

Registered number: 06163599

FAURÉCIA EMISSIONS CONTROL TECHNOLOGIES UK LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020



FAURECIA EMISSIONS CONTROL TECHNOLOGIES UK LIMITED

COMPANY INFORMATION

Directors Philippe Alain Jean-Pierre Vienney
Faurecia Exhausts International

Company secretary LDC Nominee Secretary Limited

Registered number 06163599

Registered office Unit 5 Dove Close
Fradley Park
Lichfield
Staffordshire
WS13 8SU

Independent auditor Mazars
Two Chamberlain Square
Birmingham
B3 3AX

Banker HSBC
City of London Corporate Office
8 Canada Square
London
E14 5XL

Solicitors Eversheds Sutherlands LLP
1 Wood Street
London
EC2V 7WS

FAURECIA EMISSIONS CONTROL TECHNOLOGIES UK LIMITED

CONTENTS

| | Page |
|---|---------|
| Strategic report | 1 - 5 |
| Directors' report | 6 - 10 |
| Independent auditor's report | 11 - 15 |
| Income Statement and Statement of comprehensive income | 16 |
| Statement of financial position | 17 - 18 |
| Statement of changes in equity | 19 - 20 |
| Notes to the financial statements | 21 - 38 |

FAURECIA EMISSIONS CONTROL TECHNOLOGIES UK LIMITED

**STRATEGIC REPORT
FOR THE YEAR ENDED 31ST DECEMBER 2020**

Introduction

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

As permitted by the Companies Act, certain items that are required to be included in the Directors' Report are included in the Strategic Report.

Faurecia Emissions Control Technologies UK Limited is part of the Faurecia Group of companies ("the Group").

Principal activities

The principal activities of the Company are the manufacture, distribution and research and development of motor vehicles exhaust systems and catalytic converters. There were no changes to the principal activities of the Company during the year under review and no changes are expected in the foreseeable future.

Business review and future developments

Product sales for 2020 are £42m, a decrease of £17m against the prior year, primarily the result of the COVID 19 pandemic which resulted in customer shutdowns during the year. Gross profit is consistent with the prior year at 21%, .

The company was forced to shut down during late March for approximately 2 months. Financial assistance was sought in the form of the UK Governments Job Retention Scheme during this period with the company claiming £404k towards employment costs.

The company also benefitted from the HMRC's VAT deferral scheme and successfully deferred £2.5m in VAT payments from early 2020 to March 2021.

The Company's prospects for 2021 show a higher level of turnover activity with sales expected to be in the region of £43m, with a profit before taxation of £2m.

Financial position and liquidity

The financial position of the Company is presented in the Statement of financial position. The total net assets at 31 December 2020 were £5.1m (2019 : £4.1m). The Company had net current assets of £1.9m (2019 : £819k).

The Company is part of the Faurecia group and participates in a cash pooling arrangement. The UK Group has committed ongoing bank loan facilities of £10m.

FAURECIA EMISSIONS CONTROL TECHNOLOGIES UK LIMITED

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

Principal risks and uncertainties

Financial risk

The Company makes sales and purchases in several currencies and is thus exposed to foreign currency risk. There is a Group wide strategy in place to ensure that currency risks are appropriately managed on a global basis.

Competitive risk

In the short term the Company operates under exclusive fixed term contracts with its customers and therefore has limited exposure to competitive risk. However, renewal of the contracts is uncertain and based on financial and performance criteria.

Price risk

The Company has some exposure to commodity price risk. This risk is managed on a project by project basis by negotiating annual purchase agreements with key suppliers and by limited forward buying of certain commodities.

Legislative risks

The Company is committed to regulatory compliance to safeguard the safety of its employees and the environment and to ensure that its products meet quality standards.

ISO 18001 Health & Safety
ISO 14001 Environmental
TS 16949 Automotive Quality

Brexit Risk

Pre Brexit, the directors considered the risk that Brexit may bring for the Company and put solutions in place to ensure that business was impacted as little as possible by any potential outcome. The worst-case scenario was planned for with appropriate measures put in place to safeguard the existing business. Existing customer contracts underpin the ongoing trading of the Company for the near to medium term.

Since the UK has left the European Union, the Company has continued to trade as a result of the planning performed mentioned above.

FAURECIA EMISSIONS CONTROL TECHNOLOGIES UK LIMITED

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

Directors' statement of compliance with duty to promote the success of the Company**Long-term decision making**

The Company aims to bring value to its' ultimate shareholders by creating a sustainable and profitable business not just for today but in the long-term.

It is embedded in the culture of the Company to take pride in its operational excellence and to be reactive to the needs of its customers. We have a strong, performance-based culture grounded in robust principles – Being Faurecia, a cultural transformation program, launched by the Faurecia Group in 2014, helping to develop the entrepreneurship, autonomy and accountability of employees to ensure excellent performance from innovation to production. We believe that by encouraging mutual respect and leading by example in our industry, that we can mobilise the energy and passion of our employees to achieve ambitious goals.

The employability of the Company's employees is key to the long-term success of the Company – through lifelong learning, professional mobility and on the job training. The Company has extensive programs of apprenticeships, work/study, volunteers for international experience (VIE) and internships that provide the Company with a talent pool and provide on the job training and cultural integration. This in turn allows the Company to become a valued key player in the new automotive landscape, where the need to provide intelligent solutions for an enhanced and sustainable mobility future are paramount.

The Company aims to improve existing processes, using automation and technology, through listening to employees and the sharing of ideas with other Faurecia group companies. Capital investment is not only made at the start of a programme, but on a continuous basis leading to increased profitability, an often-safer working environment for our employees, and less waste. Investments in new items of plant are made where the payback period is clear, and the investment brings as many benefits as possible.

In an ever-changing world the Company understands that it must invest in the future, in new business models, and learning. At the same time, we need to maintain the confidence of both our customers and shareholders – through the delivering of short term financial and operational performance.

