5,244,278	9,292,002
Finance costs	7	(10,105,804)	(12,644,029)
		<hr/>	<hr/>
(Loss) before taxation		(6,392,086)	(8,538,829)
Tax on (loss)	8	(13,002)	(18,865)
		<hr/>	<hr/>
(Loss) for the financial year		<u>(6,405,088)</u>	<u>(8,557,694)</u>

All results are generated from continuing operations.

There is no Statement of other comprehensive income as all income and expenses for the current year and the preceding year are included in the Statement of profit or loss above.

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

EXOVA TREASURY LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2020

	Notes	2020 £	2019 £
Non-current assets			
Investments	9	242,529,004	242,529,004
Amounts owed by group undertakings	11	91,627,746	85,064,687
		<u>334,156,750</u>	<u>327,593,691</u>
Current assets			
Amounts owed by group undertakings	11	138,703,773	120,395,531
Cash and cash equivalents	12	2,002,911	2,329,434
		<u>140,706,684</u>	<u>122,724,965</u>
Current liabilities			
Amounts owed to Group undertakings	13	45,679,481	30,569,695
		<u>45,679,481</u>	<u>30,569,695</u>
Net current assets		<u>95,027,203</u>	<u>92,155,270</u>
Total assets less current liabilities		<u>429,183,953</u>	<u>419,748,961</u>
Non-current liabilities			
Amounts owed to Group undertakings	13	236,466,723	220,626,643
		<u>236,466,723</u>	<u>220,626,643</u>
Net assets		<u>192,717,230</u>	<u>199,122,318</u>
Shareholder's equity			
Share capital	14	50,000	50,000
Share premium account	15	2,392,960	2,392,960
Capital contribution reserve	16	595,173,507	595,173,507
Retained earnings		(404,899,237)	(398,494,149)
Total Shareholder's equity		<u>192,717,230</u>	<u>199,122,318</u>

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

These financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

The financial statements of Exova Treasury Limited (registered number 06674383) were approved by the Board of Directors and authorised for issue on 21 December 2021 and were signed on its behalf by;



Thomas Fountain

Director

Date: 21 December 2021

Company Registration No. 06674383

EXOVA TREASURY LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2020

	Share capital	Share premium account	Capital contribution reserve	Retained earnings	Total
	£	£	£	£	£
Balance at 1 January 2019	50,000	2,392,960	595,173,507	(389,936,455)	207,680,012
Year ended 31 December 2019:					
Loss for the year	-	-	-	(8,557,694)	(8,557,694)
Balance at 31 December 2019	50,000	2,392,960	595,173,507	(398,494,149)	199,122,318
Year ended 31 December 2020:					
Loss for the year	-	-	-	(6,405,088)	(6,405,088)
Balance at 31 December 2020	50,000	2,392,960	595,173,507	(404,899,237)	192,717,230

EXOVA TREASURY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

Company information

Exova Treasury Limited is a private limited company incorporated in England and Wales (the "Company"). The Company is domiciled in the UK and its registered office is 3rd Floor Davidson Building, 5 Southampton Street, London, England, United Kingdom, WC2E 7HA.

The principal activity of the Company throughout the year was to operate as an intermediary holding company.

1.1 Basis of preparation

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. These financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

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.

As permitted by Section 400 of the Companies Act 2006, consolidated accounts have not been prepared as the Company is a wholly owned subsidiary of Exova 2014 Limited. The parent company of the smallest Group of which the Company is a member and for which Group financial statements are prepared is Element Materials Technology Limited. The Group financial statements of Element Materials Technology Limited are available to the public and can be obtained as set out in Note 20.

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 paragraphs 62, B64(d), B64(e), B64(g), B64(h), B64(j) to B64(m), B64(n)(ii), B64(o)(ii), B64(p), B64(q)(ii), B66 and B67 of IFRS 3 Business Combinations
- 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:
 - i. paragraph 79(a)(iv) of IAS 1;
 - ii. paragraph 73(e) of IAS 16 Property, Plant and Equipment;
 - iii. paragraph 118(e) of IAS 38 Intangible Assets.
- The requirements of paragraphs 10(d), 10(f), 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
- 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 Element Materials Technology Limited.

EXOVA TREASURY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

1.2 Going concern

In line with the Financial Reporting Council's guidance on going concern issued in April 2016, 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 2020, net assets of £192,717,230 (2019: £199,122,318). The Company has cash and cash equivalent balances of £2,002,911 (2019: £2,329,434) and no external loans or borrowings or complex financial instruments as at 31 December 2020. The Company generated a loss after tax of £6,405,088 in the year ended 31 December 2020 (2019: loss after tax of £8,557,694).

