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REGISTERED NUMBER: 08925721

STRATEGIC REPORT, DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2020

FOR

EV FINCO LIMITED

CONTENTS OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

EV FINCO LIMITED

COMPANY INFORMATION
FOR THE YEAR ENDED 31 MARCH 2020

DIRECTORS:	J J R Thursby F Louden C Millburn S N S Middleton D N Proctor
REGISTERED OFFICE:	EV Technology Centre 19 Frensham Road Sweet Briar Industrial Estate Norwich Norfolk NR3 2BT
REGISTERED NUMBER:	08925721 (England and Wales)
AUDITORS:	Lovewell Blake LLP Chartered Accountants & Statutory Auditor Bankside 300 Peachman Way Broadland Business Park Norwich Norfolk NR7 0LB
SOLICITORS:	CMS Cameron McKenna LLP Saltire Court 20 Castle Terrace Edinburgh EH1 2EN

EV FINCO LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2020

The directors present their strategic report and the audited financial statements of EV Finco Limited (the "Company") for the year ended 31 March 2020.

BUSINESS REVIEW
The principal activity of the business is to hold the shares of E.V. Offshore Limited and the institutional, shareholder and listed debt of the Group. The Company is also the intermediate parent of a Group of six companies.

The Income Statement on page 8 shows the Company's loss for the financial year. For the financial year ended 31 March 2020 the Company made a loss before taxation of £7.2 million (2019: £6.9 million). The prior year comparatives have been restated following management's review of the terms and amendments to certain loan notes and the classification of foreign exchange movements on bank loans. This resulted in an overall decrease of £1 million in interest payable and similar charges against that previously reported for the year ended 31 March 2019 and a decrease in the loss before taxation previously reported for that year of £2m. Net liabilities at 31 March 2019 decreased by £2.7 million pounds against the level previously reported. See note 9 for further details.

KEY PERFORMANCE INDICATORS
Given the Company is a holding company and does not trade, the Company's directors are of the opinion that analysis of key performance indicators is not necessary for an understanding of the development, performance or position of the business.

PRINCIPAL RISKS AND UNCERTAINTIES
The directors of EV Holdings Limited (parent entity to EV Finco Limited) manage the group's operations on a group wide basis. For this reason, the Company's directors believe that disclosure of the principal risks and uncertainties of the Company and analysis using key performance indicators for the Company are not necessary or appropriate for an understanding of the development, performance and position of the business of EV Finco Limited. The development, performance and position of EV Holdings Limited group, which includes this Company is discussed in the financial statements of EV Holdings Limited, which does not form part of this report. Copies of the consolidated financial statements of EV Holdings Limited are publicly available from Companies House, Crown Way, Cardiff, CF14 3UZ.

The principal financial risk management policies and objectives are as follows:
- Long term funding: The company holds loan note and bank debt to facilitate the operational activities of other wider group members. The terms of this are kept under review to ensure that all contractual obligations are met.
- Foreign exchange risk: An element of debt is denominated in US dollars and consequently provides an implicit hedge against fluctuations on the wider group's operational activities.

ON BEHALF OF THE BOARD:

....
D Proctor - Director

Date: 29th March 2021

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2020

The directors present their report and the audited financial statements of EV Finco Limited (the "Company") for the year ended 31 March 2020.

DIVIDENDS
The directors have not recommended a dividend. No dividends were approved or paid in the year (2019: £Nil).

FUTURE DEVELOPMENTS
The Company is a holding company and its primary purpose is to hold the institutional, shareholder and listed debt and as such the directors do not anticipate any change in the Company's business.

DIRECTORS
The directors of the Company who have served during the period from 1 April 2019 to the date of signing the financial statements are as follows:

F Louden
S N S Middleton
C Milburn
J J R Thursby

Other changes in directors holding office are as follows:

J J Houston (resigned 23 December 2019)
D N Proctor (appointed 1 July 2020)
A J Davidson (resigned 18 March 2021)

DIRECTORS' THIRD-PARTY INDEMNITY PROVISION
A qualifying third-party indemnity provision as defined in Section 234 of the Companies Act 2006 was in force throughout the financial year for the benefit of each of the directors in respect of liabilities incurred as a result of their office, to the extent permitted by law. In respect of those liabilities for which directors may not be indemnified, the company maintained a directors' and officers' liability insurance policy throughout the financial year and at the date of approval of the financial statements.

