

**EXOVA TREASURY LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2022**



# EXOVA TREASURY LIMITED

## COMPANY INFORMATION

---

**Directors**

Thomas Fountain  
Sheena Cantley

**Company number**

06674383

**Registered office**

3rd Floor  
Davidson Building  
5 Southampton Street  
London  
WC2E 7HA  
United Kingdom

---

**EXOVA TREASURY LIMITED**

**CONTENTS**

---

	<b>Page</b>
Directors' Report	1 - 2
Directors' responsibilities statement	3
Statement of profit or loss	4
Statement of financial position	5 - 6
Statement of changes in equity	7
Notes to the financial statements	8 - 26

---

# EXOVA TREASURY LIMITED

## DIRECTORS' REPORT

### FOR THE YEAR ENDED 31 DECEMBER 2022

The Directors present their report and financial statements of Exova Treasury Limited (the "Company") for the financial year ended 31 December 2022.

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	(Resigned 23 February 2023)
Thomas Fountain	
Sheena Cantley	(Appointed 27 July 2023)

#### Dividends

The Directors do not recommend payment of a dividend (2021: £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 be recoverable	Management regularly reviews the cash flow forecasts and operational performance of the companies from which balances are receivable to ensure that there are no recoverability issues present. Management accounts for any recoverability issues identified appropriately where applicable.

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 intermediate holding company, EM Topco 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 2022

---

#### 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 a going concern basis is appropriate due to the continued financial support of the intermediate holding company, EM Topco 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 2025

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 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.

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

#### Exemption from Audit under S479 of the Companies Act 2006

A guarantee has been given under S479C by the Company's parent company. As such the Company is exempt from audit.

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: 12 February 2024

# **EXOVA TREASURY LIMITED**

## **DIRECTORS' RESPONSIBILITIES STATEMENT**

### ***FOR THE YEAR ENDED 31 DECEMBER 2022***

---

The Directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 101 "Reduced Disclosure Framework". Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments 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 Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**EXOVA TREASURY LIMITED****STATEMENT OF PROFIT OR LOSS****FOR THE YEAR ENDED 31 DECEMBER 2022**


---

	Notes	2022 £	2021 £
Administrative income / (expenses)	3	36,179	(2,431,272)
Finance income	6	8,531,745	5,310,918
Finance costs	7	(8,794,213)	(3,060,046)
<b>Loss before taxation</b>		(226,289)	(180,400)
Tax on loss	8	-	(12,374)
<b>Loss for the financial year</b>		<u>(226,289)</u>	<u>(192,774)</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 2022**

	Notes	2022 £	2021 £
<b>Non-current assets</b>			
Investments	9	244,965,059	242,529,004
Amounts owed by group undertakings	11	176,226,649	92,455,250,
		<u>421,191,708</u>	<u>334,984,254</u>
<b>Current assets</b>			
Trade and other receivables	12	240,390,927	177,141,577
Cash and cash equivalents	13	3,614,381	2,129,231
		<u>244,005,308</u>	<u>179,270,808</u>
<b>Current liabilities</b>			
Trade and other payables	14	154,261,899	86,516,440
		<u>154,261,899</u>	<u>86,516,440</u>
<b>Net current assets</b>		<u>89,743,409</u>	<u>92,754,368</u>
<b>Total assets less current liabilities</b>		<u>510,935,117</u>	<u>427,738,622</u>
<b>Non-current liabilities</b>			
Amounts owed to Group undertakings	15	318,636,950	235,214,166
		<u>318,636,950</u>	<u>235,214,166</u>
<b>Net assets</b>		<u>192,298,167</u>	<u>192,524,456</u>
		<b>2022 £</b>	<b>2021 £</b>
<b>Shareholder's equity</b>			
Share capital	16	50,000	50,000
Share premium account	17	2,392,960	2,392,960
Capital contribution reserve	18	595,173,507	595,173,507
Retained earnings		(405,318,300)	(405,092,011)
		<u>192,298,167</u>	<u>192,524,456</u>
<b>Total Shareholder's equity</b>		<u>192,298,167</u>	<u>192,524,456</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.