The Company's future viability is ultimately dependent on the performance of the wider trading group owned by the company's ultimate holding company, Element Materials Technology Group Limited ("Element"), 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 ultimate parent company, Element Materials Technology Group Limited ("Element"). The Directors have received confirmation that Element 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 2022.

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 2022, takes into account the Group's cash flow and available undrawn banking facilities. The analysis concluded that even after the downside scenarios 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 should 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 to 31 December 2022.

The Directors have chosen the period to 31 December 2022 to assess going concern because this is the end date of the period used for the going concern assessment of the Group headed by Element Materials Technology Group Limited, the ultimate parent, upon whose continued financial support the Company relies. In considering going concern status, the directors have considered the principal risks and uncertainties discussed in the strategic report and assessed the impact. The impact of Covid-19 on viability is clearly a consideration for all companies at this time. All the Group's businesses remain open with business continuity plans in place at every location.

In assessing the going concern status, the Directors have considered:

- trading risks presented by the current economic conditions in the testing and certification market;
- the impact of macro-economic factors, particularly ability of key customers to continue trading;
- the status of the Group's existing credit arrangements;
- ability of the Group in developing and implementing cost reduction programs and operational improvements;
- the availability of mitigating actions should business activities fall behind current expectations, including the deferral of discretionary overheads, capital expenditure and restricting cash flows; and
- the long-term nature of the Group's business which, taken together with the Group's long-standing relationship with its customers, provides a satisfactory level of confidence to the Board in respect of trading.

EXOVA TREASURY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies (continued)

1.2 Going concern (continued)

In addition, the Group secured unrestricted access to its capex and acquisition ("ACF") facility in 2020 of \$200.0m with no covenants. The ACF facility is available until June 2024 for capital expenditures and permitted acquisitions. As at 1 December 2021, the Group has fully drawn down the ACF funds. The Group has a revolving credit facility ("RCF") of US \$100.0 million of which, as at 1 December 2021 it has drawn down US \$34.0 million leaving the remaining undrawn balance of US \$42.6 million (excluding an undrawn US \$23.4 million letter of credit). The RCF facility has a leverage ratio covenant which only becomes applicable on an additional drawdown, however based on all of management's scenarios no additional draw down is required. The RCF facility is available until June 2023.

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 2022, the Directors have a reasonable expectation that the Group will be able to continue in operation, settle its liabilities as they fall due, and remain compliant with banking facilities and have adequate liquidity to trade.

Additional detailed sensitivity analysis has been performed on the forecasts to consider the impact of severe, but plausible, reasonable worst-case scenarios on the headroom on cash and available credit facilities. These scenarios, which sensitised the forecasts for specific identified risks, modelled the reduction in anticipated levels of underlying EBITDA and the associated increase in net debt. These scenarios included a loss of revenue from slow to recover end markets as a result of a prolonged Covid-19 impact.

In addition to the above, Group management continues to monitor developments in, and the potential impact of, Covid-19 in the short and medium-term, and are, in particular, focused on the key risks of delays by delays in customer projects which ultimately has an impact on testing and certification services, disruption to global production capacity and efficiency as a result of government guidance on social distancing measures, and the impact of potential disruption to global supply chain. The Group has modelled a severe but plausible downside scenario for Covid-19, whereby The Group experiences a 15% reduction in revenue for the period to 30 June 2022 against original budget. The assumption was chosen as a reasonable basis on which to perform sensitivity as a similar percentage of revenue reduction was experienced during the first half of FY2020. Beyond 30 June 2022, the model assumes a further 5% reduction against forecast revenue.

Throughout this severe but plausible downside scenario, The Group continues to have significant liquidity headroom on its existing facilities and against the revolving credit facility covenant.

Based on the Covid-19 scenario referred to above and associated mitigating internal controls and risk management actions that are either now in place or could be implemented, the Directors have been able to conclude that the Group will be able to maintain sufficient cash and banking facilities to meet its funding needs to 31 December 2022.

As a result of the Groupwide Going Concern assessment described above and the confirmation received that Element will support the company as necessary and has the ability to do so, to 31 December 2022, 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 approval of these financial statement to 31 December 2022.

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

EXOVA TREASURY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies (continued)

1.3 Investments in subsidiaries

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

1.4 Impairment of non-financial assets

The Company assesses at each reporting date whether there is an indication that an asset 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 Statement of Profit or Loss. For assets where an impairment loss subsequently reverses, the carrying amount of the asset or cash generating unit 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.

