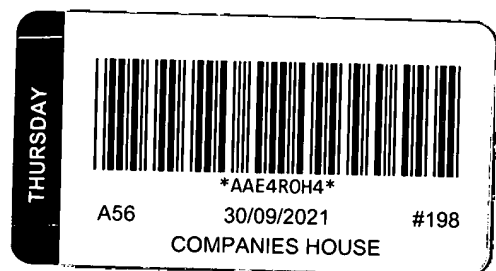


Alltech Associates Applied Science Limited

Registered number: 01466844

Annual report

For the year ended 31 December 2020



ALLTECH ASSOCIATES APPLIED SCIENCE LIMITED

COMPANY INFORMATION

Directors	P Stamp J K F Tietz
Registered number	01466844
Registered office	Oakpark Business Centre Alington Road St. Neots Cambridgeshire United Kingdom PE19 6WA
Independent auditor	Mazars LLP Chartered Accountants & Statutory Auditor 2nd Floor 6 Sutton Plaza Sutton Court Road Sutton Surrey SM1 4FS
Bankers	Deutsche Bank AG Winchester House 1 Great Winchester Street London EC2N 2DB
Solicitors	Baker McKenzie 100 New Bridge Street London EC4V 6JA

ALLTECH ASSOCIATES APPLIED SCIENCE LIMITED

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ALLTECH ASSOCIATES APPLIED SCIENCE LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2020

Introduction

The directors present their strategic report and the audited financial statements of the company for the year ended 31 December 2020. The company is incorporated in England and Wales and is a company limited by shares.

Principal activity

During the year 2020 the company's principal activity was providing sales support services to the customers of Grace GmbH located in Worms, Germany, a fellow subsidiary undertaking of W.R. Grace & Co. Since 22 September 2021 W.R. Grace & Co. - including all subsidiaries - is wholly owned by Standard Industries Holdings Inc.

Review of business and future developments

The directors are content with the progress made in the year. There is no current intention to change this activity in the future.

Principal risks and uncertainties

In the opinion of the directors, the principal risks and uncertainties relate to employee retention. Since 22 September 2021 the company is embedded in the Standard Industries Holdings Inc. group-wide risk management system to identify and manage this and other risks. Before that date and during the whole year 2020 the company was embedded in the W.R. Grace & Co. group-wide risk management system.

Employee retention

The company has already implemented generous incentive schemes, which have proved to be excellent tools towards attracting new recruits and the success of the employee retention policy.

Financial risk management objectives and policies

The company uses a variety of financial instruments including cash, intercompany debtors and trade creditors that arise directly from its operations. The main purpose of these financial instruments is to provide working capital for the company's operations.

Given the strong financial position of the company and the nature of the company's activities, the directors do not consider liquidity risk to be significant to the company at this time, given the access to funding from other group companies. The directors set and review policies for managing each of these risks and they are summarized below.

Credit risk

The principal credit risk arises from its receivables from group undertakings. In order to manage credit risk the director performs regular review of the level, aging and collectability of the outstanding balances.

Currency risk

The company is exposed to foreign exchange risk. This risk is mitigated, where possible, by undertaking transactions with overseas suppliers in Pound Sterling. The company has the facility to enter into forward currency agreements if deemed necessary given the specific risks of each situation.

ALLTECH ASSOCIATES APPLIED SCIENCE LIMITED

**STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020**

The withdrawal of the United Kingdom from the European Union

New trading arrangements between the United Kingdom and the European Union took effect on 31 December 2020. In general, tariffs and quotas on trade have not been introduced, although administrative complications and regulatory restrictions have reduced the freedom of cross-border trade. The company is carefully monitoring the practical application of the new trading arrangements by regulatory authorities, to better understand what the eventual impact on its business will be. The process of determining these effects is ongoing, and has also been delayed by the suspension of certain sectors of economic activity in response to the COVID-19 pandemic.

