

**Wafer Technology International Limited**  
**Report and financial statements**  
**or the year ended 31 December 2021**

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# **Wafer Technology International Limited**

## **Report and financial statements for the year ended 31 December 2021**

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# **Wafer Technology International Limited**

## **Directors and advisers for the year ended 31 December 2021**

### **Directors**

Mr T Pullen

Dr A W Nelson (resigned 10 January 2022)

Mr A Lemos (appointed 10 January 2022)

### **Secretary**

T A Dale

### **Registered Office**

Pascal Close

St Mellons

Cardiff

CF3 0LW

### **Bankers**

HSBC Bank Plc

**Director's report for the year ended 31 December 2021**

The directors present their annual report and financial statements for the year ended 31 December 2021.

**Principal activity**

The principal activity of the company is to act as an intermediate holding company within the IQE plc group.

**Business review and future developments**

The Company owns an equity investment in its subsidiary undertaking, Wafer Technology Limited, a company whose principal activity is the manufacture and sale of a comprehensive range of semiconductor compounds and ultra-high purity materials.

The company reported profit for the financial year of £nil (2020: £nil). Given the nature of the Company's operations the Company has not received any other income, incurred expenditure or recognised any other gains or losses during the current or prior year.

The directors are satisfied with the performance of the business during the year, the position at year end and are confident in the future prospects of the Company.

**Results and dividends**

The company made a profit for the financial year of £nil (2020: £nil).

The directors do not recommend the payment of a dividend (2020: £nil).

No profit and loss account is presented with these financial statements because the company has not received income, incurred expenditure or recognised any gains or losses during the current or prior year. There have been no movements in shareholders' funds during the current or prior year.

**Directors**

The directors of the company, who were in office during the year and up to the date of signing the financial statements, are set out on page 1.

**Statement of director's responsibilities**

The directors are responsible for preparing the Director's report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law, the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting standards and applicable law).

Under company law, the directors must not approve the financial statements unless he is 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 estimates that are reasonable and prudent;
- state whether applicable 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.

## **Director's report for the year ended 31 December 2021**

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. The directors are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

### **Qualifying third party indemnity provisions**

The company has granted to the Directors of the company a deed of indemnity which constitutes a third party indemnity provision for the purposes of the Companies Act 2006. In addition, the company has in place appropriate Directors and Officers liability insurance cover which has been in place for the entire year and at the date of approval of the financial statements.

### **Exemption from audit**

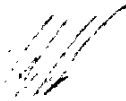
The Company has taken advantage of the exemption available under Section 480 of the Companies Act 2006 and has claimed the available exemption from audit.

The members have not required the Company to obtain an audit of its accounts for the year in question in accordance with Section 476.

### **Small company provisions**

This report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.

### **By order of the Board**



**Mr T Pullen**  
**Director**  
**9 September 2022**

**Balance sheet as at 31 December 2021**

	Note	2021 £'000	2020 £'000
Investments	5	34	34
Creditors: amount falling due within one year	6	(10)	(10)
<b>Net assets</b>		<b>24</b>	<b>24</b>
<b>Capital and reserves</b>			
Called up share capital	7	20	20
Profit and loss account		4	4
<b>Total equity shareholders' funds</b>		<b>24</b>	<b>24</b>

**Subsidiary Audit Exemption**

For the financial year in question the company was entitled to exemption under section 479a of the Companies Act 2006. No members have required the company to obtain an audit of its accounts for the year in question in accordance with section 476 of the Companies Act 2006.

The directors acknowledge their responsibility for complying with the requirements of the Companies Act 2006 with respect to accounting records and for the preparation of accounts.

These accounts have been prepared in accordance with the provisions applicable to companies' subject to the small companies' regime.

The financial statements on pages 4 to 9 were approved by the directors on 9 September 2022.

**By order of the board.**



**Mr T Pullen**  
**Director**  
**9 September 2022**

## **Notes to the financial statements year ended 31 December 2021**

### **1 Accounting policies**

#### **General information**

The principal activity of the company is to act as an intermediate holding company within the IQE plc group.

The company is a private company limited by shares and is incorporated and domiciled in England and Wales. The address of the registered office is Pascal Close, St Mellons, Cardiff, CF3 0LW.

#### **Statement of compliance**

The individual financial statements of Wafer Technology International Limited have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" (FRS102) and the Companies Act 2006.

#### **Summary of Significant Accounting Policies**

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless stated otherwise.

