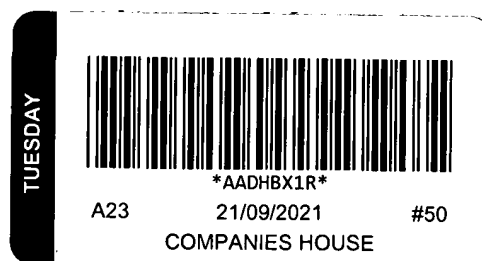


Trillium Flow Technologies Holdings Limited

Annual Report and Financial Statements

Company Registered number SC602583

For the Year Ended 31 December 2020



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Company Information

Directors

David Paradis
Kerem Yilmaz
Ryan Zafereo (resigned 12 June 2020)

Company Secretary

Christopher J Riordan

Registered office

West Point House
5 Redwood Place
East Kilbride
Glasgow
G74 5PB

Country of incorporation

Scotland

Strategic report

The directors present the Strategic report on Trillium Flow Technologies Holdings Limited ('the Company') for the year ended 31 December 2020.

Principal activities

The principal activity of Trillium Flow Technologies Holdings Limited ('the Company') is to act as a holding company. The Company's subsidiaries engineer and manufacture a full range of pumps, valves, actuators, aftermarket products and services for key markets including nuclear power generation, refining and petrochemical, water and wastewater, general industrial and mining.

Business review

The Company did not generate any trading income during the period however did receive dividend income of £24,000 (2019: £550,000) from its subsidiaries.

Key performance indicators

The Company acts solely as a holding company. As such it is not considered necessary to consider key performance indicators and principal risks and uncertainties further on a Company standalone basis. Rather, these topics are discussed in depth in the Strategic Report included within the FR Flow Control Midco Limited Annual Report and Financial Statements for the year ended 31 December 2020 which are available separately.

Principal risks and uncertainties

The Company's risk and uncertainties are reviewed as part of the overall group and the Company is therefore affected by the same principal risks and uncertainties that affect the rest of the Trillium Group (which consists of FR Flow Control Midco Limited and its consolidated subsidiaries).

The principal risks of the Company are as follows:

- Potential for impairment of the investments held in subsidiaries;
- Ability of the subsidiaries to pay dividend to the Company.

The Directors monitor the performance of the subsidiaries on a regular basis in order to manage these specific risks.

Future developments

The Directors expect the Company to continue acting as a holding company in the forthcoming year.

Approved on behalf of the Board of Directors



Kerem C. Yilmaz
Director

13 September 2021

Directors' report

The directors present their report and the unaudited financial statements of Trillium Flow Technologies Holdings Limited ('the Company') for the year ended 31 December 2020.

Results and dividend

The results for the period ended 31 December 2020 and the financial position of the Company are shown in the income statement and balance sheet.

Principal activities and review of the business

The Strategic report presents a summary of the Company's principal activities and future developments.

Directors

The directors of the company during the period and up to the date of this report were:

David Paradis
Kerem Yilmaz
Ryan Zafereo (resigned 12 June 2020)


Going concern

The directors have adopted the going concern assumption and the accompanying financial statements have been prepared in accordance with that assumption. Refer to Note 2, Accounting policies for a discussion of the process the directors used to assess and conclude that the Company is a going concern.

Directors' liabilities

The Company's Articles of Association contain a provision that every director or other officer shall be indemnified against all losses and liabilities which they may incur in the course of acting as directors (or officers as the case may be) permitted by the Companies Act 2006 (as amended). These indemnities are uncapped in amount. The Company's ultimate parent company maintained directors and officers liability insurance throughout 2020 and up to the date of approval of the financial statements in respect of the Company's directors and officers.

Approved on behalf of the Board of Directors



Kerem C. Yilmaz
Director

13 September 2021

Statement of Directors' responsibilities

The directors are responsible for preparing the Strategic Report, the Directors' Report, and the financial statements in accordance with applicable law and regulation.