1.5 Amounts owed by Group undertakings

Amounts owed by Group undertakings are carried by the Company at original invoice amount less any allowance for any non-collectable or impaired amounts if applicable. Amounts owed by Group undertakings falling due within one year are loans to Group companies which are interest free, have no fixed repayment date, and are repayable on demand. The entity uses the IFRS 9 ECL model to measure loss allowances at an amount equal to their lifetime expected credit loss. Any interest-bearing loans are recorded at the proceeds received, net of direct issue costs. Any interest-bearing loans are recorded at the proceeds received, net of direct issue costs.

1.6 Other receivables

Other receivables are recognized initially at fair value and subsequently measured at amortised cost using the effective interest method, less allowance.

1.7 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 shown within borrowings

1.8 Amounts owed to Group undertakings

Amounts owed to Group undertakings are recognised initially at fair value and subsequently measured at amortised cost where applicable, using the effective interest method. Any interest-bearing loans are recorded at the proceeds received, net of direct issue costs.

1.9 Finance income

Finance income consists of interest income. Interest income is recognised when it is probable that the economic benefits will flow through to the Company and the amount of income receivable can be reliably measured. Interest income is accrued on a timely basis, by reference to the principal outstanding and at the effective interest rate applicable.

1.10 Finance costs

Finance costs comprise interest expenses. Finance costs are recognised in profit or loss using the effective interest rate method.

1.11 Taxation

Income tax expense represents the sum of the tax currently payable.

Current tax

The tax currently payable is based on taxable (loss) / profit for the year. Taxable profit differs from profit 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. The Company's liability for current tax is measured at the effective tax rate.

EXOVA TREASURY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies (continued)

1.12 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 Statement of profit or loss.

1.13 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 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 an impact on the financial statements of the Company:

- Amendment to IFRS 16 Leases Covid 19-Related Rent Concessions
- Amendments to IFRS 3 Business Combinations
- Amendments to IFRS 9, IAS 39 and IFRS7: Interest Rate Benchmark Reform
- Amendments to IAS 1 and IAS 8: Definition of Material
- Amendments to References to the Conceptual Framework in IFRS Standards

Standards, amendments and interpretations not yet effective

A number of amendments and interpretations have been issued that are not expected to have any material impact on the accounting policies and reporting. The Company has not early adopted any standards, interpretations or amendments that have been issued but are not yet effective.

EXOVA TREASURY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

2 Critical accounting estimates and judgements

In the application of the Company's accounting policies which are described in note 1 the Directors are required to make judgements (other than those involving estimations) 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 periods if the revision affects both current and future periods. The Directors have concluded that there are no critical accounting estimates.

Critical accounting judgements

The following are the critical judgements 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 financial statements.

Impairment of investments in subsidiaries

Critical judgement is applied when determining whether there are indicators of impairment in relation to investments in subsidiaries. In making this judgement the directors have considered external factors

3 Administrative expenses

	2020	2019
	£	£
Foreign exchange gains / (losses)	1,851,595	(4,295,895)
Other administrative expenses	(3,382,155)	(890,907)
	<u>(1,530,560)</u>	<u>(5,186,802)</u>

4 Auditor's remuneration

Fees payable to Ernst & Young LLP for the audit of the Company were borne by other companies within the Group and disclosed in the consolidated financial statements of Element Materials Technology Group Limited, the ultimate parent. Fees payable in the prior year were also borne by other companies within the Group.

There were no non-audit services provided to the Company during the year (2019: £nil).

5 Employees and Directors

Employees

The Company does not have any employees (2019: none) as such has incurred no personnel expenses in the year (2019: £Nil).

Directors

The 4 directors who served in 2020 are also directors of a number 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 remuneration of 3 of these is included in the disclosure in the Element Materials Technology Limited financial statements, of which £nil was paid through these financial statements.
- The remuneration of 1 of these is included in the disclosure in the Element Materials Technology Shared Services Limited financial statements, of which £nil was paid through these financial statements.

There were no other short-term employee benefits in the year (2019: nil) and there were no retirement benefits accruing to Directors under pension schemes as at 31 December 2020 (2019: nil).

EXOVA TREASURY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

6 Finance income

	2020	2019
	£	£
Interest received on loans to Group undertakings	5,244,278	9,292,002

7 Finance costs

	2020	2019
	£	£
Interest paid on loans from Group undertakings	10,105,804	12,644,029

8 Taxation

	2020	2019
	£	£
Tax charge in the Statement of profit or loss	13,002	18,865

The tax for the year can be reconciled to the profit per the Statement of profit or loss statement as follows:

	2020	2019
	£	£
(Loss) before taxation	(6,392,086)	(8,538,829)
Expected tax based on a corporation tax rate of 19%	(1,214,496)	(1,622,378)
Group relief surrendered for nil consideration	565,109	1,449,128
Withholding tax written off	13,002	18,865
Expenses not deductible for tax purposes	649,387	173,250
Taxation charge for the year	13,002	18,865

At the Statement of financial position date, the Company had an unrecognised deferred tax asset of £nil (2019: £nil).