FINANCIAL RISK MANAGEMENT
The directors have taken steps to ensure the day-to-day risks which face the Company, such as commercial risks are managed comprehensively by the Company. The Company takes a range of measures to mitigate the impact of these risks, including preparing comprehensive management and board reporting packages, which can alert the board to adverse developments in trading performance and cash management.

The principal risks facing the Company are:

Interest risk
The Company's financing arrangements expose it to interest rate fluctuations which could lead to higher interest payments. The Company manages this by way of an interest rate cap instrument.

Foreign exchange risk
The Company's activities expose it to the risk of changing foreign exchange rates. The company manages the currency volatility by carefully forecasting its currency needs and monitoring exchange rates.

Liquidity risk
At 31 March 2020 the Company had a cash balance which the directors believe is sufficient to maintain liquidity in the business. The Company reviews its working capital on a continual basis and goes through a rigorous and robust quarterly forecasting process to further analyse this.

GOING CONCERN
The Group's business activities (being the group headed by EV Holdings Limited of which this company is a member), together with the factors and risks likely to affect its future development, performance and position are set out in the Group Strategic Report of EV Holdings Limited. The directors carry out a comprehensive annual and periodic forecasting exercise covering the operations of the entire Group including EV Finco Limited and as a result of this and considering possible sensitivities, the directors have a reasonable expectation that the Group and this Company have adequate resources to continue to meet their obligations as they fall due for the foreseeable future. Further details concerning the assessment of going concern are given in note 2 to the financial statements.

POST BALANCE SHEET EVENTS
Note 20 to the financial statements gives details of certain material events that have occurred after the balance sheet date of 31 March 2020. These include consideration of the ongoing Covid-19 pandemic and the re-financing of bank facilities for an extended term.

Disclosure of information in the strategic report

The strategic report includes (to the extent relevant) the following disclosures that would otherwise have been included in the directors' report:

- business review;
- financial key performance indicators;
- principle risks and uncertainties; and
- financial risk management policies and objectives.

STATEMENT OF DIRECTORS' RESPONSIBILITIES
The directors are responsible for preparing the Strategic report, Directors' 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 prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law). 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 the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; 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.

The directors 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.

In the case of each director in office at the date the Directors' Report is approved:

- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

INDEPENDENT AUDITORS
Lovewell Blake LLP, having expressed their willingness to continue in office, will be deemed reappointed for the next financial year in accordance with Section 487(2) of the Companies Act 2006 unless the Company receives notice under Section 488(1) of the Act.

ON BEHALF OF THE BOARD:

....
D Proctor - Director

Date: 29th March 2021

Independent auditor's report to the members of EV Finco Limited

Year ended 31 March 2020

Opinion

We have audited the financial statements of EV Finco Limited (the 'company') for the year ended 31 March 2020 which comprise the income statement, balance sheet, statement of changes in equity and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2020 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- 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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Independent auditor's report to the members of EV Finco Limited *(continued)*

Year ended 31 March 2020

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

In connection with our audit of the financial statements, 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 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 or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic report and the Directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

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

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

Responsibilities of directors

As explained more fully in the Directors' responsibilities statement, 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.

Independent auditor's report to the members of EV Finco Limited *(continued)*

Year ended 31 March 2020

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.