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 101 "Reduced Disclosure Framework", 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;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 101, 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.

Income Statement

for the year ended 31 December 2020

	Note	2020 £'000	2019 £'000
Income from investments		24	550
Impairment of investments		-	(26,951)
Profit/(loss) before taxation		24	(26,401)
Tax on profit/(loss)	4	-	-
Profit/(loss) for the financial period		24	(26,401)

The result reported above includes all income and expenses for the year and therefore no statement of comprehensive income has been presented.

Balance sheet

at 31 December 2020

		December 2020	December 2019
	Notes	£'000	£'000
Assets			
Non-current assets			
Investments	5	<u>69,100</u>	<u>69,100</u>
Total non-current assets		<u>69,100</u>	<u>69,100</u>
Current assets			
Trade & other receivables	6	<u>24</u>	<u>-</u>
Total current assets		<u>24</u>	<u>-</u>
Total assets		<u>69,124</u>	<u>69,100</u>
Current assets			
Share Capital	7	<u>1</u>	<u>1</u>
Share premium		<u>96,050</u>	<u>96,050</u>
Retained Earnings		<u>(26,927)</u>	<u>(26,951)</u>
Total shareholders' funds		<u>69,124</u>	<u>69,100</u>

Audit Exemption Statement

For the period ending 31 December 2020, the company was entitled to exemption from audit under section 480 of the Companies Act 2006 relating to dormant companies.

Directors' responsibilities:

- The members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476; and
- The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of accounts.

The notes numbered 1 to 10 are an integral part of these financial statements.

The financial statements on pages 5 to 12 were authorised for issue by the Board of Directors on 13 September 2021 and signed on its behalf by



Kerem C. Yilmaz
Director

Statement of changes in equity

for the year ended 31 December 2020

	Share capital £'000	Share premium £'000	Retained earnings £'000	Total equity £'000
Issue of shares on incorporation	1	96,050	(26,951)	69,100
Profit for the financial year	-	-	24	24
At 31 December 2020	1	96,050	(26,927)	69,124

Notes to the financial statements for the period ended 31 December 2020

1 Authorisation of financial statements and statement of compliance with FRS 101

The financial statements of Trillium Flow Technologies Holdings Limited for the year ended 31 December 2020 were authorised for issue by the Board of Directors on 13 September 2021 and the balance sheet was signed on the Board's behalf by Kerem Yilmaz.

Trillium Flow Technologies Holdings Limited is a private limited company registered in Scotland.

The financial statements were prepared in accordance with the Companies Act 2006 as applicable to companies using Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101).

The Company was exempt by virtue of Section 400 of the Companies Act 2006 from the requirement to prepare Group financial statements. The results of the Company are included in the consolidated financial statements of FR Flow Control Midco Limited, which is company registered in England and Wales. These consolidated financial statements are publicly available from Companies House, Crown Way, Cardiff.

The principal accounting policies adopted by the Company are set out in note 2.

2 Accounting policies

Basis of preparation

The financial statements have been prepared on the going concern basis and the historic cost convention and in accordance with the Companies Act 2006. The accounting policies which follow set out those policies which apply in preparing the financial statements for the year ended 31 December 2020.

The following exemptions from the requirements of IFRS have been applied in the preparation of these financial statements, in accordance with FRS 101:

- IFRS 7 Financial Instruments: Disclosures;
- paragraphs 91-99 of IFRS 13 Fair Value Measurement;
- IAS 7 Statement of Cash Flows;
- paragraph 38 of IAS 1 Presentation of financial statements comparative information requirements in respect of paragraph 79(a)(iv) of IAS 1; paragraph 73(e) of IAS 16 Property, Plant & Equipment; and paragraph 118(e) of IAS 38 Intangible Assets;
- paragraph 17 of IAS 24 Related Party Disclosures;
- IAS 24 Related Party Disclosures disclosure of related party transactions with a fellow wholly-owned subsidiary in IAS 24 Related Party Disclosure;
- paragraphs 10(d), 16, 38A, 38B, 38C, 38D, 111, 134-136 of IAS 1 Presentation of financial statements; and
- paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors (requirement for the disclosure of information when an entity has not applied a new IFRS that has been issued but is not yet effective).