The UK Budget 2021 announcements on 3 March 2021 included measures to support economic recovery as a result of the ongoing COVID-19 pandemic. These included an increase to the UK's main corporation tax rate to 25%, which is due to be effective from 1 April 2023. The Finance Bill 2021 was substantively enacted on 24 May 2021 and given Royal Assent on 10 June 2021. However as this was not substantively enacted at the balance sheet date this has not been reflected in the measurement of deferred tax balances at the period end. If the Company's deferred tax balances at the period end were remeasured at 25% this would result in a deferred tax charge of £nil. The impact of this change is £nil.

9 Investments

	Shares in group undertakings
	£
Cost	
At 1 January 2020	242,529,004
At 31 December 2020	242,529,004
Carrying amount	
At 31 December 2020	242,529,004
At 31 December 2019	242,529,004

EXOVA TREASURY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

9 Investments (continued)

At 31 December 2020, the Directors of the Company consider there to be no indicators of impairment in relation to the investments held (2019: none).

Details of the subsidiaries are set out in note 10.

10 Subsidiaries

The Company's subsidiaries are listed below. The Company holds direct investment in Exova Group (UK) Limited and is also a wholly owned subsidiary of Exova 2014 Limited.

Name of Undertaking	Country	Ownership (%)	Activity	Registered Address
Element Materials Technology Shared Services Limited	United Kingdom	100%	Testing and inspection operations	3 rd Floor Davidson Building, 5 Southampton Street, London, WC2E 7HA
BM TRADA Certification North America Inc.	USA	100%	Testing	820 Bear Tavern Road, Mercer County, West Trenton, NJ 08628
Aerotech Inspection & NDT Limited	United Kingdom	100%	Testing	3 rd Floor Davidson Building, 5 Southampton Street, London, WC2E 7HA
Element Materials Technology Aerospace UK Limited	United Kingdom	100%	Testing	3 rd Floor Davidson Building, 5 Southampton Street, London, WC2E 7HA
Element Materials Technology Environmental UK Limited	United Kingdom	100%	Testing	3 rd Floor Davidson Building, 5 Southampton Street, London, WC2E 7HA
Element Materials Technology Oil & Gas UK Limited	United Kingdom	100%	Testing	3 rd Floor Davidson Building, 5 Southampton Street, London, WC2E 7HA
Element Materials Technology Wednesbury Limited	United Kingdom	100%	Testing	3 rd Floor Davidson Building, 5 Southampton Street, London, WC2E 7HA
FIRA International Limited	United Kingdom	100%	Testing	3 rd Floor Davidson Building, 5 Southampton Street, London, WC2E 7HA
Warringtonfire Consulting Limited	United Kingdom	100%	Testing	3 rd Floor Davidson Building, 5 Southampton Street, London, WC2E 7HA
Warringtonfire Testing and Certification Limited	United Kingdom	100%	Testing	3 rd Floor Davidson Building, 5 Southampton Street, London, WC2E 7HA
Warringtonfire Australia Pty Ltd	Australia	100%	Testing	Unit 2, 409-411 Hammond Road, Dandenong South, Victoria 3175
WFRGent NV	Belgium	100%	Testing	Ottergemsesteenweg-Zuid 711, Ghent, Flemish Region 9000
BM TRADA Certification Canada Inc.	Canada	100%	Testing	398-2416 Main Street,
Element Materials Technology Canada Inc.	Canada	100%	Testing	2395 Speakman Drive, Mississauga, ON L5K 1B3
Warringtonfire Consulting ME Limited	Channel Islands	100%	Testing	Heritage Hall, Le Marchant Street, St Peter Port, GY1 4HY, Guernsey
Element Metech Measurement Technology Services (Tianjin) Co., Ltd.	China	100%	Testing	Room 1719, 17F, C1, TEDA MSD, No.79 First Avenue, TEDA, Tianjin, 300457
Element Materials Technology Pilsen s.r.o.	Czech Republic	100%	Testing	Podnikatelska 1184/39,
Element Metech s.r.o.	Czech Republic	100%	Testing	Toužimská 767, Letňany,