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

Use of our report

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

Lovewell Blake LLP

Tobias Wilson FCA BA (Hons) (Senior Statutory Auditor)

For and on behalf of
Lovewell Blake LLP
Chartered accountants & statutory auditor
Bankside 300
Peachman Way
Broadland Business Park
Norwich
NR7 0LB

30 March 2021

EV FINCO LIMITED

INCOME STATEMENT

FOR THE YEAR ENDED 31 MARCH 2020

	Note	2020 £'000	2019 (restated) £'000
TURNOVER		-	-
Administrative expenses		(85)	(158)
OPERATING LOSS		(85)	(158)
Interest payable and similar charges	6	(7,078)	(6,785)
LOSS BEFORE TAXATION	7	(7,163)	(6,943)
Tax on loss	8	356	388
LOSS FOR THE FINANCIAL YEAR AND TOTAL COMPREHENSIVE INCOME		(6,807)	(6,555)

The loss for the current and prior year is attributable to the owners of the Company.

The notes form part of these financial statements

EV FINCO LIMITED (REGISTERED NUMBER: 08925721)

BALANCE SHEET

31 MARCH 2020

	Note	2020 £'000	2020 £'000	2019 (restated) £'000	2019 (restated) £'000
FIXED ASSETS					
Investments	10		29,387		29,387
CURRENT ASSETS					
Debtors: amounts falling due within one year	11	3		6	
Debtors: amounts falling due after more than one year	11	8,025		8,049	
Cash at bank and in hand		3		488	
		8,031		8,543	
CREDITORS					
Amounts falling due within one year	12	(2,556)		(2,044)	
NET CURRENT ASSETS			5,475		6,499
TOTAL ASSETS LESS CURRENT LIABILITIES			34,862		35,886
CREDITORS					
Amounts falling due after more than one year	13		(98,055)		(94,977)
NET LIABILITIES			(63,193)		(59,091)
CAPITAL AND RESERVES					
Called up share capital	16		-		-
Capital contribution reserve	17		2,705		-
Accumulated losses	17		(65,898)		(59,091)
TOTAL SHAREHOLDERS' DEFICIT			(63,193)		(59,091)

The financial statements on pages 8 to 21 were approved by the Board of Directors on 29th March 2021 and were signed on its behalf by:

D Proctor - Director

The notes form part of these financial statements

EV FINCO LIMITED

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2020

	Called up share capital £'000	Capital contribution reserve £'000	Accumulated losses £'000	Total shareholders' deficit £'000
Balance at 1 April 2018	-	-	(53,160)	(53,160)
Prior year adjustment (see note 9)	-	-	624	624
Balance at 1 April 2018 (restated)	-	-	(52,536)	(52,536)
Loss for the financial year	-	-	(6,555)	(6,555)
Balance at 31 March 2019 (restated)	-	-	(59,091)	(59,091)
Loss for the financial year	-	-	(6,807)	(6,807)
Capital contribution (see note 9)	-	2,705	-	2,705
Balance at 31 March 2020	-	2,705	(65,898)	(63,193)

The notes form part of these financial statements

1. STATUTORY INFORMATION

EV Finco Limited (the "Company") is a private company limited by shares incorporated and domiciled in the United Kingdom under the Companies Act. The address of the registered office is given on page 1. The Company's principal activities are set out in the Strategic Report on page 2.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements
The principal accounting policies are summarised below. They have all been applied consistently throughout the year and preceding year.

Statement of compliance
The individual financial statements of EV Finco Limited have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS 102") and the Companies Act 2006.

Basis of accounting
These financial statements have been prepared under the historical cost convention as modified by the recognition of certain financial assets and liabilities measured at fair value. The functional and presentation currency of these financial statements is pound sterling.

The preparation of financial statements in conformity with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 3.

Financial Reporting Standard 102 - reduced disclosure exemptions
Exemption for qualifying entities under FRS 102
FRS 102 allows a qualifying entity certain disclosure exemptions, subject to certain conditions, which have been complied with. The Company has taken advantage of the following exemptions:

(i) from preparing a statement of cash flows, on the basis that it is a qualifying entity and the consolidated statement of cash flows, included in the financial statements of its parent, EV Holdings Limited, includes the Company's cash flows;
(ii) from disclosing the Company key management personnel compensation, as required by FRS 102 paragraph 33.7.