Economic impact of the COVID-19 pandemic

The COVID-19 pandemic continues to affect the UK and global economies adversely. At the time of signing this report there are indications from the government that social restrictions which have suppressed economic activity during 2020 and 2021 are likely to be lifted in the foreseeable future. If this does happen the directors expect to see the UK and global economies return to growth in due course, but it is not possible to predict how quickly and to what degree this may happen. The priorities of the directors remain to comply with all regulatory requirements to the fullest extent possible, and to maintain the safety and well-being of the company's personnel.

This report was approved by the board and signed on its behalf by.

DocuSigned by:

F428BA6A6A2B4476...
P Stamp
Director

Date: 9/24/2021

ALLTECH ASSOCIATES APPLIED SCIENCE LIMITED

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2020**

The directors present their annual report and the audited financial statements for the year ended 31 December 2020.

Results and dividends

The profit for the year, after taxation, amounted to £1,480,393 (2019: profit of £1,296,201).

No dividends have been proposed, declared or paid (2019: £nil).

Directors

The directors who served during the year and up to the date of this report were:

P Stamp
J K F Tietz

Directors' responsibilities statement

The directors are responsible for preparing the strategic report, the 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 elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 for the company's financial statements and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The 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 to 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.

Communication to employees

The company holds regular meetings with representatives of employees to discuss and consult matters of mutual interest.

Donations

The company has made no political donations (2019: £nil) and no charitable donations during the year (2019: £nil).

ALLTECH ASSOCIATES APPLIED SCIENCE LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020**

Qualifying third party indemnity provisions

Alltech Associates Applied Science Limited has provided to all directors limited indemnities in respect of the cost of defending claims against them and third party liabilities. These are all third party indemnity provisions for the purpose of the Companies Act 2006 and are all currently in force.

Matters covered in the strategic report

The company has chosen in accordance with the Companies Act 2006, s414C(11) to set out in the company's strategic report in formations required by Schedule 7 to the Large and Medium-sized Companies and Groups (Accounts and reports) Regulations 2008 certain matters which are required to be disclosed in the directors' report have been omitted as they are included in the strategic report. These matters relate to the principal activity and financial key performance indicators.

Provision of information to auditor

Each of the persons who are directors at the time when this directors' report is approved has confirmed that:

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

Post balance sheet events

There have been no significant events affecting the company since the year end.

Auditor

The auditor, Mazars LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board and signed on its behalf by:

DocuSigned by:

F428BAABA2B4476.
P Stamp
Director

Date: 9/24/2021

ALLTECH ASSOCIATES APPLIED SCIENCE LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ALLTECH ASSOCIATES APPLIED SCIENCE LIMITED

Opinion

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

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2020 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

ALLTECH ASSOCIATES APPLIED SCIENCE LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ALLTECH ASSOCIATES APPLIED SCIENCE LIMITED

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 course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements 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 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.

ALLTECH ASSOCIATES APPLIED SCIENCE LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ALLTECH ASSOCIATES APPLIED SCIENCE LIMITED

Responsibilities of Directors

As explained more fully in the Directors' Responsibilities Statement set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless either the directors intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. Based on our understanding of the [company] and its industry, we identified that the principal risks of non-compliance with laws and regulations related to the UK tax legislation, pensions legislation, employment regulation and health and safety regulation, anti-bribery, corruption and fraud, money laundering, non-compliance with implementation of government support schemes relating to COVID-19, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements, such as the Companies Act 2006.

We evaluated the directors' and management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to posting manual journal entries to manipulate financial performance, management bias through judgements and assumptions in significant accounting estimates and significant one-off or unusual transactions.

Our audit procedures were designed to respond to those identified risks, including non-compliance with laws and regulations (irregularities) and fraud that are material to the financial statements. Our audit procedures included but were not limited to:

- discussing with the directors and management their policies and procedures regarding compliance with laws and regulations;
- communicating identified laws and regulations throughout our engagement team and remaining alert to any indications of non-compliance throughout our audit; and
- considering the risk of acts by the company which were contrary to applicable laws and regulations, including fraud.