Over recent years, the Company has engaged in a strategic transformation of its' operations – the emergence of collaborative robots (cobots) and Automated Guided Vehicles (AGVs) has led to a breakthrough in the automation of assemble and handling activities on the production line. The roll out of the Digital transformation programmes has enabled the speeding up of decision-making, improvements in quality and the smoother running of production lines. In turn this has helped optimise the production line and improve efficient to better meet the needs of our customers.

The Company also follows the Faurecia Groups "Faurecia Excellence System" – a system designed to continuously improve quality, cost, delivery and safety performance. This system enables the Company to draw on the Groups experience of best internal and external practices of lean manufacturing. No dividends have been paid by the Company during the current or previous year due to the need to reinvest profits into existing programmes.

Engagement with suppliers, customers and other key stakeholders

Governance at the Faurecia Group of Companies is provided by its Executive Committee and Board of Directors with the aim of determining and implementing the Groups' strategic direction.

New programmes are won and awarded to the Company by divisional sales teams within the Business Group the Company operates in. Day to day management of customer programmes is performed at Company level, with the Business Group overseeing performance and reporting to the Faurecia Board of Directors.

The Company works together with its customers to design and develop products tailored to individual brand needs. Once new programs move towards the production phase, program managers lead their teams to ensure that they meet the defined schedule, costs and level of quality.

FAURECIA EMISSIONS CONTROL TECHNOLOGIES UK LIMITED

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

The Company's aim is to provide high quality products to its customers, with as little reworking of goods as possible. Good relationships with customers will lead to the awarding of more business in the future, which will in turn, ensure the long-term profitability of the Company.

Suppliers are paid in accordance with agreed terms of business to ensure that undue pressure is not placed on their cashflows or the risk of putting the end customer on stop is not increased unnecessarily.

Supplier relationships are guided by the principles of respect and partnership with a view to creating long term value for both parties - suppliers are often mandated but are chosen so as ensure the quality of the end product meets customer requirements.

Employee engagement and interests

The Company employs people primarily from the local area, whose health, safety and well-being in the workplace is of prime concern.

The Company's policy is to consult and discuss with employees matters likely to affect their interests through unions, staff councils and meetings. Information on matters of concern to employees is given through information bulletins and reports which seek to achieve a common awareness on the part of all employees of the financial and economic factors affecting the Company's performance.

The Company recognises that the contribution made by its employees is crucial to the success of the business. Substantial investment is made in the training, development and motivation of employees with particular attention to ensuring customer satisfaction through the consistent achievement of high standards of service and delivery of quality products. Employee involvement in the direction and objectives of the business is encouraged through the use of incentive schemes to focus employees on key performance indicators. Communication and consultation programmes exist at site and Company level. The Company endorses the active application of equal opportunities policies and programmes to provide fair and equitable conditions for all employees regardless of sex, family status, religion, creed, colour, ethnic origin, age, disability or sexual orientation.

Any employee can voice their opinion, criticism, alternative suggestion or report a violation without fear of personal consequences and in complete transparency.

The Company considers applications for employment from disabled persons where the candidate's particular aptitude and abilities meet the requirements of the job. Opportunities for training, career development and promotion are available to disabled employees. Where existing employees become disabled, it is the Group's policy to provide continuing employment wherever practicable in the same position or an alternative position and to provide appropriate training to achieve this.

Employees were put on Furlough leave during the plant shutdowns, and the UK Government's Coronavirus Job Retention Scheme used to secure the wellbeing of the workforce.

Upon return to work employees were welcomed back to a "Covid-19 safe environment" where the wearing of face masks, maintaining social distance and the regular cleaning of workspaces were mandatory. In addition, to further help prevent any COVID-19 infection from entering the premises, temperature checks were implemented upon employee arrival at work.

Impact of the Company's operations on the wider community and environment

The Company is a member of the community in which it operates and intends to take action to help cap the global rise in temperature by reducing its carbon footprint, recognising that air pollution is an increasing threat to not only the health of employees, but of all people.

FAURECIA EMISSIONS CONTROL TECHNOLOGIES UK LIMITED

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

Excess raw material waste is, where possible, sold back to suppliers so that it can be recycled, this, in turn, benefits the environment, by reducing land fill.

Any water used in the production process is recycled where possible so as to minimise usage, and its disposal is carefully managed so as to not pollute the local water supply.

The Company will seek to minimise adverse impacts on the environment from its activities, whilst continuing to address health, safety and economic issues. The Company complies with all applicable legislation and regulations.

This report was approved by the board on 27-avr.-2021 | 6:05 AM PDT and signed on its behalf.

DocuSigned by:

Philippe Vienney

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Philippe Alain Jean-Pierre Vienney

Director

Company reg no: 06163599

FAURECIA EMISSIONS CONTROL TECHNOLOGIES UK LIMITED

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

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

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 101 'Reduced Disclosure Framework'. Under company law, the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

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

- select suitable accounting policies and then apply them consistently;
- make 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;
- 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.

Results and dividends

The profit for the year, after taxation, amounted to £977k (2019 - £4,050m).

The directors do not recommend the payment of a dividend.

Directors

The directors who served during the year were:

Philippe Alain Jean-Pierre Vienney
Faurecia Exhausts International

FAURECIA EMISSIONS CONTROL TECHNOLOGIES UK LIMITED

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

Going concern

The financial statements have been prepared on a going concern basis which assumes that the Company will continue in operational existence for the foreseeable future and meet its liabilities as they fall due.

Some global uncertainty continues around the impact and economic consequences of the COVID-19 pandemic. However, the UK rollout of the COVID-19 vaccine helps to put some comfort around the predictions stated in the strategic report concerning expected turnover and profitability for 2021. Indeed, the Company's performance in the first quarter of 2021 confirms this.