Preparation of consolidated financial statements
The financial statements contain information about EV Finco Limited as an individual company and do not contain consolidated financial information as the parent of a group. The Company is exempt under Section 400 of the Companies Act 2006 from the requirements to prepare consolidated financial statements as it and its subsidiary undertakings are included by full consolidation in the consolidated financial statements of its parent,EV Holdings Limited, a company registered in England.

Going concern
The directors have considered the business activities of the company and the wider group within which it sits, together with the factors and risks likely to affect its future development performance and position. As part of this assessment the directors carry out a comprehensive annual and periodic forecasting exercise covering the operations of the company and the wider group. As a result of this and considering possible sensitivities (specifically linked to the risk of oil price fluctuations) the directors have a reasonable expectation that the company (in the context of the wider group) has adequate resources to continue to meet its obligations as they fall due for the foreseeable future. In reaching this conclusion the directors have given specific consideration to the following:

- Net liabilities: At 31 March 2020 the company reported net liabilities of £63.2m. These liabilities principally relate to long-term debt that is repayable in part at 30 June 2024 and in part at 30 September 2026. At 31 March 2020 the business reported net current assets of £5.5m (including £8m of intra-group balances expected to be repaid after more than one year).
- Bank debt: In looking forward the directors were mindful that the company's bank debt was due for repayment by 30 June 2021. Therefore, and as detailed in note 20 to these financial statements the company entered into negotiations to extend such facilities for a further appropriate period. These negotiations were successfully concluded such that the facilities (secured on normal commercial terms) are now due for repayment at 31 August 2023.

Therefore, while the directors remain mindful of commercial risk and the particular challenges presented by the ongoing Covid-19 pandemic they consider it appropriate to adopt the going concern basis when preparing these financial statements.

2. ACCOUNTING POLICIES (CONTINUED)

Investments in subsidiaries
Investments in subsidiary undertakings are recorded at cost less accumulated impairment losses.

Impairment of non-financial assets
At each balance sheet date non-financial assets not carried at fair value are assessed to determine whether there is an indication that the asset (or asset's cash generating unit) may be impaired. If there is such an indication the recoverable amount of the asset (or asset's cash generating unit) is compared to the carrying amount of the asset (or asset's cash generating unit).

The recoverable amount of the asset (or asset's cash generating unit) is the higher of the fair value less costs to sell and value in use. Value in use is defined as the present value of the future cash flows before interest and tax obtainable as a result of the asset's (or asset's cash generating unit) continued use. These cash flows are discounted using a pre-tax discount rate that represents the current market risk-free rate and the risks inherent in the asset.

If the recoverable amount of the asset (or asset's cash generating unit) is estimated to be lower than the carrying amount, the carrying amount is reduced to its recoverable amount. An impairment loss is recognised in the profit and loss account, unless the asset has been revalued when the amount is recognised in other comprehensive income to the extent of any previously recognised revaluation. Thereafter any excess is recognised in profit or loss.

If an impairment loss is subsequently reversed, the carrying amount of the asset (or asset's cash generating unit) is increased to the revised estimate of its recoverable amount, but only to the extent that the revised carrying amount does not exceed the carrying amount that would have been determined (net of depreciation or amortisation) had no impairment loss been recognised in prior periods. A reversal of an impairment loss is recognised in the profit and loss account.

Financial instruments
The Company enters into basic and complex financial instruments transactions that result in the recognition of financial assets and liabilities such as trade and other debtors / creditors, loans from banks and other third parties and loans to related parties. These transactions are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Debt instruments like loans and other debtors / creditors are initially measured at present value of the future payments *and subsequently at amortised cost using the effective interest method; Debt instruments that are* payable or receivable within one year, typically trade creditors or debtors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an outright short-term loan not at market rate, the financial asset or liability is measured, initially and subsequently, at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw- down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in profit or loss.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and the best estimate, which is an approximation, of the amount that the Company would receive for the asset if it were to be sold at the reporting date.

Financial instruments (continued)
Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Derivatives, including interest rate swaps and forward foreign exchange contracts are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs, unless they are included in a hedging arrangement.