EXOVA TREASURY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

10 Subsidiaries (continued)

Name of Undertaking	Country	Ownership (%)	Activity	Registered Address
Element Metech A/S	Denmark	100%	Testing	Flyvestation, Karup, DK-7470, Herningvej 30, Karup
Element Metech OY	Finland	100%	Testing	Kuormakuja, Nummela, 03100
Element Materials Technology France SAS	France	100%	Testing	3 Avenue André Marie Ampère, Zone d'Activité Commerciale du Perget, 31770, Colomiers
Element Materials Technology Toulouse SAS	France	100%	Testing	3 Avenue André Marie Ampère, Zone d'Activité Commerciale du Perget, 31770, Colomiers
Element Materials Technology Aalen GmbH	Germany	100%	Testing	Carl-Zeiss-Str. 17, Aalen, 73431
Element Metech GmbH	Germany	100%	Testing	Hans-Böckler-Ring 9, D-22851 Norderstedt
Warringtonfire Frankfurt GmbH	Germany	100%	Testing	Industriepark, Höchst, Geb. C369, am Main, 65926, Frankfurt
Warrington Fire Hong Kong Limited	Hong Kong	100%	Testing	Unit C, 18/F Infotech Centre, 21 Hung To Road, Kwun Tong, Kowloon
Metallurgical Services Private Limited	India	100%	Testing	Mehta House, Ashok Silk Mills Lane, Khatkopar (West), Mumbai, 40086
Element Materials Technology Ireland Limited	Ireland	100%	Testing	Unit D8, North City Business Park, North Road, Finglas, Dublin 11, D11Y267
Warringtonfire Consulting Ireland Limited	Ireland	100%	Testing	Unit D8, North City Business Park, North Road, Finglas, Dublin 11, D11Y267
C.T.R. S.R.L.	Italy	100%	Testing	Via Visco 7/A, 35010, Limena (PD)
Element Materials Technology Milan s.r.l.	Italy	100%	Testing	Via della Pierina 9/11, 26013 Crema (CR)
Admaterials Technologies Sdn. Bhd	Malaysia	100%	Testing	2C Jalan Giam, Taman Majidee, 80250 Johor Bahru, Johor
Exova (Malaysia) Sdn.Bhd	Malaysia	100%	Testing	Suite 13.03, 13th Floor, Menara Tan & Tan, 207 Jalan Tun Razak, 50400, Kuala Lumpur
Element Doha LLC	Qatar	24.5%	Testing	Street 46, Gate 16, Salwa Industrial Area, P.O. Box 23650, Doha
Warringtonfire Doha	Qatar	49%	Testing	P.O. Box 24863, Doha
Element Saudi Arabia Company Limited	Saudi Arabia	50%	Testing	Dammam, 2nd Industrial City, Road 76-27
Admaterials Technologies Pte. Ltd.	Singapore	100%	Testing	58 Sungei Kadut Loop, Prospa Industrial Building, Singapore, 729501
Element Materials Technology Singapore Pte Ltd.	Singapore	100%	Testing	106 Tuas South Avenue 2, West Point Bizhub, 637158
Warringtonfire Singapore Pte. Ltd.	Singapore	100%	Testing	9 Raffles Place, #26-01 Republic Plaza, 048619
Element Materials Technology South Africa Proprietary Limited	South Africa	90%	Testing	Unit D2 and D5, 9 Quantum Road, Firgrove Business PA, Somerset West, Western Cape, 7130
CSM NDT Certification AB	Sweden	80%	Testing	Artilleriplan 4, 691 50, Karlskoga
Element Materials Technology AB	Sweden	100%	Testing	Box 1340, 581 13, Linköping
Element Metech AB	Sweden	100%	Testing	Box 1340, 581 13, Linköping

EXOVA TREASURY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

10 Subsidiaries (continued)

Name of Undertaking	Country	Ownership (%)	Activity	Registered Address
Al Futtaim Element Materials Technology Dubai L.L.C	UAE	49%	Testing	Dubai Investments Park, P.O. Box 34924, Dubai
BM TRADA Overseas Limited	United Kingdom	100%	Holding Company	3 rd Floor Davidson Building, 5 Southampton Street, London, WC2E 7HA
Element Materials Technology (Mexico) Ltd.	United Kingdom	100%	Holding Company	3 rd Floor Davidson Building, 5 Southampton Street, London, WC2E 7HA
Exova (UK) Limited	United Kingdom	100%	Holding Company	Lochend Industrial Estate, Queen Anne Drive, Newbridge, Midlothian, Scotland, EH28 8LP
Exova Group (UK) Limited	United Kingdom	100%	Holding Company	3 rd Floor Davidson Building, 5 Southampton Street, London, WC2E 7HA
MTS Pendar Limited	United Kingdom	100%	Holding Company	3 rd Floor Davidson Building, 5 Southampton Street, London, WC2E 7HA
Warrington Fire & Building Products UK Limited	United Kingdom	100%	Holding Company	3 rd Floor Davidson Building, 5 Southampton Street, London, WC2E 7HA
Warrington Fire Research Group Limited	United Kingdom	100%	Holding Company	3 rd Floor Davidson Building, 5 Southampton Street, London, WC2E 7HA
Defire Holdings Pty Ltd	Australia	100%	Holding Company	Unit 2, 409-411 Hammond Road, Dandenong South, Victoria 3175
Warringtonfire Holdings GmbH	Germany	100%	Holding Company	Industriepark, Höchst, Geb. C369, am Main, 65926, Frankfurt
Element Materials Technology Sweden Holdings AB	Sweden	100%	Holding Company	Box 1340, 581 13, Linköping
Exova Certifire Pty Ltd	Australia	100%	Non-Trading	Unit 2, 409-411 Hammond Road, Dandenong South, Victoria 3175
BM TRADA RKCA Lanka Certifications (Private) Limited	Sri Lanka	50%	Certification	No. 1041-2/1 Maradana Road, Borella, Columbo 8
FIRA – CMA Testing Services Limited	Hong Kong	50%	Certification	Room 1401-3 Yan Hing Centre, 9-13 Wong Chuk Yeung Street, Fo Tan, Shatin