# EXOVA TREASURY LIMITED

## STATEMENT OF FINANCIAL POSITION

**AS AT 31 DECEMBER 2022**

---

### Exemption from audit

- For the year ended 31 December 2022 the company was entitled to exemption from audit under S479A of the Companies Act 2006 relating to subsidiary companies.
- The members have not required the company to obtain an audit of its accounts for the year in accordance with section 476.
- The Directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

The financial statements of Exova Treasury Limited (registered number 06674383) were approved by the Board and authorised for issue on 12 February 2024 and were signed on its behalf by;



Thomas Fountain

**Director**

Date: 12 February 2024

Company Registration No. 06674383

**EXOVA TREASURY LIMITED****STATEMENT OF CHANGES IN EQUITY****FOR THE YEAR ENDED 31 DECEMBER 2022**


---

	Share capital	Share premium account	Capital contribution reserve	Retained earnings	Total
	£	£	£	£	£
<b>Balance at 1 January 2021</b>	50,000	2,392,960	595,173,507	(404,899,237)	192,717,230
Loss for the year	-	-	-	(192,774)	(192,774)
<b>Balance at 31 December 2021</b>	50,000	2,392,960	595,173,507	(405,092,011)	192,524,456
Loss for the year	-	-	-	(226,289)	(226,289)
<b>Balance at 31 December 2022</b>	50,000	2,392,960	595,173,507	(405,318,300)	192,298,167

---

# EXOVA TREASURY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 DECEMBER 2022 (CONTINUED)

#### 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 EM Midco 2 Limited. The Group financial statements of EM Midco2 Limited are available to the public and can be obtained as set out in Note 21.

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 EM Midco 2 Limited.

# EXOVA TREASURY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 DECEMBER 2022 (CONTINUED)

#### 1 Accounting policies (continued)

##### 1.2 Going concern

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

The Company has, as at 31 December 2022, net assets of £192,298,167 (2021: £192,524,456). The Company has no external loans or borrowings or complex financial instruments as at 31 December 2022. The Company generated a loss after tax of £226,289 in the year ended 31 December 2022 (2021: loss after tax of £192,774).

The Company's future viability is ultimately dependent on the performance of the wider trading group owned by the Company's intermediate holding company, EM Topco Limited ("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 intermediate parent company, EM Topco 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 2025.

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 2025, 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 would be able to operate within the level of its current committed facilities. As part of a regular assessment of the Group's working capital and financing position, the Directors have prepared a detailed bottom-up trading budget and cash flow forecast for the period through 31 December 2025.

The Directors have chosen the period to 31 December 2025 to assess the going concern because this is the end of the date of the period used for the going concern assessment of the Group headed by EM Topco Limited, the intermediate parent, upon whose continued financial support the Company relies. In considering the going concern status, the Directors have considered the principal risks and uncertainties discussed in the strategic report and assessed the impact.

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

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

The Group and Company Directors have considered the potential impacts of current conflicts including those in Ukraine and Gaza/Israel on our business, assessing possible supply chain disruptions/cost increases and evaluating risks to future earnings. At this stage we do not anticipate a material impact to the Group's performance. However, if the Group is impacted, we are confident that mitigating actions and cost management plans within management's control could be implemented to alleviate risk.

# EXOVA TREASURY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 DECEMBER 2022 (CONTINUED)

---

#### 1 Accounting policies (continued)

##### 1.2 Going concern (continued)

The going concern assessment takes into account the Group's cash flow, available undrawn credit facilities and, includes additional equity funding of \$242m on 18th Dec 2023 by the majority investor in EM Topco Limited. Based on the going concern assessment performed over the period to 31 December 2025, the Group and Company Directors have a reasonable expectation that the Group will continue in operation, settle its liabilities as they fall due, and remain compliant with banking facilities and have adequate liquidity to trade.