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

Taxation
The tax charge represents the aggregate amount of current tax and deferred tax recognised in the reporting period.

Current tax is the amount of income tax payable in respect of the taxable profit for the year or prior years.

A deferred tax asset or liability is recognised for tax recoverable or payable in future periods in respect of transactions and events recognised in the financial statements of current and previous periods.

Deferred tax arises from timing differences that are differences between taxable profits and total comprehensive income as stated in the financial statements. Timing differences result from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements.

Deferred tax is recognised on all timing differences at the reporting date apart from certain exceptions. Unrelieved tax losses and other deferred tax assets are only recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date and that are expected to apply to the reversal of the timing differences. Deferred tax relating to land and investment properties that is measured at fair value is measured using the tax rates and allowances that apply to the sale of the asset.

Foreign currencies
Transactions denominated in foreign currencies are translated and recorded at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate ruling at the balance sheet date. Gains and losses on retranslation are recognised in the Income Statement for the year.

3. CRITICAL ACCOUNTING JUDGEMENTS AND ESTIMATION UNCERTAINTY

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

a) Critical judgements in applying the Company's accounting policies

The critical judgement applied by the directors in preparing these financial statements is with regard to whether changes to the terms of loan notes in the current and prior years constitute a substantial modification requiring a de-recognition of or adjustment to the instruments' carrying values. Further judgement is required (in the event that a fair value adjustment is required) concerning the market rate of interest that would be applicable to debt of similar terms and condition. Note 14 gives further details of matters relating to a current year amendment to loan notes and note 9 details of adjustments made to correct an error noted in respect of prior year amendments.

b) Key accounting estimates and assumptions

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

3. CRITICAL ACCOUNTING JUDGEMENTS AND ESTIMATION UNCERTAINTY (CONTINUED)

Impairment of investments

When assessing whether there has been an impairment to the carrying value of investments in subsidiary undertakings, management make an estimate of the fair value of such investments. Such an estimate takes into account various factors including an assessment of maintainable earnings, market multiples that may be achieved and other factors relating to what an open market value may be including the existence of new technologies and competitor activity. Further details of carrying value is given at note 10 to these financial statements. It is considered that there are no impairments in the year ended 31 March 2020.

4. EMPLOYEES AND DIRECTORS

There were no staff costs or employees, outside of the directors, for the year ended 31 March 2020 nor for the year ended 31 March 2019.

5. DIRECTORS' EMOLUMENTS

No director received any remuneration for their services to the company during the current and prior year.

6. INTEREST PAYABLE AND SIMILAR CHARGES

	2020	2019 (restated)
	£'000	£'000
Loan note interest	5,680	4,466
Bank loan interest and similar charges	1,253	1,252
Bank loan foreign exchange losses	145	1,067
Total interest payable and similar charges	7,078	6,785

The loan note interest is accrued and rolled into the loan principal. The interest payment is not expected to occur until the loan notes are redeemed.

7. LOSS BEFORE TAXATION

The loss is stated after charging/(crediting):

	2020 £'000	2019 £'000
Fees payable to the Company's auditor and its associates for the audit of the Company's financial statements	3	4
Fees payable to the Company's auditor for other services		
- tax compliance services	2	2

8. TAXATION

Analysis of the tax credit

The tax credit on the loss for the year was as follows:

	2020 £'000	2019 £'000
Current tax:		
UK group relief recoverable	(282)	(388)
Adjustments in respect of prior year	(74)	-
Tax credit on loss	(356)	(388)

UK corporation tax has been charged at 19% (2019: 19%).