EXOVA TREASURY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

10 Subsidiaries (continued)

Name of Undertaking	Country	Ownership (%)	Activity	Registered Address
Standart BM TRADA Belgelendirme AS~	Turkey	50%	Certification	CEVİZLİ MH, TUGAY YOLU CD, N.20/B OFİSİM İST, İŞM.K.7, MALTEPE, N.42
Accusense Systems Limited	United Kingdom	100%	Dormant	3 rd Floor Davidson Building, 5 Southampton Street, London, WC2E 7HA
BM TRADA Certification Limited	United Kingdom	100%	Dormant	3 rd Floor Davidson Building, 5 Southampton Street, London, WC2E 7HA
BM TRADA Group Limited	United Kingdom	100%	Dormant	3 rd Floor Davidson Building, 5 Southampton Street, London, WC2E 7HA
BM TRADA RKCA Certifications Private Limited~	India	50%	Dormant	515 Tulsiani Chambers, Nariman Point, Mumbai, 400021
Catalyst Environmental Limited	United Kingdom	100%	Dormant	3 rd Floor Davidson Building, 5 Southampton Street, London, WC2E 7HA
CCB Evolution Limited	United Kingdom	100%	Dormant	Chiltern House, Stocking Lane, Hughenden Valley, High Wycombe, Buckinghamshire, England, HP14 4ND
Certifire (Hong Kong) Limited	Hong Kong	50%	Dormant	Unit C, 18/F Infotech Centre, 21 Hung To Road, Kwun Tong, Kowloon
Certifire Limited	United Kingdom	100%	Dormant	3 rd Floor Davidson Building, 5 Southampton Street, London, WC2E 7HA
Chiltern International Fire Limited	United Kingdom	100%	Dormant	3 rd Floor Davidson Building, 5 Southampton Street, London, WC2E 7HA
Defire (ACT) Pty Ltd	Australia	100%	Dormant	Unit 2, 409-411 Hammond Road, Dandenong South, Victoria 3175
Defire (NSW) Pty Ltd	Australia	100%	Dormant	Unit 2, 409-411 Hammond Road, Dandenong South, Victoria 3175
Defire (QLD) Pty Ltd	Australia	100%	Dormant	Unit 2, 409-411 Hammond Road, Dandenong South, Victoria 3175
Defire (WA) Pty Ltd	Australia	100%	Dormant	Unit 2, 409-411 Hammond Road, Dandenong South, Victoria 3175
Environmental Evaluation Limited	United Kingdom	100%	Dormant	3 rd Floor Davidson Building, 5 Southampton Street, London, WC2E 7HA
Firas Limited	United Kingdom	100%	Dormant	3 rd Floor Davidson Building, 5 Southampton Street, London, WC2E 7HA
Jones Environmental Forensics Limited	United Kingdom	100%	Dormant	3 rd Floor Davidson Building, 5 Southampton Street, London, WC2E 7HA
Materials Engineering Research Laboratory Limited	United Kingdom	100%	Dormant	3 rd Floor Davidson Building, 5 Southampton Street, London, WC2E 7HA
Tianjin C-Kai BM TRADA Certification Company Limited~	China	40%	Dormant	Room 708, Suite F Hai Tai Plaza, No.8 Hua Tian Road, Tianjin, Hua Yuan Industrial Zone
TRADA Certification Limited	United Kingdom	100%	Dormant	3 rd Floor Davidson Building, 5 Southampton Street, London, WC2E 7HA
TRADA Technology Limited	United Kingdom	100%	Dormant	3 rd Floor Davidson Building, 5 Southampton Street, London, WC2E 7HA