Sensitivity analyses have been performed on the forecasts to consider the impact of severe, but plausible scenarios on the headroom on cash and available credit facilities. These scenarios, which sensitized the forecasts for specific identified risks, modelled the reduction in anticipated levels of underlying EBITDA and the associated increase in net debt and considered the impact of higher than forecast interest rates. The EBITDA reduction scenario modelled the sustained decline in Group performance due to a variety of macroeconomic issues including, but not limited to, cost inflation and is modelled on a [16%] reduction in forecast EBITDA to 31 December 2025.

Throughout this downside scenario, and scenarios in which interest charges are higher than forecast, the Group continues to have significant liquidity headroom on its new debt commitments and existing facilities and against the revolving credit facility covenants. Further considerations were made to assess a further deterioration to the downside scenario that would result in a break-even liquidity position for the Group. Consideration was also given to the plausibility of the occurrence of this deterioration and the Directors concluded that it is implausible that such a scenario would occur.

As a result of the Group wide going concern assessment described above and the confirmation received that Element will support the Company as necessary and has the ability to do so, to 31 December 2025, the Directors are satisfied that the Company has access to adequate resources to continue in operational existence for the foreseeable future and will be able to meet its liabilities as they fall due during the period from the date of the approval of these financial statements to 31 December 2025.

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

# EXOVA TREASURY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 DECEMBER 2022 (CONTINUED)

---

#### 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 and other payables

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.

# EXOVA TREASURY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 DECEMBER 2022 (CONTINUED)

---

#### 1 Accounting policies (continued)

##### 1.11 Taxation

###### **Current tax**

The current tax charge is based on taxable loss for the year. Taxable loss differs from loss as reported in the Statement of profit or loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's liability for current tax is measured at the effective tax rate.

###### **Deferred tax**

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

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

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

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

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

##### 1.12 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.

# **EXOVA TREASURY LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS**

### ***FOR THE YEAR ENDED 31 DECEMBER 2022 (CONTINUED)***

---

#### **1 Accounting policies (continued)**

##### **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:



**EXOVA TREASURY LIMITED****NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31 DECEMBER 2022 (CONTINUED)****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 internal factors including investee entity financial results and external factors impacting the investees' market.

**3 Administrative income / (expenses)**

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Foreign exchange gains / (losses)	918,494	(3,737,965)
Other administrative (expenses) / income	(882,315)	1,306,693
Total administrative income / (expenses)	<u>36,179</u>	<u>(2,431,272)</u>

**4 Auditor's remuneration**

As a guarantee has been given under S479C by the Company's parent company, the Company is exempt from audit for the year ended 31 December 2022 and as such incurred no audit fees. In the year ended 31 December 2021 the exemption also applied.

There were no non-audit services provided to the Company during the year (2021: none).

**5 Employees and Directors****Employees**

The Company does not have any employees (2021: none) as such has incurred no personnel expenses in the year (2021: £nil).

**Directors**

The 2 directors who served 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 total remuneration for the Directors for services to the group was £578,399 (2021: £314,615) of which £nil (2021: £nil) has been paid through these financial statements. There were no other short-term employee benefits paid to the Directors in the year (2021: £nil) and there were no retirement benefits accruing to the Directors under pension schemes as at 31 December 2022 (2021: £nil). The highest paid director received £327,193 (2021: £130,309).

**EXOVA TREASURY LIMITED****NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31 DECEMBER 2022 (CONTINUED)****6 Finance income**

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Interest received on loans to Group undertakings	<u>8,531,745</u>	<u>5,310,918</u>

**7 Finance costs**

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Interest paid on loans from Group undertakings	<u>8,794,213</u>	<u>3,060,046</u>

**8 Taxation**

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Tax charge in the Statement of profit or loss	<b>£</b>	<b>£</b>
Withholding tax written off	<u>-</u>	<u>12,374</u>

The tax for the year differs from the standard rate of corporation tax in the UK of 19%. The differences are reconciled to the loss per the Statement of profit or loss statement as follows:

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Loss before taxation	<u>(226,289)</u>	<u>(180,400)</u>
Expected tax based on a corporation tax rate of 25% (2021: 19%)	(42,995)	(34,276)
Group relief surrendered for nil consideration	(126,005)	293,787
Withholding tax written off	-	12,374
Expenses not deductible for tax purposes	169,000	(259,511)
<b>Taxation charge for the year</b>	<u>-</u>	<u>12,374</u>

At the Statement of financial position date, the Company had an unrecognised deferred tax asset of £8.7 million (2021: £8.7 million).