8. TAXATION (CONTINUED)

Reconciliation of total tax credit included in profit and loss
The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The differences are explained below as follows:

	2020	2019
	£'000	£'000
Loss before tax	(7,163)	(6,943)
Tax on loss at standard UK corporation tax rate of 19% (2019: 19%)	(1,361)	(1,319)
Effects of:		
Expenses not deductible for tax purposes	1,079	849
Adjustments in respect of prior periods	(74)	-
Unrecognised losses carried forward	-	82
Total tax credit	(356)	(388)

Reductions in the UK corporation tax rate from 19% (effective from 1 April 2017) and to 18% (effective 1 April 2020) were substantively enacted on 26 October 2015 and an additional reduction to 17% (effective 1 April 2020)was substantively enacted on 6 September 2016. In the 11 March 2020 Budget it was announced that the UK corporation tax rate will remain at the current rate of 19% and not reduce to 17% from 1 April 2020. These changes have been taken into account in measuring deferred tax assets and liabilities at the balance sheet date. These changes are not anticipated to have a material impact on the Company's financial statements in future years.

The Company has not recognised a deferred tax asset in respect of the losses carried forward as there is no certainty around the timing of future taxable profits. The unrecognised deferred tax asset amounts to £4,027,000 (2019: £2,500,000).

9. PRIOR YEAR ADJUSTMENTS

During the year directors have reviewed the accounting treatment of the loan notes issued in 2014 (see note 14), specifically with regard to modifications to the terms of the loan notes on 8 November 2017 and 15 March 2019. As a consequence of this review it has been concluded that while such modifications are not substantial (i.e. did not require an adjustment to the carrying values at point of modification) there should have been a change to the way in which interest was accrued prospectively from the date of modification. Such an adjustment was not made, giving rise to an over accrual of interest at 1 April 2018 and 31 March 2019.

The effect of correcting this error may be summarised as follows:

	Net liabilities		**Loan notes**	
	1 April 2018	**31 March 2019**	**1 April 2018**	**31 March 2019**
	£'000	**£'000**	**£'000**	**£'000**
As previously reported	(53,160)	(61,743)	(73,820)	(85,815)
Adjustment	624	2,652	624	2,652
As restated	(52,536)	(59,091)	(73,196)	(83,163)

The adjustments made are against interest payable on the loan notes and resulted in a decrease in the interest payable in the year ended 31 March 2019 by £2 million.

The directors have also reviewed the classification of exchange rate movements relating to bank loans denominated in non-sterling currencies. Previously such movements have been included within administrative expenses. It is considered more appropriate to include such movements in interest payable and similar charges. The effect is to reduce administrative charges in the year ended 31 March 2019 by £1.1m and increase interest payable and similar charges by the same amount.

10. INVESTMENTS

	Shares in subsidiary undertakings £'000
COST	
At 1 April 2019 and 31 March 2020	57,208
IMPAIRMENT	
At 1 April 2019 and 31 March 2020	(27,821)
NET BOOK AMOUNT	
At 31 March 2020 and 31 March 2019	29,387

The directors believe that the carrying value of the investments is supported by their value in use.

The subsidiary companies of the company at 31 March 2020, which are wholly owned and incorporated in the United Kingdom (unless indicated otherwise), are listed below.

Subsidiary undertaking	Principal activity	Proportion of rights and ordinary share capital held	Country of registration	Registered office
E.V. Offshore Limited (held directly)	Provision of wellbore diagnosis services to the oil and gas industry	100%	England	EV Technology Centre 19 Frensham Road Sweet Briar Estate Norwich, Norfolk NR3 2BT
EVO Incorporated (held indirectly)	Provision of wellbore diagnosis services to the oil and gas industry	100%	USA	557 West Sam Houston Parkway North Suite 100, Houston TX 77043
EV Canada Inc (held indirectly)	Provision of wellbore diagnosis services to the oil and gas industry	100%	Canada	Suite 890,736-8th Avenue SW, Calgary Alberta T291H4
EV Australasia Pty Ltd (held indirectly)	Provision of wellbore diagnosis services to the oil and gas industry	100%	Australia	Level 11, 485 Bourke Street, Melbourne Victoria, 3000
Epidote Holdings Limited (held indirectly)	Holding company	100%	Scotland	4th Floor Saltire Court 20 Castle Terrace Edinburgh EH1 2EN
Epidote Limited (held indirectly)	Provision of logging analysis services to the oil and gas industry	100%	Scotland	4th Floor Saltire Court 20 Castle Terrace Edinburgh EH1 2EN

The financial statements for the year ended 31 March 2020 of E.V. Offshore Limited, Epidote Holdings Limited and Epidote Limited have been exempted from audit under s479A of the Companies Act 2006 by way of parent guarantee from EV Holdings Limited.