ALLTECH ASSOCIATES APPLIED SCIENCE LIMITED

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ALLTECH ASSOCIATES APPLIED
SCIENCE LIMITED**

Our audit procedures in relation to fraud included but were not limited to:


- making enquiries of the directors and management on whether they had knowledge of any actual, suspected or alleged fraud;
- gaining an understanding of the internal controls established to mitigate risks related to fraud;
- discussing amongst the engagement team the risks of fraud; and
- addressing the risks of fraud through management override of controls by performing journal entry testing.

There are inherent limitations in the audit procedures described above and the primary responsibility for the prevention and detection of irregularities including fraud rests with management. As with any audit, there remained a risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls.

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 the audit 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.



Gerhard Bonthuys (Senior statutory auditor)
for and on behalf of Mazars LLP
Chartered Accountants and Statutory Auditor
2nd Floor
6 Sutton Plaza
Sutton Court Road
Sutton
Surrey
SM1 4FS

Date: 27/09/21

ALLTECH ASSOCIATES APPLIED SCIENCE LIMITED

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2020

	Note	2020 £	2019 £
Turnover	4	3,138,492	3,454,977
Cost of sales		(1,236,365)	(1,769,058)
Gross profit		<u>1,902,127</u>	<u>1,685,919</u>
Other operating income		10,267	-
Operating profit		<u>1,912,394</u>	<u>1,685,919</u>
Interest receivable and similar income	7	3,355	3,729
Interest payable and expenses	8	(199)	(88)
Profit before tax		<u>1,915,550</u>	<u>1,689,560</u>
Tax on profit	9	(435,157)	(393,359)
Profit for the financial year		<u>1,480,393</u>	<u>1,296,201</u>
Other comprehensive income		-	-
Total comprehensive income for the year		<u>1,480,393</u>	<u>1,296,201</u>

The Statement of Comprehensive Income has been prepared on the basis that all operations are continuing operations.

The notes on pages 12 to 26 form part of these financial statements.

ALLTECH ASSOCIATES APPLIED SCIENCE LIMITED
REGISTERED NUMBER: 01466844

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2020

	Note	2020 £	2019 £
Fixed assets			
Intangible assets	10	301,624	703,791
Investments	11	2,028,693	2,028,693
		<u>2,330,317</u>	<u>2,732,484</u>
Current assets			
Debtors: amounts falling due within one year	12	<u>5,807,093</u>	<u>4,154,989</u>
Creditors: amounts falling due within one year	13	<u>(192,553)</u>	<u>(412,742)</u>
Net current assets		<u>5,614,540</u>	<u>3,742,247</u>
Total assets less current liabilities		<u>7,944,857</u>	<u>6,474,731</u>
Net assets		<u>7,944,857</u>	<u>6,474,731</u>
Capital and reserves			
Called up share capital	15	3,931,594	3,931,594
Share premium account	16	13,325	13,325
Capital contribution reserve	16	75,304	-
Share based payment reserve	16	-	85,571
Profit and loss account	16	<u>3,924,634</u>	<u>2,444,241</u>
Total equity		<u>7,944,857</u>	<u>6,474,731</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

DocuSigned by:

 F428BA6A2B4478...
P Stamp
 Director

Date: 9/24/2021

The notes on pages 12 to 26 form part of these financial statements.