The Company meets its day to day working capital requirements through cash reserves and, where required, through a Group Bank overdraft facility and borrowings from its parent undertaking.

The directors have confirmed that adequate financial support will be available from the Company's parent undertaking for a period of at least 12 months from the date of approval of these financial statements, should it be required, and that sufficient cash reserves are available for use by the Company. Accordingly, the directors believe that it is appropriate to prepare these financial statements on a going concern basis.

Environmental matters

The Company will seek to minimise adverse impacts on the environment from its activities, whilst continuing to address health, safety and economic issues. The Company has complied with all applicable legislation and regulations.

Research and development activities

The Company does not carry out any research and development activities.

Engagement with suppliers, customers and others

The Company has included its policy on engagement with suppliers, customers and others within the Directors' Statement of Compliance in the Strategic report.

Employee engagement and interests

The Company has included its policy on employee engagement and interests within the Directors' Statement of Compliance in the Strategic report.

Qualifying third party indemnity provisions

The Company has granted an indemnity to one or more of its' directors against liability in respect of proceedings brought by third parties, subject to the conditions set out in the Companies Act 2006. This qualifying third party indemnity provision remains in force as at the date of approving the Directors' Report.

FAURECIA EMISSIONS CONTROL TECHNOLOGIES UK LIMITED

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

Streamlined energy and carbon reporting (SECR)

The SECR disclosure presents the carbon footprint of the Company within the United Kingdom for Scope 1, 2 and 3 emissions based on SECR Legislation, an appropriate intensity metric, the total energy use of electricity, gas and transport fuel and an energy efficiency actions summary taken during the financial year.

Year to 31 December 2020

| | |
|--|-----------|
| Energy consumption used to calculate emissions (kWh) | 1,020,057 |
| Emissions from combustion of gas tCO ₂ e (Scope 1) | 78 |
| Emissions from combustion of fuel for transport purposes tCO ₂ e (Scope 1) | 10 |
| Emissions from business travel in rental cars or employee-owned vehicles where company is responsible for purchasing the fuel tCO ₂ e (Scope 3) | 1 |
| Emissions from purchased electricity tCO ₂ e (Scope 2, location-based) | 127 |
| Total gross tCO ₂ e based on above | 215 |
| Intensity ratio (tCO ₂ e / '000 carsets) | 0.6504094 |

Energy efficiency action summary

Faurecia Emissions Control Technologies UK Limited continues to achieve direct savings in energy and associated carbon emissions, through operational and technological improvements, including;

- Upgrade of LED lights throughout the site;
- Installation of energy monitoring systems;
- Installation of passive infrared sensors in the toilets and changing rooms.

Additional indirect energy and carbon emission savings have also been achieved through a range of measures, including;

- Implemented a new enterprise-level software application which provides quality assurance and data capture capabilities into one energy and carbon management solution. This provides audited and verified data on our GHG emissions;
- Meeting the requirements of the UK Government's Streamlined Energy and Carbon Reporting scheme.

Methodology notes

| | |
|------------------------------------|--|
| Reporting Period | 1 January 2020– 31 December 2020 |
| Boundary (consolidation approach) | Operational approach |
| Alignment with financial reporting | SECR disclosure has been prepared in line with Faurecia Emissions Control Technologies UK Limited's annual accounts made up to the 31 December 2020. |
| Reporting method | GHG Emissions reporting are in line with the Greenhouse Gas (GHG) Protocol Corporate Accounting and Reporting Standard |
| Emissions factor source | DEFRA, 2020 for all emissions factors https://www.gov.uk/government/publications/greenhouse-gas-reporting-conversion-factors-2020 |

FAURECIA EMISSIONS CONTROL TECHNOLOGIES UK LIMITED

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

| | |
|---|--|
| Conversion factor source | <p>Natural gas and gasoline: Federal Register EPA; 40 CFR Part 98; e-CFR, June 13, 2017 EPA GHG Emission Factors Hub</p> <p>Diesel: U. S. Energy Information Administration - British Thermal Unit Conversion Factors 2020</p> |
| Calculation method | <p>Activity Data x Emission Factor = GHG emissions Activity Data x Conversion Factor = kWh consumption</p> |
| Other relevant information on calculation | <p>Where applicable consumption was converted to kWh using conversion factors linked above, while emissions were calculated with the DEFRA emission factors. Transport data was calculated from mileage to kWh and GHG emissions using the method above. In the absence of the exact vehicle types average conversion factors were used to calculate emissions.</p> |
| Reason for the intensity measurement choice | <p>Following the recommendations of the SECR legislation and based on the nature of our business , total carsets produced (tCO₂e / '000 carsets) gives the best overview on our efficiency performance on a longer scale.</p> |
| Estimation | <p>Transport data was calculated from mileage to kWh and GHG emissions using the method above. In the absence of the exact vehicle types average conversion factors were used to calculate emissions. Not having the exact vehicle types we have used the Vehicles statistics' table VEH0203, issued by the Department for Transport to separate the diesel and petrol cars. In absence of the exact engine sizes of the vehicles average conversion factors were used to calculate emissions.</p> |
| Rounding | <p>The total tCO₂e expressed in the table above might have a slight difference compared to the absolute results due to rounding (no more than 1%).</p> |

FAURECIA EMISSIONS CONTROL TECHNOLOGIES UK LIMITED

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

Disclosure of information to auditors

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 auditors are 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 auditors are aware of that information.

Post balance sheet events

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

Impact of COVID-19

As stated in the Strategic report, the plant was forced to shut down for two months during the year as a direct result of the COVID-19 pandemic. The Coronavirus Job Retention Scheme was used during this period and until the plant was running back at normal levels of production.

VAT payments were deferred from the first half of 2020 and subsequent to the year-end have since been paid over to HMRC.

The second half of 2020 saw business gradually return to normal, with a return to profitability expected in the first quarter of 2021.