11. DEBTORS

	2020 £'000	2019 £'000
Amounts falling due within one year:		
Other taxation and social security	2	3
Prepayments and accrued income	1	3
	3	6
Amounts falling due after more than one year:		
Amounts owed by group undertakings	8,025	8,049
Aggregate amounts	8,028	8,055

Amounts owed by group undertakings are unsecured, interest free and have no fixed date of repayment. The amounts are shown as due after one year to reflect the expected repayment profile.

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2020 £'000	2019 £'000
Bank loans (see note 14)	2,470	1,972
Trade creditors	6	2
Accruals and deferred income	80	70
	2,556	2,044

13. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2020 £'000	2019 (restated) £'000
Loan notes (see note 14)	86,139	83,163
Bank loans (see note 14)	11,916	11,814
	98,055	94,977

14. LOANS

	2020 £'000	2019 (restated) £'000
Loan notes	86,139	83,163
Bank loans	14,386	13,786
	100,525	96,949

Maturity of financial liabilities

	2020 £'000	2019 (restated) £'000
In less than one year	2,470	1,972
In more than one year, but not more than two years	11,916	-
In more than two years, but not more than five years	17,701	11,814
In more than five years	68,438	83,163
	100,525	96,949

14. LOANS (CONTINUED)

The bank loans are secured via fixed and floating charges against the assets of the Company and its subsidiaries.

The bank loans are denominated in USD and interest is charged at LIBOR plus a margin between 3.0% and 4.5% depending on the debt leverage of the group. Bank loans are shown net of unamortised loan issue costs of £Nil (2019: £122,000) which were amortised over the term of the respective instruments to which they relate.

Loan notes

The loan notes are secured via fixed and floating charges against the assets of the Company and its subsidiaries. The loan notes were issued in four years and by reference to their year of issue the principal terms may be summarised as follows:

- On 24 June 2014 loan notes were issued with an initial capital value of £45,949,306. Such loan notes are quoted on the International Stock Exchange (formerly the Channel Islands Securities Exchange) and initially attracted interest at 8% per annum compounded every 6 months unless paid. The loan notes and associated interest are due for repayment at the earlier of an exit by Dunedin Buyout Fund III L.P., the ultimate controlling undertaking, or 30 June 2024. During the year ended 31 March 2018 PIK notes of £3,083,192 were added to the listed debt such that the total capital value at 31 March 2020 was £49,032,498. Since their issuance these loan notes have been subject to two modifications. These modifications were accounted for incorrectly in the two years ended 31 March 2018 and are the subject of the adjustment summarised in note 9. The modifications may be summarised as follows:
    - 8 November 2017: Repayment extended to 30 September 2026 (or an exit if earlier). Interest between 1 October 2016 and 30 September 2022 waived. Interest from 1 October 2022 13.25% per annum.
    - 15 March 2019: Interest from 1 October 2022 16.5% per annum.
- On 24 June 2014 loan notes were issued with an initial capital value of £6,950,000. Such loan notes attract interest at between 0% and 8% per annum (subject to whether the loan note holders are an employee of the wider group) compounded every 6 months unless paid. The loan notes and associated interest are due for repayment at the earlier of an exit by Dunedin Buyout Fund III L.P., the ultimate controlling undertaking, or 30 June 2024.
- On 29 September 2016 certain loan note beneficiaries holding 96.9% of the original principal issued on 24 June 2014 (above), agreed to: (i) subscribe for additional loan notes of £2,500,000 with an interest rate of 15% and on terms otherwise largely consistent with the original loan notes as set out above and (ii) provide a guarantee for an additional £2,500,000 of cash that can only be drawn under specific circumstances.
- On 27 September 2018 loan notes were issued with an initial capital value of £5,500,000 (£3 million of which was drawn on 27 September 2018 and the balance on 15 March 2019. Such loan notes initially attracted interest at 30% per annum compounded every 6 months unless paid. The loan notes and associated interest are due for repayment at the earlier of an exit by Dunedin Buyout Fund III L.P., the ultimate controlling undertaking, or 30 June 2024. On 4 March 2020 the terms of these loan notes were amended such that interest between 1 April 2019 and 30 June 2024 was waived. This modification is deemed to be substantial change to the original terms and as a consequence the carrying value of the loan notes at the date of modification has been adjusted to a fair value based on a deemed market rate of 15% per annum (being a judgement as to market rate for debt of this nature). The difference between the carrying value at 4 March 2020 and the fair value (£2.7 million) is considered to be a capital contribution from the loan note holder. This capital contribution will be amortised over the remaining term of the loan notes such that an effective rate of interest equivalent to 14.45% per annum is charged over the remaining term of the loan notes.