ALLTECH ASSOCIATES APPLIED SCIENCE LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2020**

	Called up share capital £	Share premium account £	Capital contribution reserve £	Share based payment reserve £	Profit and loss account £	Total equity £
At 1 January 2019	3,931,594	13,325	-	25,974	1,148,040	5,118,933
Comprehensive income for the year						
Profit for the year	-	-	-	-	1,296,201	1,296,201
Total comprehensive income for the year	-	-	-	-	1,296,201	1,296,201
Share based payment	-	-	-	59,597	-	59,597
Total transactions	-	-	-	59,597	-	59,597
At 1 January 2020	3,931,594	13,325	-	85,571	2,444,241	6,474,731
Comprehensive income for the year						
Profit for the year	-	-	-	-	1,480,393	1,480,393
Total comprehensive income for the year	-	-	-	-	1,480,393	1,480,393
Issue and exercise of share based payments	-	-	75,304	(85,571)	-	(10,267)
Total transactions	-	-	75,304	(85,571)	-	(10,267)
At 31 December 2020	3,931,594	13,325	75,304	-	3,924,634	7,944,857

The notes on pages 12 to 26 form part of these financial statements.

ALLTECH ASSOCIATES APPLIED SCIENCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

1. General information

Alltech Associates Applied Science Limited is a private company limited by shares, incorporated in England and Wales. The address of its registered office is Oakpark Business Centre, Alington Road, St Neots, Cambridgeshire, United Kingdom, PE19 6WA.

During the year 2020 the company's principal activity was providing sales support services to the customers of Grace GmbH located in Worms, Germany, a fellow subsidiary undertaking of W.R. Grace & Co. Since 22 September 2021 W.R. Grace & Co. - including all subsidiaries - is wholly owned by Standard Industries Holdings Inc.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the company's accounting policies (see note 3).

The financial statements have been prepared in Pound Sterling as this is the currency of the primary economic environment in which the company operates and is rounded to the nearest pound.

The following principal accounting policies have been applied:

2.2 Going concern

The directors consider that the Company has adequate resources to continue in operational existence for the foreseeable future. Potential sources of uncertainty noted by the directors include the withdrawal of the United Kingdom from the European Union, and Coronavirus and the COVID-19 pandemic. However at the date of this report it is not possible to reliably determine the effects that these events will have on the company. Accordingly the directors have continued to prepare the financial statements on the going concern basis.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

2. Accounting policies (continued)

2.3 Financial reporting standard 102 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.42, 11.44, 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirements of Section 26 Share-based Payments paragraphs 26.18(b), 26.19 to 26.21 and 26.23;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of W.R. Grace & Co as at 31 December 2020 and these financial statements may be obtained from W. R. Grace & Co, 7500 Grace Drive, Columbia, Maryland, 21044, USA.

2.4 Consolidated financial statements

The company is a parent company that is also a subsidiary included in the consolidated financial statements of its immediate parent undertaking established under the law of a non-EEA state and is therefore exempt from the requirement to prepare consolidated financial statements under section 401 of the Companies Act 2006. These financial statements therefore present information about the Company as an individual undertaking and not about the group.

2.5 Intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

The estimated useful lives are as follows:

Goodwill	- 6 years
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ALLTECH ASSOCIATES APPLIED SCIENCE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

2. Accounting policies (continued)**2.6 Taxation**

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the .

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the statement of financial position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

2.7 Turnover

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the company and the turnover can be reliably measured. Turnover is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before turnover is recognised:

Rendering of services

Turnover from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of turnover can be measured reliably;
- it is probable that the company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

2. Accounting policies (continued)

2.8 Foreign currency translation

The company's functional and presentation currency is Pound Sterling.

Functional and presentation currency

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the statement of comprehensive income within 'finance income or costs'. All other foreign exchange gains and losses are presented in the Statement of Comprehensive Income within 'cost of sales'.

2.9 Operating leases: the company as lessee

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the lease term.

2.10 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.11 Impairment of investments

At each balance sheet date, the company reviews the carrying amount of its investments to determine whether there is any indication that any items have suffered an impairment loss. If any such indications exists, the recoverable amount of an asset is estimated in order to determine the extent of the impairment loss, if any.