Auditors

The auditors, Mazars, will be proposed for reappointment in accordance with section 489 of the Companies Act 2006.

This report was approved by the board and signed on its behalf. 27-avr.-2021 | 6:05 AM PDT

DocuSigned by:

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Philippe Alain Jean-Pierre Vienney
Director

Company reg no: 06163599

FAURECIA EMISSIONS CONTROL TECHNOLOGIES UK LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF FAURECIA EMISSIONS CONTROL TECHNOLOGIES UK LIMITED

Opinion

We have audited the financial statements of Faurecia Emissions Control Technologies UK Limited (the 'Company') for the year ended 31st December 2020, which comprise the statement of comprehensive income, the Statement of financial position, the 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 Financial Reporting Standard 101 'Reduced Disclosure Framework' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31st 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 Auditors' 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 United Kingdom, including the Financial Reporting Council'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.

FAURECIA EMISSIONS CONTROL TECHNOLOGIES UK LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF FAURECIA EMISSIONS CONTROL TECHNOLOGIES UK LIMITED (CONTINUED)

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the director's use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our audit procedures to evaluate the directors' assessment of the company's ability to continue to adopt the going concern basis of accounting included but were not limited to:

- Undertaking an initial assessment at the planning stage of the audit to identify events or conditions that may cast significant doubt on the company's ability to continue as a going concern;
- Obtaining an understanding of the relevant controls relating to the directors' going concern assessment;
- Evaluating the directors' method to assess the company's ability to continue as a going concern;
- Reviewing the directors' going concern assessment, which included a review of the future forecasted results of the company
- Evaluating the key assumptions used and judgements applied by the directors in forming their conclusions on going concern; and
- Reviewing the appropriateness of the directors' disclosures in the financial statements

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.

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.

FAURECIA EMISSIONS CONTROL TECHNOLOGIES UK LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF FAURECIA EMISSIONS CONTROL TECHNOLOGIES UK LIMITED (CONTINUED)

Opinion 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 on page 6, 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.

FAURECIA EMISSIONS CONTROL TECHNOLOGIES UK LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF FAURECIA EMISSIONS CONTROL TECHNOLOGIES UK LIMITED (CONTINUED)

Auditors' 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 Auditors' 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, and 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, in particular in relation to deferred tax assets, estimated useful lives of tangible fixed assets and right of use assets.

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.

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 Auditors' report.

FAURECIA EMISSIONS CONTROL TECHNOLOGIES UK LIMITED

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF FAURECIA EMISSIONS CONTROL
TECHNOLOGIES UK LIMITED (CONTINUED)**

Use of our report

This report is made solely to the Company's members 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 Auditors' 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 for our audit work, for this report, or for the opinions we have formed.

Louis Burns
Louis Burns (Apr 29, 2021 09:46 GMT+1)

Louis Burns (Senior statutory auditor)

for and on behalf of
Mazars

45 Church Street
Birmingham
B3 2RT

Date: Apr 29, 2021

| |
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| FAURECIA EMISSIONS CONTROL TECHNOLOGIES UK LIMITED |
|---|

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2020**

| | Note | 2020 £000 | 2019 £000 |
|---|------|--------------|---------------|
| Turnover | 4 | 41,688 | 58,497 |
| Cost of sales | | (32,892) | (46,007) |
| Gross profit | | 8,796 | 12,490 |
| CJRS furlough grant income | 7 | 404 | - |
| Administrative expenses | | (7,836) | (8,051) |
| Operating profit | 5 | 1,364 | 4,439 |
| Interest receivable and similar income | 8 | 5 | 23 |
| Interest payable and expenses | 9 | (172) | (290) |
| Profit before tax | | 1,197 | 4,172 |
| Tax on profit | 10 | (220) | (122) |
| Profit for the financial year | | 977 | 4,050 |
| Other comprehensive income: | | | |
| Items that will not be reclassified to profit or loss: | | | |
| Total comprehensive income for the year | | 977 | 4,050 |

The notes on pages 21 to 38 form part of these financial statements.

FAURECIA EMISSIONS CONTROL TECHNOLOGIES UK LIMITED
REGISTERED NUMBER: 06163599

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2020

| | Note | 2020 £000 | 2019 £000 |
|---|------|---------------------|---------------------|
| Fixed assets | | | |
| Tangible assets | 11 | 4,784 | 5,082 |
| | | <u>4,784</u> | <u>5,082</u> |
| Current assets | | | |
| Stocks | 12 | 6,261 | 3,501 |
| Debtors: amounts falling due within one year | 13 | 16,802 | 12,007 |
| Cash at bank and in hand | 14 | 9,884 | 4,859 |
| | | <u>32,947</u> | <u>20,367</u> |
| Creditors: amounts falling due within one year | 15 | (31,018) | (19,548) |
| Net current assets | | <u>1,929</u> | <u>819</u> |
| Total assets less current liabilities | | <u>6,713</u> | <u>5,901</u> |
| Creditors: amounts falling due after more than one year | 16 | (1,582) | (1,812) |
| | | <u>5,131</u> | <u>4,089</u> |
| Provisions for liabilities | | | |
| Other provisions | 19 | (65) | - |
| | | <u>(65)</u> | <u>-</u> |
| Net assets | | <u><u>5,066</u></u> | <u><u>4,089</u></u> |

FAURECIA EMISSIONS CONTROL TECHNOLOGIES UK LIMITED
REGISTERED NUMBER: 06163599

STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT 31 DECEMBER 2020

| | Note | 2020 £000 | 2019 £000 |
|-----------------------------|------|--------------|--------------|
| Capital and reserves | | | |
| Called up share capital | 20 | 1,518 | 1,518 |
| Share premium account | 21 | 15,986 | 15,986 |
| Profit and loss account | 21 | (12,438) | (13,415) |
| | | <u>5,066</u> | <u>4,089</u> |

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 27-avr.-2021 | 6:05 AM PDT

DocuSigned by:

Philippe Vienney

B18BABC64A12477...