A UK budget resolution was announced on 3rd March 2021 and substantively enacted on 24th May 2021, increasing the UK corporation tax rate from 19% to 25%, effective from 1st April 2023. UK deferred tax balances within the accounts have been calculated using a corporation tax rate of 25%.

**EXOVA TREASURY LIMITED****NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31 DECEMBER 2022 (CONTINUED)****9 Investments**

	<b>Shares in group £</b>
<b>Cost</b>	
At 1 January 2022	242,529,004
Additions	<u>2,436,055</u>
At 31 December 2022	<u>244,965,059</u>
<b>Carrying amount</b>	
At 31 December 2022	<u>244,965,059</u>
At 31 December 2021	<u>242,529,004</u>

During the year the Element Group undertook a reorganisation of its corporate structure and as part of this Exova Treasury subscribed for Contribution shares in Stockbridge 2022 Limited. A company incorporated in Jersey.

Exova Treasury Limited subscribed for 100% of the Contribution shares in Stockbridge 2022 Limited at a cost of £2,436,055. For this investment Exova Treasury Limited received 2,436,055 fully paid ordinary shares of £1 each. This represents 100% of the issued share capital of Stockbridge 2022 Limited.

During the reporting year, 50% indirect holding in Turkish JV, Standard BM TRADA Belgelendirme AS was sold. The disposal proceeds were a nominal amount of £1. This investment had a carrying value of £nil at 31 December 2021.

At 31 December 2022, the Directors of the Company consider there to be no indicators of impairment in relation to the investments held (2021: none).

Details of the subsidiaries are set out in note 10.

**EXOVA TREASURY LIMITED****NOTES TO THE FINANCIAL STATEMENTS)****FOR THE YEAR ENDED 31 DECEMBER 2022 (CONTINUED)****10 Subsidiaries**

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

<b>Name of Undertaking</b>	<b>Country</b>	<b>Ownership (%)</b>	<b>Activity</b>	<b>Registered Address</b>
Exova Certifire Pty Ltd	Australia	100%	Non-Trading	Unit 2, 409-411 Hammond Road, Dandenong South, Victoria 3175
Warringtonfire Australia Pty Ltd	Australia	100%	Testing	Unit 2, 409-411 Hammond Road, Dandenong South, Victoria 3175
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
Defire Holdings Pty Ltd	Australia	100%	Holding Company	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, Vancouver BC V5T 3E2
Exova Property Holdings Inc	Canada	100%	Holding Company	2395 Speakman Drive, Mississauga ON L5K 1B3,
Element Materials Technology ME Limited	Channel Islands	100%	Holding Company	PO Box 309, Ugland House, Grand Cayman, KY1-1104,
Warringtonfire Limited	Channel Islands	100%	Holding Company	PO Box 309, Ugland House, Grand Cayman, KY1-1104,
Element Metech Measurement Technology Services (Tianjin) Co., Ltd.	China	100%	Testing	Room 1719, 17F, C1, TEDA MSD, No.79 First Avenue, TEDA, Tianjin, 300457
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
Element Metech s.r.o.	Czech Republic	100%	Testing	Toužimská 767, Letňany,
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
Exova Group (UK) Limited	United Kingdom	100%	Holding Company	3rd Floor Davidson Building, 5 Southampton Street, London, England, WC2E 7HA

**EXOVA TREASURY LIMITED****NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31 DECEMBER 2022 (CONTINUED)****10 Subsidiaries (continued)**