Going concern

The Directors made a combined assessment on going concern with respect to the Group and the Company as the forecasts and range of possible scenarios on the financial position have been assessed as such, with considerations to the principal risks and uncertainties as set out in the Midco Strategic Report.

The Group's business activities, together with the factors likely to affect its future development, performance and position are set out in the Midco Strategic Report. The Midco Strategic Report describes the financial position of the Group; its cash flows, liquidity position and borrowing facilities; the Group's objectives, policies and processes for managing its capital; its financial risk management objectives; details of its financial instruments and hedging activities; and its exposure to credit risk and liquidity risk.

The Group ended the year to December 2020 in a strong liquidity position with \$59.6 million of cash and cash equivalents, which increased from \$36.8 million as at December 2019. Additionally, as of December 2020, the Group had an undrawn \$40.0 million revolving credit facility, if required.

Notes to the financial statements
for the period ended 31 December 2020 (continued)

2. Accounting policies (continued)

Going concern (continued)

After review of the forecasts along with mitigating factors available to them, the Directors have a reasonable expectation that the Company and Group have adequate resources to continue in operational existence and to satisfy any upcoming covenant conditions in the foreseeable future. Accordingly, the Directors have adopted the going concern basis in preparing the annual report and financial statements.

Investments

Investments are recorded at cost, less provision for impairment as appropriate. The Company assesses at each reporting date whether there is an indication that an investment may be impaired. If any such indication exists, the Company makes an estimate of the investment's recoverable amount. Where the carrying amount of an investment exceeds its recoverable amount, the investment is considered impaired and is written down to its recoverable amount. A previously recognised impairment loss is reversed only if there was an event not foreseen in the original impairment calculations, such as a change in use of the investment or a change in economic conditions. On reversal, the asset's carrying amount is increased, but not above the amount that it would have been without the prior impairment loss.

Taxation

Current tax is the amount of tax payable or recoverable in respect of the taxable profit or loss for the year.

Deferred tax is recognised on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base with the following exceptions:

- Deferred tax arising from the initial recognition of goodwill, or of an asset or liability in a transaction that is not a business combination, that, at the time of the transaction, affects neither accounting nor taxable profit or loss, is not recognised;
- Deferred tax is provided on temporary differences arising on investments in subsidiaries and joint ventures, except where the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future; and
- A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised.

Deferred tax liabilities represent tax payable in future years in respect of taxable temporary differences. Deferred tax assets represent tax recoverable in future years in respect of deductible temporary differences, the carry forward of unutilised tax losses and the carry forward of unused tax credits. Deferred tax is measured on an undiscounted basis using the tax rates and tax laws that have been enacted or substantively enacted at the balance sheet date and are expected to apply when the deferred tax asset is realised or the deferred tax liability is settled.

Current and deferred tax is recognised in the income statement except if it relates to an item recognised directly in equity, in which case it is recognised directly in equity.

Dividends

Dividend income is recognised when the right to receive payment is established.

Dividend distribution to the Company's shareholders is recognised as a liability in the Company's financial statements in the year in which the dividends are approved by the Company's shareholders.

3. Profit before taxation

The Company has not traded during the financial period and has only received income from investments totalling £24,000 (2019: 550,000).

No staff costs were incurred during the year as the Company does not have any employees. The directors were also not paid any form of remuneration from the Company.