Philippe Alain Jean-Pierre Vienney

Director

Company reg no: 06163599

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| FAURECIA EMISSIONS CONTROL TECHNOLOGIES UK LIMITED |
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**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2020**

| | Called up share capital | Share premium account | Profit and loss account | Total equity |
|--|----------------------------|-----------------------------|----------------------------|--------------|
| | £000 | £000 | £000 | £000 |
| At 1st January 2020 | 1,518 | 15,986 | (13,415) | 4,089 |
| Comprehensive income for the year | | | | |
| Profit for the year | - | - | 977 | 977 |
| Other comprehensive income for the year | - | - | - | - |
| Total transactions with owners | - | - | - | - |
| At 31st December 2020 | 1,518 | 15,986 | (12,438) | 5,066 |

The notes on pages 21 to 38 form part of these financial statements.

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| FAURECIA EMISSIONS CONTROL TECHNOLOGIES UK LIMITED |
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**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2019**

| | Called up share capital | Share premium account | Profit and loss account | Total equity |
|--|----------------------------|-----------------------------|----------------------------|--------------|
| | £000 | £000 | £000 | £000 |
| At 1st January 2019 | 1,518 | 15,986 | (17,465) | 39 |
| Comprehensive income for the year | | | | |
| Profit for the year | - | - | 4,050 | 4,050 |
| Other comprehensive income for the year | - | - | - | - |
| Total transactions with owners | - | - | - | - |
| At 31st December 2019 | 1,518 | 15,986 | (13,415) | 4,089 |

The notes on pages 21 to 38 form part of these financial statements.

FAURECIA EMISSIONS CONTROL TECHNOLOGIES UK LIMITED

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

1. Authorisation of Financial Statements and Statement of Compliance with FRS 101

Faurecia Emissions Control Technologies UK Ltd ('the Company') is a private Company limited by share capital, incorporated and domiciled in England and Wales. The address of its registered office is Unit 5 Dove Close, Fradley Park, Lichfield, WS13 8SU.

These financial statements of Faurecia Emissions Control Technologies UK Limited for the year ended 31 December 2020 were authorised for issue by the Board of directors and the balance sheet was signed on the Board's behalf by Patrick Vienney.

These financial statements were prepared under the historical cost convention and in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101) and in accordance with applicable accounting standards.

The Company's financial statements are individual entity financial statements, are presented in GBP and all values are rounded to the nearest thousand pound (£000) except when otherwise indicated.

The principal accounting policies adopted by the Company are set out below.

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 101 'Reduced Disclosure Framework' and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 101 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).

FAURECIA EMISSIONS CONTROL TECHNOLOGIES UK LIMITED

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

2. Accounting policies (continued)

2.2 Financial reporting standard 101 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions under FRS 101:

- the requirements of paragraphs 62, B64(d), B64(e), B64(g), B64(h), B64(j) to B64(m), B64(n)(ii), B64(o)(ii), B64(p), B64(q)(ii), B66 and B67 of IFRS 3 Business Combinations
- the requirements of paragraph 33(c) of IFRS 5 Non Current Assets Held For Sale and Discontinued Operations
- the requirements of IFRS 7 Financial Instruments: Disclosures
- the requirements of paragraphs 91-99 of IFRS 13 Fair Value Measurement
- the requirements of the second sentence of paragraph 110 and paragraphs 113(a), 114, 115, 118, 119(a) to (c), 120 to 127 and 129 of IFRS 15 Revenue from Contracts with Customers
- the requirements of paragraph 52, the second sentence of paragraph 89, and paragraphs 90, 91 and 93 of IFRS 16 Leases. The requirements of paragraph 58 of IFRS 16, provided that the disclosure of details in indebtedness relating to amounts payable after 5 years required by company law is presented separately for lease liabilities and other liabilities, and in total
- the requirement in paragraph 38 of IAS 1 'Presentation of Financial Statements' to present comparative information in respect of:
 - paragraph 79(a)(iv) of IAS 1;
 - paragraph 73(e) of IAS 16 Property, Plant and Equipment;
 - paragraph 118(e) of IAS 38 Intangible Assets;
- the requirements of paragraphs 10(d), 10(f), 16, 38A, 38B, 38C, 38D, 40A, 40B, 40C, 40D, 111 and 134-136 of IAS 1 Presentation of Financial Statements
- the requirements of IAS 7 Statement of Cash Flows
- the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors
- the requirements of paragraph 17 and 18A of IAS 24 Related Party Disclosures
- the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member
- the requirements of paragraphs 130(f)(ii), 130(f)(iii), 134(d)-134(f) and 135(c)-135(e) of IAS 36 Impairment of Assets.

For certain disclosure exemptions listed above, the equivalent disclosures are included in the consolidated financial statements of the ultimate parent company, as set out in note 24.

FAURECIA EMISSIONS CONTROL TECHNOLOGIES UK LIMITED

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

2. Accounting policies (continued)

2.3 Going concern

The financial statements have been prepared on a going concern basis which assumes that the Company will continue in operational existence for the foreseeable future and meet its liabilities as they fall due. The Company meets its day to day working capital requirements through cash reserves and, where required, through a Group Bank overdraft facility and borrowings from its parent undertaking.

The directors have confirmed that adequate financial support will be available from the Company's parent undertakings for a period of at least 12 months from the date of approval of these financial statements, should it be required, and that sufficient cash reserves are available for use by the Company.

Accordingly, the directors believe that it is appropriate to prepare these financial statements on a going concern basis

2.4 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

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 profit or loss 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 profit or loss within 'other operating income'.

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| FAURECIA EMISSIONS CONTROL TECHNOLOGIES UK LIMITED |
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2020**

2. Accounting policies (continued)**2.5 Revenue**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue 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 revenue is recognised:

Sale of goods

Revenue from the sale of goods is recognised on the satisfaction of performance obligations, such as the transfer of a promised good, identified in the contract between the Company and the customer.