<b>Name of Undertaking</b>	<b>Country</b>	<b>Ownership (%)</b>	<b>Activity</b>	<b>Registered Address</b>
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
KDK Kalibrierdienst Kopp GmbH	Germany	100%	Testing	In den Ziegelwiesen 25, 69168, Wiesloch
Warringtonfire Frankfurt GmbH	Germany	100%	Testing	Industriepark, Höchst, Geb. C369, am Main, 65926, Frankfurt
Warringtonfire Holdings GmbH	Germany	100%	Holding Company	Industriepark, Höchst, Geb. C369, am Main, 65926, Frankfurt
Warringtonfire Consulting ME Limited	Guernsey	100%	Testing	Heritage Hall, Le Marchant Street, St Peter Port, GY1 4HY, Guernsey
Warrington Fire Hong Kong Limited	Hong Kong	100%	Testing	Unit C, 18/F Infotech Centre, 21 Hung To Road, Kwun Tong, Kowloon
Warringtonfire Certification and Inspection Hong Kong Limited	Hong Kong	100%	Dormant	Unit C, 18/F Infotech Centre, 21 Hung To Road, Kwun Tong, Kowloon
FIRA – CMA Testing Services Limited	Hong Kong	50%	Certification	Room 1401-3 Yan Hing Centre, 9-13 Wong Chuk Yeung Street, Fo Tan, Shatin
Metallurgical Services Private Limited	India	100%	Testing	Mehta House, Ashok Silk Mills Lane, Khatkopar (West), Mumbai, 40086
BM TRADA RKCA Certifications Private Limited~	India	50%	Dormant	515 Tulsiani Chambers, Nariman Point, Mumbai, 400021
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)
Element Construction Testing (M) Sdn. Bhd. (previous name 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
Exova Metech AS	Norway	100%	Dormant	Bygning 3, Fabrikkevegen 11, Raufoss, 2830, Norway
Element Materials Technology ME Limited LLC	Oman	70%	Testing	Muscat Governorate/ Bawshar/ Ghala, PO Box 3552, PC 112
Element Doha LLC	Qatar	24.5%	Testing	Street 46, Gate 16, Salwa Industrial Area, P.O.Box 23650, Doha

**EXOVA TREASURY LIMITED****NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31 DECEMBER 2022 (CONTINUED)****10 Subsidiaries (continued)**

<b>Name of Undertaking</b>	<b>Country</b>	<b>Ownership (%)</b>	<b>Activity</b>	<b>Registered Address</b>
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
Warringtonfire Singapore Pte. Ltd.	Singapore	100%	Testing	9 Raffles Place, #26-01 Republic Plaza, 048619
Element Construction Testing(S) Pte. Ltd. (previous name 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
Element Geolab (S) Pte. Ltd. (Formerly Geo Lab (S) Pte. Ltd.)	Singapore	100%	Testing	15 Kaki Bukit Road 4, #01-42, Bartley Biz Centre, 417808
Element Geotechnical Testing (S) Pte. Ltd. (Formerly Fosta Pte. Ltd.)	Singapore	100%	Testing	215 Kaki Bukit Avenue 1, Shun Li Industrial Park, 416042
Element Materials Technology Singapore Pte. Ltd.	Singapore	100%	Testing	106 Tuas South Avenue 2, West Point Bizhub, 637158
Element Geolab (S) Pte. Ltd. (Formerly Geo Lab (S) Pte. Ltd.)	Singapore	100%	Testing	15 Kaki Bukit Road 4, #01-42, Bartley Biz Centre, 417808
Element Materials Technology South Africa Proprietary Limited	South Africa	89.55%	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
Element Materials Technology Sweden Holdings AB	Sweden	100%	Holding Company	Box 1340, 581 13, Linköping
BM TRADA RKCA Lanka Certifications (Private) Limited~	Sri Lanka	50%	Certification	No. 1041-2/1 Maradana Road, Borella, Columbo 8
Al Futtaim Element Materials Technology Dubai L.L.C	UA E	49%	Testing	Dubai Investments Park, P.O. Box 34924, Dubai

**EXOVA TREASURY LIMITED****NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31 DECEMBER 2022 (CONTINUED)****10 Subsidiaries (continued)**