Notes to the financial statements
for the period ended 31 December 2020 (continued)

4. Tax on profit/(loss)

The tax charge on the profit/(loss) before taxation was as follows:

	2020 £'000	2019 £'000
Factors affecting current tax charge for each period		
Profit/(loss) before taxation	24	(26,401)
Profit/(loss) before taxation at standard rate of UK corporation tax rate (19.00%)	(5)	(5,016)
Effects of:		
Items not taxable for tax purposes	5	5,016
Total tax charge	<u>-</u>	<u>-</u>

5. Investments

	2020 £'000
Cost	69,100
Additions	-
At 31 December 2020	<u>69,100</u>
Impairment	69,100
At beginning and end of the year	-
Net book value at 31 December 2020	<u>69,100</u>

The principal undertakings of the Company in which it had a direct and indirect interest as at 31 December 2020 are as follows.:

Legal name	Country of incorporation	Registered address	Class of shares	Percentage of shares held	Nature of business	Ownership
Trillium Flow Technologies UK Ltd	England and Wales	Britannia House Huddersfield Road Elland, West Yorkshire HX5 9JR	Ordinary	100%	Trading	Direct
Trillium Flow Services UK Ltd	England and Wales	Britannia House Huddersfield Road Elland, West Yorkshire HX5 9JR	Ordinary	100%	Trading	Direct
Trillium Flow Technologies India Private Ltd	India	Office Unit No.1211 12th Floor, DLF Tower-B, Plot No.11, Jasola District Center, New Delhi -11025	Ordinary	100%	Trading	Direct
Trillium Flow Technologies Suzhou Ltd	China	No 1. Changxi Road, Xinzhuang, Changshu, Suzhou, 215555, Jiangsu Province, China	Ordinary	100%	Trading	Direct

Notes to the financial statements
for the period ended 31 December 2020 (continued)

5. Investments (continued)

Legal name	Country of incorporation	Registered address	Class of shares	Percentage of shares held	Nature of business	Ownership
Skye Holdco Australia (Pty) Limited	Australia	Level 12, 680 George Street Sydney NSW 2000	Ordinary	100%	Trading	Direct
Trillium Flow Control (Hong Kong) Ltd	Hong Kong	Level 54 Hopewell center 183 Queen's road east HK	Ordinary	75%	Trading	Direct
Trillium Control Valves (Suzhou) Co. Ltd	China	Chun Wang Road, East Bridge, Xiangcheng District, Suzhou, 215152, Jiangsu Province, China	Ordinary	75%	Trading	Indirect
Autotork Controls Ltd	England and Wales	Britannia House Huddersfield Road Elland, West Yorkshire HX5 9JR	Ordinary	100%	Dormant	Indirect
Hopkinsons Ltd	Scotland	Clydesdale Bank Exchange, Fourth Floor, 20 Waterloo Street, Glasgow, G2 6BD	Ordinary	100%	Dormant	Indirect
The Batley Valve Company Ltd	England and Wales	Britannia House Huddersfield Road Elland, West Yorkshire HX5 9JR	Ordinary	100%	Dormant	Indirect
Blakeborough Valves Ltd	Scotland	Clydesdale Bank Exchange, Fourth Floor, 20 Waterloo Street, Glasgow, G2 6BD	Ordinary	100%	Dormant	Indirect

6. Trade and other receivables

	2020 £'000	2019 £'000
Amounts receivable from group undertakings	24	-
	<u>24</u>	<u>-</u>

7. Share capital

	2020 £'000	2019 £'000
802 (2019: 802) ordinary shares at £1 each	1	1
	<u>1</u>	<u>1</u>

Notes to the financial statements
for the period ended 31 December 2020 (continued)

8. Capital commitments

The Company had no capital commitments at the beginning or end of the period.

9. Related party disclosures

The Company has taken advantage of the exemption under paragraph 8(k) of FRS 101 not to disclose transactions with fellow wholly owned subsidiaries

10. Ultimate group undertaking

The immediate parent company is FR Flow Control Valves Bidco Limited, a company incorporated and registered in the United Kingdom.

The ultimate controlling company is FR Flow Control Topco Limited, a company incorporated and registered in Jersey. The consolidated Group financial statements are filed with the financial statements of FR Flow Control Midco Limited, which are available to the public from Companies House, Crown Way, Cardiff.