A receivable is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

Tooling

For the sale of tooling, sales are recognised once validation of the technical stages had been validated by the customer. If no such technical stages were provided for in the contract, sales are recognised when the related work is completed or the tooling delivered. Tooling revenue is recognized once the transfer of control passes to the customer, usually shortly before the start of serial production.

2.6 Measurement and recognition of leases**Rental obligation**

At the inception date of the lease, the Company recognises the lease liabilities, measured at the present value of the lease payments to be made over the term of the lease. The present value of payments is calculated using the incremental borrowing rate at the contract starting date. Rental payments include fixed payments (net of any rental incentives receivable), variable payments based on an index or rate and amounts that should be paid under residual value guarantees. The simplification allowing not to split services components has not been elected by the Company. Therefore, only the rents are taken into account in the lease payments. Lease payments also include, where applicable, the exercise price of a purchase option reasonably certain to be exercised by the Company and the payment of penalties for the termination of a lease, if the term of the lease takes into account the fact that the Company has exercised the termination option. Variable lease payments that are not dependant on an index or rate are recognised as an expense in the period in which the event of condition that triggers the payment occurs.

After the start date of the contract, the amount of rental obligations is increased to reflect the increase in interest and reduced for lease payments made. In addition, the carrying amount of the lease liabilities is revalued in the event of a reassessment or modification in the lease (e.g. change in the term of the lease, change in lease payments, application of annual indexation etc). Payments associated with short-term leases of equipment and vehicles and all leases of low-value assets are recognised on a straight-line basis as an expense in the income statement. Short-term leases are leases with a lease term of 12 months or less.

Right-of-use assets

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| FAURECIA EMISSIONS CONTROL TECHNOLOGIES UK LIMITED |
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2020**

2. Accounting policies (continued)**2.6 Measurement and recognition of leases (continued)**

The Company accounts for the assets related to the right-of-use on the start date of the lease (i.e. the date on which the underlying asset is available). Assets are measured at cost, less accumulated amortisation and impairment losses, and adjusted for the revaluation of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities and lease payments made on or before the effective date, minus lease inducements received. Unless the Company is reasonably certain that it will become the owner of the leased asset at the end of the lease term, the recorded right-of-use assets are depreciated using the linear method over the shortest period of time between the estimated life of the underlying asset and the duration of the lease.

Determining the duration of contracts

The land and buildings contracts have durations of 2-3 years. Vehicles and forklifts are contracted between 2-3 years. The Company's land and buildings contracts offer unilateral options for termination of contracts in break clauses. Thus, in determining the length of time to be used to calculate the rental obligation, the Company determines the enforceable duration of the contract (maximum term) and takes into account break clause options.

2.7 Interest income

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

2.8 Finance costs

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.

2.9 Borrowing costs

All borrowing costs are recognised in the Income statement in the year in which they are incurred.

2.10 Pensions**Defined contribution pension plan**

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of financial position. The assets of the plan are held separately from the Company in independently administered funds.

FAURECIA EMISSIONS CONTROL TECHNOLOGIES UK LIMITED

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

2. Accounting policies (continued)

2.11 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 Company operates and generates income.

2.12 Deferred income tax

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.

2.13 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

At each reporting date the company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

The Company adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the Company. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to the income statement during the period in which they are incurred.

FAURECIA EMISSIONS CONTROL TECHNOLOGIES UK LIMITED

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

2. Accounting policies (continued)

2.13 Tangible fixed assets (continued)

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

| | |
|------------------------------|--|
| Long-term leasehold property | - Over 25 years |
| Plant and machinery | - 3 - 10 years |
| Assets under construction | - Not depreciated until brought into use |

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

2.14 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

At each reporting date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

2.15 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.

2.16 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.

2.17 Creditors

Creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers.

Creditors are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

FAURECIA EMISSIONS CONTROL TECHNOLOGIES UK LIMITED

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

2. Accounting policies (continued)**2.18 Provisions for liabilities**

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to profit or loss in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Statement of financial position date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Statement of financial position.

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

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates.

Deferred tax assets

Management's judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits.

Estimated useful lives of property and equipment

The annual depreciation charge is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are reassessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets.

Right of use assets

Judgement is required to determine the discount rate used to calculate the present value of the lease liability for right of use assets. In instances where the discount rate is not implicit in the lease contract, then the marginal borrowing rate corresponding to the duration of the lease contract is used. This ranges from 1.43% (1 year lease) to 1.87% (5 year lease).

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| FAURECIA EMISSIONS CONTROL TECHNOLOGIES UK LIMITED |
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2020**

4. Turnover

An analysis of turnover by class of business is as follows:

| | 2020 £000 | 2019 £000 |
|----------------------|---------------|---------------|
| Exhaust system sales | 39,589 | 54,356 |
| Tooling sales | 2,099 | 4,141 |
| | <u>41,688</u> | <u>58,497</u> |

Analysis of turnover by country of destination:

| | 2020 £000 | 2019 £000 |
|-------------------|---------------|---------------|
| United Kingdom | 39,884 | 51,476 |
| Rest of Europe | 1,262 | 6,208 |
| Rest of the world | 542 | 813 |
| | <u>41,688</u> | <u>58,497</u> |

5. Operating profit

The operating profit is stated after charging/(crediting):

| | 2020 £000 | 2019 £000 |
|--|--------------|--------------|
| Depreciation of tangible fixed assets | 796 | 604 |
| Operating lease rentals - land and buildings | 140 | 212 |
| Operating lease rentals - other | 2 | 38 |
| Exchange differences | 82 | (201) |
| Defined contribution pension cost | 117 | 116 |

During the year, no director received any emoluments (2019 £NIL). Although the directors were remunerated by another group company, the proportion of their time relating to Faurecia Emissions Control Technologies UK Limited is considered to be such that any apportionment of salary costs would be trivial.