<b>Name of Undertaking</b>	<b>Country</b>	<b>Ownership (%)</b>	<b>Activity</b>	<b>Registered Address</b>
Accusense Systems Limited	United Kingdom	100%	Dormant	3rd Floor Davidson Building, 5 Southampton Street, London, England, WC2E 7HA
Aerotech Inspection & NDT Limited	United Kingdom	100%	Testing	3rd Floor Davidson Building, 5 Southampton Street, London, England, WC2E 7HA
BM TRADA Certification Limited	United Kingdom	100%	Dormant	3rd Floor Davidson Building, 5 Southampton Street, London, England, WC2E 7HA
BM TRADA Group Limited	United Kingdom	100%	Dormant	3rd Floor Davidson Building, 5 Southampton Street, London, England, WC2E 7HA
Catalyst Environmental Limited	United Kingdom	100%	Dormant	3rd Floor Davidson Building, 5 Southampton Street, London, England, 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	100%	Dormant	Unit C, 18/F Infotech Centre, 21 Hung To Road, Kwun Tong, Kowloon
Certifire Limited	United Kingdom	100%	Dormant	3rd Floor Davidson Building, 5 Southampton Street, London, England, WC2E 7HA
Chiltern International Fire Limited	United Kingdom	100%	Dormant	3rd Floor Davidson Building, 5 Southampton Street, London, England, WC2E 7HA
Environmental Evaluation Limited	United Kingdom	100%	Dormant	3rd Floor Davidson Building, 5 Southampton Street, London, England, WC2E 7HA
Element Materials Technology Shared Services Limited	United Kingdom	100%	Testing and inspection operations	3rd Floor Davidson Building, 5 Southampton Street, London, England, WC2E 7HA
Element Materials Technology Aerospace UK Limited	United Kingdom	100%	Testing	3rd Floor Davidson Building, 5 Southampton Street, London, England, WC2E 7HA
Element Materials Technology Environmental UK Limited	United Kingdom	100%	Testing	3rd Floor Davidson Building, 5 Southampton Street, London, England, WC2E 7HA
Element Materials Technology Oil & Gas UK Limited	United Kingdom	100%	Testing	3rd Floor Davidson Building, 5 Southampton Street, London, England, WC2E 7HA
Element Materials Technology Wednesbury Limited	United Kingdom	100%	Testing	3rd Floor Davidson Building, 5 Southampton Street, London, England, WC2E 7HA
BM TRADA Overseas Limited	United Kingdom	100%	Holding Company	3rd Floor Davidson Building, 5 Southampton Street, London, England, WC2E 7HA
Envirodat Limited	United Kingdom	100%	Dormant	3rd Floor Davidson Building, 5 Southampton Street, London, England, WC2E 7HA
Exova (UK) Limited	United Kingdom	100%	Holding Company	Lochend Industrial Estate, Queen Anne Drive, Newbridge, Midlothian, Scotland, EH28 8LP

**EXOVA TREASURY LIMITED****NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31 DECEMBER 2022 (CONTINUED)****10 Subsidiaries (continued)**

<b>Name of Undertaking</b>	<b>Country</b>	<b>Ownership (%)</b>	<b>Activity</b>	<b>Registered Address</b>
FIRA International Limited	United Kingdom	100%	Testing	3rd Floor Davidson Building, 5 Southampton Street, London, England, WC2E 7HA
Firas Limited	United Kingdom	100%	Dormant	3rd Floor Davidson Building, 5 Southampton Street, London, England, WC2E 7HA
Jones Environmental Forensics Limited	United Kingdom	100%	Dormant	3rd Floor Davidson Building, 5 Southampton Street, London, England, WC2E 7HA
MTS Pendar Limited	United Kingdom	100%	Holding Company	3rd Floor Davidson Building, 5 Southampton Street, London, England, WC2E 7HA
Warringtonfire Testing and Certification Limited	United Kingdom	100%	Testing	3rd Floor Davidson Building, 5 Southampton Street, London, England, WC2E 7HA
Warringtonfire Consulting Limited	United Kingdom	100%	Testing	3rd Floor Davidson Building, 5 Southampton Street, London, England, WC2E 7HA
Warrington Fire & Building Products UK Limited	United Kingdom	100%	Holding Company	3rd Floor Davidson Building, 5 Southampton Street, London, England, WC2E 7HA
Warrington Fire Research Group Limited	United Kingdom	100%	Holding Company	3rd Floor Davidson Building, 5 Southampton Street, London, England, WC2E 7HA
Warrington APT Laboratories Limited	United Kingdom	100%	Dormant	3rd Floor Davidson Building, 5 Southampton Street, London, England, WC2E 7HA
Warrington Fire Research Centre (London) Limited	United Kingdom	100%	Dormant	3rd Floor Davidson Building, 5 Southampton Street, London, England, WC2E 7HA
Warrington Fire Research Centre Limited	United Kingdom	100%	Dormant	3rd Floor Davidson Building, 5 Southampton Street, London, England, WC2E 7HA
Warrington Fire Research Consultants Limited	United Kingdom	100%	Dormant	3rd Floor Davidson Building, 5 Southampton Street, London, United Kingdom, WC2E 7HA
Western Technical Services Limited	United Kingdom	100%	Dormant	3rd Floor Davidson Building, 5 Southampton Street, London, England, WC2E 7HA
BM TRADA Certification North America Inc.	USA	100%	Testing	820 Bear Tavern Road, Mercer County, West Trenton, NJ 08628
~ These are subsidiaries where the Company exercises joint control.				