Where it is not possible to estimate the recoverable amount of the asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

2.12 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

ALLTECH ASSOCIATES APPLIED SCIENCE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

2. Accounting policies (continued)**2.13 Cash and cash equivalents**

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.14 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.15 Financial instruments

The company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

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 the statement of comprehensive income.

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 best estimate of the recoverable amount, 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 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.

2.16 Interest payable and similar expenses

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

2. Accounting policies (continued)

2.17 Share based payments

Where share options are awarded to employees, the fair value of the options at the date of grant is charged to profit or loss over the vesting period. Non-market vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each statement of financial position date so that, ultimately, the cumulative amount recognised over the vesting period is based on the number of options that eventually vest. Market vesting conditions are factored into the fair value of the options granted. The cumulative expense is not adjusted for failure to achieve a market vesting condition.

The fair value of the award also takes into account non-vesting conditions. These are either factors beyond the control of either party (such as a target based on an index) or factors which are within the control of one or other of the parties (such as the company keeping the scheme open or the employee maintaining any contributions required by the scheme).

Where the terms and conditions of options are modified before they vest, the increase in the fair value of the options, measured immediately before and after the modification, is also charged to profit or loss over the remaining vesting period.

Where equity instruments are granted to persons other than employees, profit or loss is charged with fair value of goods and services received.

2.18 Interest receivable and similar income

Interest income is recognised in profit or loss using the effective interest method.

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3. Judgements in applying accounting policies and key sources of estimation uncertainty

In applying the company's accounting policies, the directors are required to make judgements, estimates and assumptions in determining the carrying amounts of assets and liabilities. The directors' judgements, estimates and assumptions are based on the best and most reliable evidence available at the time when the decisions are made, and are based on historical experience and other factors that are considered to be applicable. Due to the inherent subjectivity involved in making such judgements, estimates and assumptions, the actual results and outcomes may differ.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods, if the revision affects both current and future periods.

3.1 Critical judgements in applying the company's accounting policies

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 the statutory financial statements are discussed below.

(i) Assessing indicators of impairment

In assessing whether there have been any indicators of impairment of assets, the directors have considered both external and internal sources of information such as market conditions, counterparty credit ratings and experience of recoverability. There have been no indicators of impairments identified during the current financial year.

3.2 Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

(i) Estimating value in use

Where an indication of impairment exists the directors will carry out an impairment review to determine the recoverable amount, which is the higher of fair value less cost to sell and value in use. The value in use calculation requires the directors to estimate the future cash flows expected to arise from the asset or the cash generating unit and a suitable discount rate in order to calculate present value.

4. Turnover

Analysis of turnover by country of destination:

	2020 £	2019 £
Germany	3,138,492	3,454,977
	<u>3,138,492</u>	<u>3,454,977</u>

All turnover relates to commission fee income, from a fellow subsidiary undertaking, Grace GmbH.

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5. Auditor's remuneration

	2020 £	2019 £
Fees payable to the company's auditor for the audit of the company's annual financial statements	17,650	17,500
Fees payable to the company's auditor in respect of:		
Taxation compliance services	3,200	3,000
All other services	24,595	22,650
	27,795	25,650

6. Employees

Staff costs were as follows:

	2020 £	2019 £
Wages and salaries	667,254	810,199
Social security costs	63,766	130,822
Other pension costs	61,841	94,167
	792,861	1,035,188

The average monthly number of employees, excluding the directors, during the year was as follows:

	2020 No.	2019 No.
Selling	9	10
	9	10

During the current and prior year, the directors did not receive any remuneration.