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| FAURECIA EMISSIONS CONTROL TECHNOLOGIES UK LIMITED |
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2020**

6. Auditors' remuneration

| | 2020 | 2019 |
|---------------------------------------|-------------|-------------|
| | £000 | £000 |
| Fees payable to the Company's auditor | <u>26</u> | <u>26</u> |

7. Employees

Staff costs were as follows:

| | 2020 | 2019 |
|-------------------------------------|--------------|--------------|
| | £000 | £000 |
| Wages and salaries | 3,232 | 3,647 |
| Social security costs | 331 | 338 |
| Cost of defined contribution scheme | 120 | 116 |
| | <u>3,683</u> | <u>4,101</u> |

During the year the company received £404k from HMRC in respect of employee furlough claims due to the COVID 19 pandemic. These amounts are not included in the above figures. Furlough income is accounted for in accordance with IAS 20 Government Grants.

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

| | 2020 | 2019 |
|----------------|-------------|-------------|
| | No. | No. |
| Manufacturing | 46 | 48 |
| Administration | 45 | 47 |
| | <u>91</u> | <u>95</u> |

8. Interest receivable

| | 2020 | 2019 |
|--|-------------|-------------|
| | £000 | £000 |
| Interest receivable from group companies | 5 | 23 |
| | <u>5</u> | <u>23</u> |

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| FAURECIA EMISSIONS CONTROL TECHNOLOGIES UK LIMITED |
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2020**

9. Interest payable and similar expenses

| | 2020 | 2019 |
|--|-------------|-------------|
| | £000 | £000 |
| Loans from group undertakings | 40 | 204 |
| Interest expense for leasing arrangements | 129 | 86 |
| Interest payable on factoring arrangements | 3 | - |
| | <u>172</u> | <u>290</u> |

10. Taxation

| | 2020 | 2019 |
|--|--------------|-------------|
| | £000 | £000 |
| Corporation tax | | |
| Current tax on profits for the year | 324 | 55 |
| | <u>324</u> | <u>55</u> |
| Total current tax | <u>324</u> | <u>55</u> |
| Deferred tax | | |
| Origination and reversal of timing differences | 4 | 67 |
| Effect of tax rate change on opening balance | (108) | - |
| Total deferred tax | <u>(104)</u> | <u>67</u> |
| Taxation on profit on ordinary activities | <u>220</u> | <u>122</u> |

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| FAURECIA EMISSIONS CONTROL TECHNOLOGIES UK LIMITED |
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2020**

10. Taxation (continued)**Factors affecting tax charge for the year**

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

| | 2020 £000 | 2019 £000 |
|--|--------------|--------------|
| Profit on ordinary activities before tax | 1,197 | 4,172 |
| Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2019 - 19%) | 227 | 793 |
| Effects of: | | |
| Expenses not deductible for tax purposes | 13 | 15 |
| Effect of differences between standard rate of tax and deferred tax rate | - | (80) |
| Change in rate of deferred tax | (137) | - |
| Deferred tax not previously recognised | 117 | (606) |
| Total tax charge for the year | 220 | 122 |

Factors that may affect future tax charges

A reduction of the tax rate to 17% (effective 1 April 2020) was announced in the Chancellor's 2016 budget and was substantively enacted on 6 September 2016. In the March 2020 budget, it was announced that the reduction to 17% will not be actioned, the tax rate remaining at 19%.

Deferred Tax

A deferred tax asset amounting to £341k (2019 : £225k) relating to part of the unrelieved trading losses has not been recognised in the financial statements because management are uncertain of the timing of future taxable profits.

FAURECIA EMISSIONS CONTROL TECHNOLOGIES UK LIMITED

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

11. Tangible fixed assets

| | Plant and machinery £000 | Long-term leasehold property £000 | Assets under construction £000 | Total £000 |
|--|--------------------------------|--|---|---------------|
| Cost or valuation | | | | |
| At 1 January 2020 | 4,698 | 2,806 | 44 | 7,548 |
| Additions | - | - | 482 | 482 |
| Additions - right-of-use assets | 134 | - | - | 134 |
| Disposals | (153) | - | - | (153) |
| Transfers between classes | 427 | 52 | (479) | - |
| At 31st December 2020 | 5,106 | 2,858 | 47 | 8,011 |
| Depreciation | | | | |
| At 1 January 2020 | 1,889 | 577 | - | 2,466 |
| Charge for the year on owned assets | 444 | 51 | - | 495 |
| Charge for the year on right-of-use assets | 71 | 230 | - | 301 |
| Disposals - right-of-use assets | (35) | - | - | (35) |
| At 31st December 2020 | 2,369 | 858 | - | 3,227 |
| Net book value | | | | |
| At 31st December 2020 | 2,737 | 2,000 | 47 | 4,784 |
| At 31st December 2019 | 2,809 | 2,229 | 44 | 5,082 |

The net book value of owned and leased assets included as "Tangible fixed assets" in the Statement of financial position is as follows:

| | 2020 £000 | 2019 £000 |
|------------------------------------|--------------|--------------|
| Tangible fixed assets owned | 2,884 | 2,895 |
| Right-of-use tangible fixed assets | 1,900 | 2,187 |
| | <u>4,784</u> | <u>5,082</u> |

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| FAURECIA EMISSIONS CONTROL TECHNOLOGIES UK LIMITED |
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2020**

11. Tangible fixed assets (continued)

Information about right-of-use assets is summarised below:

Net book value

| | 2020 | 2019 |
|---------------------|---------------------|---------------------|
| | £000 | £000 |
| Property | 1,785 | 2,015 |
| Plant and machinery | 115 | 172 |
| | <u>1,900</u> | <u>2,187</u> |

Depreciation charge for the year ended

| | 2020 | 2019 |
|---------------------|---------------------|---------------------|
| | £000 | £000 |
| Property | (230) | (58) |
| Plant and machinery | (71) | (64) |
| | <u>(301)</u> | <u>(122)</u> |

12. Stocks

| | 2020 | 2019 |
|-------------------------------------|---------------------|---------------------|
| | £000 | £000 |
| Raw materials and consumables | 4,889 | 2,834 |
| Work in progress (goods to be sold) | 645 | 83 |
| Finished goods and goods for resale | 727 | 584 |
| | <u>6,261</u> | <u>3,501</u> |

Stock consumption during the year was £26.0m (2019: £31.9m).