**EXOVA TREASURY LIMITED****NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31 DECEMBER 2022 (CONTINUED)****11 Non-current assets - amounts owed by group undertakings**

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Amounts owed by group undertakings	177,205,188	92,527,425
Less: expected credit losses	<u>(978,539)</u>	<u>(72,175)</u>
	<u>176,226,649</u>	<u>92,455,250</u>

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.

<b>Legal entity name</b>	<b>Interest rate</b>	<b>2022</b>	<b>2021</b>
		<b>£</b>	<b>£</b>
Warringtonfire Australia Pty Ltd	3m AUD BBSW plus 2% margin	4,398,059	2,975,975
Element Metech s.r.o.	3m EURIBOR no margin	306,236	291,044
Exova Group (UK) Limited	3m EURIBOR plus 4% margin	19,693,289	16,903,683
MTS Pendar Limited	3m EURIBOR plus 4% margin	6,623,696	6,065,219
Element Metech GmbH	3m EURIBOR plus 4% margin	3,630,154	3,387,866
Element Materials Technology Wednesbury Limited	3m EORIBOR plus 2% margin	63,669	36,588
Exova (Malaysia) Sdn. Bhd.	3m GBP LIBOR plus 4% margin	595,292	565,613
Exova Group (UK) Limited	3m GBP LIBOR plus 4% margin	29,924,811	23,649,062
Exova (UK) Limited	3m SIBOR plus 4% margin	-	5,671,523
Warringtonfire Singapore Pte. Ltd	3m SIBOR plus 4% margin	1,708,162	1,442,430
Element Metech AB	3m STIBOR no margin	1,674,891	493,757
Element Materials Technology Singapore Pte. Ltd	3m SGD LIBOR plus 4% margin	69,110,295	-
Element Materials Technology Sweden Holdings AB	Fixed 10.64% rate	30,705,920	28,558,452
Element Materials Technology ME Limited LLC	Interest not allowed under Islamic finance	661,084	592,768
Exova (Malaysia) Sdn. Bhd	3m GBP LIBOR plus 4% margin	82,079	77,752
Exova (UK) Ltd	3m SIBOR plus 4% margin	-	19,539
Element Milan	3m EORIBAR plus 2% margin	2,660,739	-
Exova Group (UK) Limited	3m EURIBOR plus 2% margin	5,366,812	1,796,154
		<u>177,205,188</u>	<u>92,527,425</u>

**EXOVA TREASURY LIMITED****NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31 DECEMBER 2022 (CONTINUED)****12 Trade and other receivables**

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
<b>Current assets</b>		
Amounts owed by Group undertakings	240,273,967	177,141,577
Tax and social security	116,960	-
	<u>240,390,927</u>	<u>177,141,577</u>

No trade receivables fall due after more than one year. Amounts owed from group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand. Trade receivables are stated after expected credit loss of £233,350 (2021: £471,095).