7. Interest receivable and similar income

	2020 £	2019 £
Interest receivable intercompany balances	3,355	3,729

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8. Interest payable and similar expenses

	2020 £	2019 £
Interest payable intercompany balances	199	88
	<u>199</u>	<u>88</u>

9. Tax on profit

	2020 £	2019 £
Corporation tax		
Current tax on profits for the year	438,659	402,913
Adjustments in respect of previous periods	(2,051)	(41,540)
Total current tax	<u>436,608</u>	<u>361,373</u>
Deferred tax		
Origination and reversal of timing differences	(1,337)	214
Adjustments in respect of previous periods	-	31,772
Effect of tax rate change on opening balance	(114)	-
Total deferred tax	<u>(1,451)</u>	<u>31,986</u>
Taxation on profit on ordinary activities	<u>435,157</u>	<u>393,359</u>

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9. Tax on profit (continued)**Factors affecting tax charge for the year**

The tax assessed for the year is higher than (2019: higher than) the standard rate of corporation tax in the UK of 19% (2019: 19%). The differences are explained below:

	2020 £	2019 £
Profit on ordinary activities before tax	1,915,550	1,689,560
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2019: 19%)	363,955	321,016
Effects of:		
Fixed asset differences	76,413	76,412
Expenses not deductible for tax purposes	818	7,033
Adjustments to current tax charge in respect of previous periods	(2,051)	(41,540)
Adjustments to deferred tax charge in respect of previous periods	-	31,772
Other permanent differences	(3,863)	(1,309)
Adjust deferred tax to average rate of 19%	(115)	(25)
Total tax charge for the year	435,157	393,359

Factors that may affect future tax charges

The UK Government announced in the 2021 budget that from 1 April 2023, the rate of corporation tax in the United Kingdom will increase from 19% to 25%. Companies with profits of £50,000 or less will continue to be taxed at 19%, which is a new small profits rate. Where taxable profits are between £50,000 and £250,000, the higher 25% rate will apply but with a marginal relief applying as profits increase.

Deferred tax has been calculated at the rate applicable for the period in which the timing difference is expected to reverse.

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10. Intangible assets

	Goodwill £
Cost	
At 1 January 2020	2,413,000
At 31 December 2020	<u>2,413,000</u>
Amortisation	
At 1 January 2020	1,709,209
Charge for the year	402,167
At 31 December 2020	<u>2,111,376</u>
Net book value	
At 31 December 2020	<u>301,624</u>
At 31 December 2019	<u>703,791</u>

Amortisation of goodwill of £402,167 (2019: £402,167) is included in cost of sales.

11. Investments

	Investments in subsidiary companies £
Cost and net book value	
At 1 January 2020 and 1 January 2019	2,028,693
At 31 December 2020 and 31 December 2019	<u>2,028,693</u>

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11. Investments (continued)**Subsidiary undertaking**

The following was a subsidiary undertaking of the company:

Name	Registered office	Principal activity	Class of shares	Holding
Grace Davison India Pvt.	4th Floor, Pinnacle Shrestha, No.20/39, Oliver Road, Mylapore, Chennai 600004, Tamil Nadu, India	Manufacture and sale of chromatography porous materials	ordinary	99.99%

12. Debtors

	2020 £	2019 £
Amounts owed by group undertakings	5,802,177	4,137,958
Other debtors	2,489	12,212
Prepayments and accrued income	-	3,843
Deferred taxation	2,427	976
	<u>5,807,093</u>	<u>4,154,989</u>

Included within amounts owed by group undertakings, is an intercompany loan with a balance of £5,000,000 which is unsecured, interest bearing at 2% and payable on demand. The remaining balance of £802,177 is unsecured, interest free and payable on demand.

13. Creditors: Amounts falling due within one year

	2020 £	2019 £
Bank overdraft	6,079	7,395
Trade creditors	67	2,614
Corporation tax	38,660	179,948
Other taxation and social security	19,526	486
Other creditors	-	6,330
Accruals and deferred income	128,221	215,969
	<u>192,553</u>	<u>412,742</u>

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14. Deferred taxation

	2020 £	2019 £
At beginning of year	976	32,962
Charged to the Statement of Comprehensive Income	1,451	(31,986)
At end of year	2,427	976

The deferred tax asset is made up as follows:

	2020 £	2019 £
Fixed asset timing differences	894	976
Short term timing differences	1,533	-
	2,427	976

15. Called up share capital

	2020 £	2019 £
Authorised, allotted, called up and fully paid		
3,931,594 (2019: 3,931,594) ordinary shares of £1.00 each	3,931,594	3,931,594

The company has one class of ordinary shares; each carried one voting right per share but no right to fixed income.