EXOVA TREASURY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

10 Subsidiaries (continued)

Name of Undertaking	Country	Ownership (%)	Activity	Registered Address
U.K. First Limited	United Kingdom	100%	Dormant	3 rd Floor Davidson Building, 5 Southampton Street, London, WC2E 7HA
Warrington APT Laboratories Limited	United Kingdom	100%	Dormant	3 rd Floor Davidson Building, 5 Southampton Street, London, WC2E 7HA
Warrington Certification Limited	United Kingdom	100%	Dormant	Holmesfield Road, Warrington, Cheshire, England WA1 1RE
Warrington Fire Research Centre (London) Limited	United Kingdom	100%	Dormant	3 rd Floor Davidson Building, 5 Southampton Street, London, WC2E 7HA
Warrington Fire Research Centre Limited	United Kingdom	100%	Dormant	3 rd Floor Davidson Building, 5 Southampton Street, London, WC2E 7HA
Warrington Fire Research Consultants Limited	United Kingdom	100%	Dormant	3 rd Floor Davidson Building, 5 Southampton Street, London, WC2E 7HA
Warringtonfire Certification and Inspection Hong Kong Limited	Hong Kong	50%	Dormant	Unit C, 18/F Infotech Centre, 21 Hung To Road, Kwun Tong, Kowloon
Western Technical Services Limited	United Kingdom	100%	Dormant	3 rd Floor Davidson Building, 5 Southampton Street, London, WC2E 7HA

11 Amounts owed by Group undertakings

	2020 £	2019 £
Current assets		
Amounts owed by Group undertakings	138,703,773	120,395,531

Amounts owed by Group undertakings falling due within one year are loans to Group companies which are interest free and repayable on demand.

	2020 £	2019 £
Non-current assets		
Amounts owed by group undertakings	92,294,788	85,064,687
Less: expected credit losses	(667,042)	-
	91,627,746	85,064,687

EXOVA TREASURY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

11 Amounts owed by Group undertakings (continued)

Amounts owed by group undertakings falling due after more than one year are loans to Group companies. The loans have no fixed repayment date. A list of the counterparties and the interest rates applicable to each loan is included below.

Legal entity name	Interest rate	2020 £	2019 £
Warringtonfire Australia Pty Ltd	3m AUD BBSW plus 2% margin	3,051,601	2,834,932
Element Metech s.r.o.	3m EURIBOR no margin	314,234	295,293
Exova Group (UK) Limited	3m EURIBOR plus 4% margin	18,124,438	16,404,240
MTS Pendar Limited	3m EURIBOR plus 4% margin	6,119,229	5,528,625
Element Metech GmbH	3m EURIBOR plus 4% margin	-	284,589
Element Materials Technology Ireland Limited	3m GBP LIBOR plus 4% margin	-	803,369
Exova (Malaysia) Sdn. Bhd.	3m GBP LIBOR plus 4% margin	545,088	596,029
Exova Group (UK) Limited	3m GBP LIBOR plus 4% margin	22,612,509	21,148,565
Exova (UK) Limited	3m SIBOR plus 4% margin	5,593,816	12,183,570
Warringtonfire Singapore Pte. Ltd	3m SIBOR plus 4% margin	1,406,069	1,355,555
Element Metech AB	3m STIBOR no margin	539,317	489,935
Element Materials Technology AB	3m STIBOR plus 4% margin	285,470	722,211
Element Materials Technology Sweden Holdings AB	Fixed 10.64% rate	28,043,678	22,417,774
Element Materials Technology ME Limited LLC	Interest not allowed under Islamic finance	591,833	-
Exova (Malaysia) Sdn. Bhd	3m GBP LIBOR plus 4% margin	75,201	-
Exova (UK) Ltd	3m SIBOR plus 4% margin	4,992,305	-
		<u>92,294,788</u>	<u>85,064,687</u>

12 Cash and cash equivalents

	2020 £	2019 £
Cash at bank denominated in GBP	1,053,962	2,074,140
Cash at bank denominated in Other currencies	948,949	255,294
	<u>2,002,911</u>	<u>2,329,434</u>

EXOVA TREASURY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

13 Amounts owed to Group undertakings

	2020	2019
	£	£
Current liabilities		
Amounts owed to Group undertakings	45,679,481	30,569,695

Amounts owed to Group undertakings falling due within one year are loans to group companies which are interest free and repayable on demand.

	2020	2019
	£	£
Non-current liabilities		
Amounts owed to group undertakings	236,466,723	220,626,643

Amounts owed to group undertakings falling due after more than one year are loans from Group companies. The loans have no fixed repayment date. A list of the counterparties and the interest rates applicable to each loan is included below.