**13 Cash and cash equivalents**

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Cash at bank denominated in GBP	2,635,065	2,836
Cash at bank denominated in other currencies	979,316	2,216,395
	<u>3,614,381</u>	<u>2,129,231</u>

**14 Current liabilities**

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
<b>Trade and other payables</b>		
Amounts owed to Group undertakings	154,206,789	86,516,440
Tax and social security	55,110	-
	<u>154,261,899</u>	<u>86,516,440</u>

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

**EXOVA TREASURY LIMITED****NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31 DECEMBER 2022 (CONTINUED)****15 Non-current liabilities - Amounts owed to Group undertakings**

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Amounts owed to Group undertakings	<u>318,636,950</u>	<u>235,214,166</u>

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.

<b>Legal entity name</b>	<b>Interest rate</b>	<b>2022</b>	<b>2021</b>
		<b>£</b>	<b>£</b>
Exova Group UK Limited	3m CAD LIBOR plus 4% margin	14,183,269	12,063,121
Exova Group UK Limited	3m STIBOR plus 4% margin	514,264	510,086
Exova Group UK Limited	3m USD LIBOR no margin	-	47
Exova UK Limited	3m AUD BBSW no margin	-	1,130,624
Exova UK Limited	3m CAD LIBOR no margin	-	9,204,830
Exova UK Limited	3m GBP LIBOR no margin	865,264	11,950,207
Exova UK Limited	3m USD LIBOR no margin	-	4,237,645
Exova UK Limited	3m EURIBOR no margin	-	12,492,330
MTS Pendar Limited	3m GBP LIBOR no margin	8,212,940	10,289,670
Element Materials Technology Ireland Limited	3m EURIBOR no margin	11,061	4,703,097
Exova Metech AS	3m CIBOR no margin	6,700,833	6,148,387
Exova Metech OY	higher of 2% interest or 3m EURIBOR (EURIBOR no margin until May 2020)	4,136,818	3,325,491
Element Materials Technology Pilsen s.r.o.	3m GBP LIBOR no margin	687,062	724,221
Element Materials Technology Pilsen s.r.o.	3m USD LIBOR no margin	1,821,074	1,886,247
Element Materials Technology Pilsen s.r.o.	3m EURIBOR no margin	5,949,992	-
Warringtonfire Frankfurt GmbH	3m EURIBOR no margin	457,149	585,820
Greenrock Bidco Limited	Fixed 6.59% rate	213,856,049	153,778,914
WFR Gent NV	3m EURIBOR plus 2% margin	2,604,689	2,183,429
EMT Canada Inc	3m CAD PLOI rate	13,138,898	-
EM Bidco	Fixed 7.5% rate	45,508,523	-
		<u>318,636,950</u>	<u>235,214,166</u>

# EXOVA TREASURY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 DECEMBER 2022 (CONTINUED)

---

<b>16</b>	<b>Share capital</b>	<b>2022</b>	<b>2021</b>
		<b>£</b>	<b>£</b>
	<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.

#### 17 Share premium

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

#### 18 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.

#### 19 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 Director 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.

#### 20 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 (2021: none)

# EXOVA TREASURY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

### *FOR THE YEAR ENDED 31 DECEMBER 2022 (CONTINUED)*

---

#### **21 Ultimate holding and controlling party**

On 6<sup>th</sup> July 2022, the Company's ultimate parent undertaking changed to Temasek Holdings (Private) Limited, a company incorporated in Singapore. 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 EM Midco2 Limited, a company incorporated in England and Wales.

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

Copies of the 31 December 2022 Group financial statements of EM Midco2 Limited are available from Companies House, Crown Way, Cardiff, CF14 3UZ, United Kingdom. EM Midco2 Limited's registered office is 3rd Floor Davidson Building, 5 Southampton Street, London, United Kingdom, WC2E 7HA.

Copies of the 31 March 2023 Group financial statements of Temasek Holdings (Private) Limited are available from [www.temasekreview.com.sg/group-financials](http://www.temasekreview.com.sg/group-financials)