16. Reserves**Share premium account**

This reserve represents the amount above the nominal value received for issued share capital, less transaction costs.

Profit and loss account

This reserve represents the cumulative profits and losses.

Share based payment reserve

The reserve comprises the cumulative expense recognised under the share based payment arrangement.

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17. Share based payment

During 2016 certain employees of the company were granted stock options in the ultimate parent company's (W.R. Grace & Co.) stock incentive plan. W.R. Grace & Co. has granted non-statutory stock options to certain employees under the stock incentive plans. The stock incentive plans are administered by the Compensation committee of the Board of directors of W.R. Grace & Co. Both cash and equity settled schemes are in place.

Cash settled stock options are generally non-qualified and are at exercise price not less than 100% of the average per share fair market value on the date of grant. Stock based compensation awards granted under the groups stock incentive plans are generally subject to a vesting period from the date of grant ranging from 1-3 years. At 31 December 2020 there were 451 (2019: 58) options in place which vest between 1 January 2020 and 21 February 2023.

Equity settled stock options are generally non-qualified and are at exercise price not less than 100% of the average per share fair market value on the date of grant. Stock based compensation awards granted under the groups stock incentive plans are generally subject to a vesting period from the date of grant ranging from 1-3 years. At 31 December 2020 there were nil (2019: 2,364) options in place which vest between 1 January 2019 and 22 January 2021.

The company recognised a total income of £10,267 (2019: expense of £85,571) in relation to share based payments during the year.

18. Pension commitments

Defined contribution scheme

	2020 £	2019 £
Current year contributions	104,127	94,167
	<u>104,127</u>	<u>94,167</u>

19. Commitments under operating leases

At 31 December 2020 the company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2020 £	2019 £
Not later than 1 year	15,500	15,500
Later than 1 year and not later than 5 years	20,667	36,167
	<u>36,167</u>	<u>51,667</u>

Operating lease expense of £18,390 (2019: £13,070) is included within cost of sales.

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20. Post balance sheet events

There have been no significant events affecting the company since the year end.

21. Related party transactions

Since 22 September 2021 the company is a wholly owned subsidiary of Standard Industries Holdings Inc. Before that date and during the full year 2020 the company was wholly owned by W.R. Grace & Co. and as such has taken advantage of the exemption permitted by Section 33 'Related party disclosures' not to provide disclosures of transactions entered into with other wholly owned members of the group. The company and its subsidiary undertakings are included within the 2020 consolidated financial statements of W.R. Grace & Co, which can be obtained at W.R. Grace & Co, 7500 Grace Drive, Columbia, Maryland, 21044, USA

22. Controlling party

The immediate parent undertaking is Alltech Associates Inc. and the ultimate parent undertaking and controlling party is Standard Industries Holdings Inc. since 22 September 2021, both of which are incorporated in the United States of America. Before 22 September 2021 the ultimate parent undertaking and controlling party was W. R. Grace & Co., also incorporated in the United States of America.

The only consolidated financial statements prepared for the year 2020 and of which the company is a member are those of the ultimate holding company as of the respective year-end. Copies of the ultimate holding company's financial statements are publically available and can be obtained from W. R. Grace & Co, 7500 Grace Drive, Columbia, Maryland, 21044, USA.

Since September 22, 2021 the ultimate corporate parent company of Alltech Associates Applied Science Limited is Standard Industries Holdings Inc.

Before that date and during the full year 2020 the company was wholly owned by W.R. Grace & Co. The immediate parent company is Alltech Associates Inc., a company incorporated in the United States of America.