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| FAURECIA EMISSIONS CONTROL TECHNOLOGIES UK LIMITED |
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2020**

13. Debtors

| | 2020 £000 | 2019 £000 |
|------------------------------------|--------------|--------------|
| Trade debtors | 14,855 | 10,054 |
| Amounts owed by group undertakings | 548 | 541 |
| Other debtors | 242 | 174 |
| Prepayments and accrued income | 135 | 320 |
| Deferred taxation | 1,022 | 918 |
| | 16,802 | 12,007 |

14. Cash and cash equivalents

| | 2020 £000 | 2019 £000 |
|--------------------------|--------------|--------------|
| Cash at bank and in hand | 9,884 | 4,859 |
| | 9,884 | 4,859 |

Cash at bank and in hand represents amounts held by group undertakings, having the same liquidity as cash, and being able available to the Company at any time, meeting the requirements in IFRS reporting standards to be disclosed as cash. Interest is calculated at 3.5% above LIBOR.

15. Creditors: Amounts falling due within one year

| | 2020 £000 | 2019 £000 |
|------------------------------------|--------------|--------------|
| Trade creditors | 10,812 | 5,411 |
| Amounts owed to group undertakings | 10,305 | 9,363 |
| Corporation tax | - | 10 |
| Other taxation and social security | 5,204 | 2,133 |
| Lease liabilities | 368 | 385 |
| Other creditors | 295 | 315 |
| Accruals | 4,034 | 1,931 |
| | 31,018 | 19,548 |

Amounts owed to group undertakings are trading balances only.

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| FAURECIA EMISSIONS CONTROL TECHNOLOGIES UK LIMITED |
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2020**

16. Creditors: Amounts falling due after more than one year

| | 2020 £000 | 2019 £000 |
|-------------------|--------------|--------------|
| Lease liabilities | 1,582 | 1,812 |
| | 1,582 | 1,812 |

17. Analysis of timing of payments for lease creditor (discounted)

| | 2020 | 2019 |
|-------------------|-------|-------|
| Within one year | 368 | 385 |
| Between 1-5 years | 993 | 1,362 |
| Over 5 years | 589 | 450 |
| | 1,950 | 2,197 |

18. Deferred taxation

| | 2020 £000 |
|------------------------------|--------------|
| At beginning of year | 918 |
| Credited to income statement | 104 |
| At end of year | 1,022 |

The deferred tax asset is made up as follows:

| | 2020 £000 | 2019 £000 |
|--------------------------------|--------------|--------------|
| Accelerated capital allowances | 270 | 166 |
| Other timing differences | 2 | 2 |
| Tax losses carried forward | 750 | 750 |
| | 1,022 | 918 |

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| FAURECIA EMISSIONS CONTROL TECHNOLOGIES UK LIMITED |
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2020**

19. Provisions

| | Warranty provision £000 |
|------------------------------|--|
| Charged to profit or loss | 179 |
| Utilised in year | (114) |
| At 31st December 2020 | 65 |

20. Share capital

| | 2020 £000 | 2019 £000 |
|--|----------------------|----------------------|
| Authorised | | |
| 1,600,000 (2019 - 1,600,000) Ordinary shares of £1.00 each | 1,600 | 1,600 |
| Allotted, called up and fully paid | | |
| 1,518,000 (2019 - 1,518,000) Ordinary shares of £1.00 each | 1,518 | 1,518 |

21. Reserves**Share premium account**

The Share premium account represents the premium paid, over and above the nominal value of the ordinary shares at their date of issue.

Profit and loss account

The profit and loss account is made up of historical profits up to the date of the Statement of Financial Position.

22. Pension commitments

The Company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £120k (2019: £116k). Contributions totalling £10k (2019: £9k) were payable to the fund at the reporting date and are included in creditors.

23. Related party transactions

The Company has taken advantage of the exemption in IAS24 paragraph 17 and 18A related party disclosures not to disclose any related party transactions.

FAURECIA EMISSIONS CONTROL TECHNOLOGIES UK LIMITED

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

24. Controlling party

The immediate parent undertaking of the Company is ET DUTCH HOLDINGS, B.V, a Company incorporated in Netherlands, which is the parent undertaking of the smallest group to consolidate these accounts.

As at 31 December 2020, the ultimate parent company and ultimate controlling party was Peugeot S.A. holding 39.34% of the share capital of Faurecia and 56.02% of the voting rights. Peugeot S.A. is incorporated in France and was the parent undertaking of the largest group to consolidate these accounts. Copies of the financial statements of the ultimate parent company are available from the Secretary, Peugeot S.A, 75 Avenue de la Grande Armee, Paris, France.

After the year end, on 16 January 2021, following the merger of Peugeot S.A. and FCA (Fiat Chrysler Automobiles) to form the new Stellantis Group, Stellantis distributed its shares held in Faurecia to Faurecia's own shareholders, which has resulted in the ultimate parent company and ultimate controlling party now being Faurecia S.A., a company incorporated in France, and which is now the parent undertaking of the largest group to consolidate these accounts. Copies of the Faurecia S.A. group financial statements are available from the Secretary, 23 Avenue des Champs Pierreux, 92000, Nanterre, Paris, France.