Legal entity name	Interest rate	2020	2019
		£	£
Exova Group UK Limited	3m CAD LIBOR plus 4% margin	9,247,929	7,131,822
Exova Group UK Limited	3m STIBOR plus 4% margin	535,372	465,739
Exova Group UK Limited	3m USD LIBOR no margin	1,234,849	1,574,490
Exova UK Limited	3m AUD BBSW no margin	1,172,953	1,108,188
Exova UK Limited	3m CAD LIBOR no margin	9,089,534	9,502,196
Exova UK Limited	3m GBP LIBOR no margin	12,063,097	12,253,564
Exova UK Limited	3m USD LIBOR no margin	4,279,567	4,455,793
Exova UK Limited	3m EURIBOR no margin	12,725,304	11,941,808
MTS Pendar Limited	3m GBP LIBOR no margin	10,282,347	10,239,276
Element Materials Technology Ireland Limited	3m EURIBOR no margin	4,836,535	4,870,330
Exova Metech AS	3m CIBOR no margin	5,782,433	3,066,067
Exova Metech OY	higher of 2% interest or 3m EURIBOR (EURIBOR no margin until May 2020)	3,518,562	2,932,929
Element Materials Technology Pilsen s.r.o.	3m GBP LIBOR no margin	697,513	1,369,115
Element Materials Technology Pilsen s.r.o.	3m USD LIBOR no margin	2,164,758	2,054,691
Element Materials Technology Pilsen s.r.o.	3m EURIBOR no margin	4,802,013	3,575,794
Warringtonfire Frankfurt GmbH	3m EURIBOR no margin	723,348	713,898
Greenrock Bidco Limited	Fixed 6.59% rate	151,529,142	141,417,799
WFR Gent NV	3m EURIBOR plus 2% margin	1,781,467	1,953,144
		236,466,723	220,626,643

EXOVA TREASURY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

14	Share capital	2020	2019
		£	£
	<i>Authorised, issued and fully paid</i>		
	50,000 Ordinary shares of £1 each	50,000	50,000

The ordinary shares are non-redeemable and hold full rights in respect of voting.

15 Share premium

The share premium reserve contains the premium arising on issue of equity shares, net of issue expenses.

16 Capital contribution reserve

The capital contribution reserve was created on 12 October 2010, following the execution of a deed of release whereby Exova Holdings Limited agreed to unconditionally and irrevocably release Exova Treasury Limited from its obligation to repay the sum of £105.0m from the sum outstanding under the group undertaking agreement. This amount is distributable in future years, subject to the provisions of the Companies Act 2006.

A further £384.3m was added to the capital contribution reserve on 17 July 2014 following a loan waiver from Exova Holdings Limited gifting a capital contribution equivalent to the amount of the outstanding loan as at that date. On 16 December 2015, £105.9m being the outstanding loan to Exova Treasury Limited from Exova Group Limited (formerly Exova Group plc) was gifted to Exova Treasury Limited and added to the capital contribution reserve.

17 Contingent Liabilities

The company has given a guarantee in respect of the Senior Facilities Agreement (SFA) of Greenrock Midco Limited, another group company. At 31 December 2020, the Company along with a number of other group companies has jointly and severally guaranteed \$671.9m (2019: \$567.1m) 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.

18 Events after the reporting date

Between the end of the financial year and the date of this report, no other 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.

19 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 with wholly owned group companies or key management personnel.

There were no other related party transactions in the year (2019: none).

EXOVA TREASURY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

20 Ultimate holding and controlling party

The Company's immediate parent undertaking is Exova 2014 Limited, a company 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 Element Materials Technology Limited, a company incorporated in England and Wales.

Copies of the group financial statements of Element Materials Technology Limited can be obtained from Companies House, Crown Way, Cardiff, CF14 3UZ. Element Materials Technology Limited's registered office address is 3rd Floor Davidson Building, 5 Southampton Street, London, United Kingdom, WC2E 7HA.

The ultimate parent undertaking of the largest Group which includes the Company and for which Group financial statements are prepared is Element Materials Technology Group Limited, a company incorporated in England and Wales. The ultimate controlling party of Element Materials Technology Group Limited is Bridgepoint Europe V Fund, which is in turn managed by Bridgepoint Advisers Limited, a company incorporated in England and Wales.

Copies of the Group financial statements of Element Materials Technology Group Limited are available from Companies House, Crown Way, Cardiff CF14 3UZ. Element Materials Technology Group Limited's registered office address is 5 Fleet Place, London, England, EC4M 7RD.