15. FINANCIAL INSTRUMENTS

	2020	2019 (restated)
	£'000	£'000
Financial assets measured at amortised cost		
Amounts owed by group undertakings	8,025	8,049
Total financial assets	8,025	8,049
Financial liabilities measured at amortised cost		
Loan notes	86,139	83,163
Bank loans	14,386	13,786
Trade creditors	6	2
Total financial liabilities	100,531	96,951

16. CALLED UP SHARE CAPITAL

Authorised, allotted, called up and fully paid:

Number:	Class:	Nominal value:	2020 £	2019 £
1 (2019: 1)	Ordinary	£1	1	1

17. RESERVES

Accumulated losses includes all current and prior year retained profits and losses.

The capital contribution reserve represents contributions from shareholders resulting from the amendment to the loan note agreements including the waiving of interest due. See note 14 for further details.

18. RELATED PARTY DISCLOSURES

The Company has taken advantage of the exemption in Financial Reporting Standard 102 Section 33 and has not disclosed transactions with other undertakings within the group headed by EV Holdings Limited. Details of the subsidiary companies are shown in note 10.

During the current year and prior year the Company entered into the following arm's length transactions with related parties:

	Interest payable and similar costs		Loans repayable	
	2020	2019 (restated)	2020	2019 (restated)
Related Party	**£'000**	**£'000**	**£'000**	**£'000**
Dunedin Buyout Fund III L.P. and PKA Ltd (Ultimate controlling party and shareholder)	5,022	3,868	75,943	73,626
J J R Thursby (Director and shareholder)	649	589	8,365	7,716
	5,671	4,457	84,308	81,342

The terms of repayment and interest rates are detailed in note 14.

19. PARENT AND ULTIMATE CONTROLLING UNDERTAKING

The ultimate parent undertaking is EV Holdings Limited.

The ultimate controlling undertaking is Dunedin Buyout Fund III L.P., a limited partnership registered in Scotland. In the opinion of the directors, there is no one controlling party within this entity.

EV Holdings Limited is the holding company of the smallest and largest group of undertakings for which group financial statements are drawn up. Copies of the consolidated financial statements of EV Holdings Limited are publicly available from Companies House, Crown Way, Cardiff, CF14 3UZ.

20. POST BALANCE SHEET EVENTS

Shortly before 31 March 2020 the WHO confirmed that the spread of Covid-19 constituted a pandemic. The Impact of that assessment and the subsequent spread of the virus has had profound and far reaching consequences for populations and businesses across the globe.

For the wider group of which this company is a member, the effects have been significant. There has been a consequential fall in the price of oil which has in turn reduced the level of expenditure by our customers on our services. This has necessitated some restructuring of the wider group's operations, which has been successfully achieved (aid by extensive governmental support). Therefore, while activity levels have reduced significantly the overall financial position of the wider group and this company remains stable.

This stability is corroborated by this company's ability to successfully complete a refinancing of its bank facilities. This concluded on 15 March 2021 and has resulted in facilities consistent with those held at 31 March 2020, albeit with the repayment date extended until 31 August 2023.