#### **Basis of preparation**

These financial statements are prepared on a going concern basis, under the historical cost convention as modified by the revaluation of certain financial assets and liabilities measured at fair value through profit and loss and in accordance with FRS 102 and the Companies Act 2006.

The preparation of financial statements in conformity with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 2.

#### **Going concern**

The company meets its working capital requirements via funding from its parent company, IQE plc.

IQE plc meets its day-to-day working capital and other cash requirements through its bank facilities and available cash. The Group's severe but plausible downside cash flow forecasts and projections show that the Group has adequate cash resources to continue operating for the foreseeable future.

The directors have assessed the Group's funding requirements and after making enquiries, including consideration of the future prospects of the Company have a reasonable expectation that the Company will have adequate resources to continue operating for the foreseeable future with the continued support of IQE plc. The directors have received confirmation that IQE plc intends to support the Company for at least 12 months after these financial statements are approved and therefore the going concern basis has been adopted in preparing these financial statements.

## **Notes to the financial statements year ended 31 December 2021**

### **1 Accounting policies**

#### **Exemptions for qualifying entities under FRS 102**

FRS 102 allows certain disclosure exemptions for qualifying entities. The company has taken advantage of available exemptions stated below as the information is contained in the consolidated financial statements of IQE plc as at 31 December 2021 which can be obtained from the Company Secretary at Pascal Close, Cardiff, CF3 0LW.

#### Cash Flows

The Company has taken advantage of the exemption, under FRS 102 paragraph 1.12(b), from preparing a statement of cash flows on the basis that it is a qualifying entity and its ultimate parent company, IQE PLC includes the company's cash flows in its own consolidated financial statements.

#### Financial Instruments

The Company has taken advantage of the exemption, under paragraph 1.12(c), from certain financial instrument disclosures on the basis that it is a qualifying entity and its ultimate parent company, IQE PLC includes the financial instrument disclosures in its own consolidated financial statements.

#### Key Management Compensation

The Company has taken advantage of the exemption, under paragraph 1.12(e), from certain key management compensation disclosures on the basis that it is a subsidiary of IQE PLC and IQE PLC includes this information in its own consolidated financial statements.

#### Related Party Transactions

The Company has taken advantage of the exemption, under FRS 102 paragraph 33.2, from disclosing transactions with members of the same group that are wholly owned.

#### **Consolidated financial statements**

The company is a wholly owned subsidiary of IQE PLC. It is included in the consolidated financial statements of IQE PLC which are publicly available. Therefore the company is exempt by virtue of section 400 of the Companies Act 2006 from the requirement to prepare consolidated financial statements.

#### **Fixed asset investments**

Fixed asset investments are stated at cost less any provision for impairment.



## **Notes to the financial statements year ended 31 December 2021**

### **2 Critical accounting judgements and estimation uncertainty**

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

#### **Critical judgements in applying the entity's accounting policies**

The company has not made any critical judgements in applying its accounting policies.

#### **Critical accounting estimates and assumptions**

The company has not made any critical accounting estimates or assumptions in applying its accounting policies.

### **3 Operating profit**

The Company has not traded during the current or prior period.

### **4 Employee Information**

The directors are the only company employees (2020:2).

The emoluments of Dr A Nelson and Mr T Pullen are disclosed in the financial statements of IQE plc. No recharge is made for director emoluments as it is not possible to apportion emoluments across the various group companies.

## **Notes to the financial statements year ended 31 December 2021**

### **5 Fixed asset investments**

	<b>Subsidiary £'000</b>
<b>Cost</b>	
At 1 January 2021 and 31 December 2021	34
<b>Impairment provision</b>	
At 1 January 2021 and 31 December 2021	-
<b>Net book value</b>	
<b>At 1 January 2021 and 31 December 2021</b>	<b>34</b>
31 December 2020	34

	<b>Subsidiary £'000</b>
<b>Cost</b>	
At 1 January 2020 and 31 December 2020	34
<b>Impairment provision</b>	
At 1 January 2020 and 31 December 2020	34
<b>Net book value</b>	
<b>At 1 January 2020 and 31 December 2020</b>	<b>34</b>
31 December 2019	34

The investment in the subsidiary undertaking comprises a holding of 81% of the issued ordinary share capital of Wafer Technology Limited, a company incorporated in the United Kingdom with its registered office at Pascal Close, St Mellons, Cardiff, CF3 0LW. The principal activity of Wafer Technology International Limited is the manufacture and sale of a comprehensive range of semi-conductor compounds and ultra-high purity materials.

### **6 Creditors: amounts falling due within one year**

	<b>2021 £'000</b>	<b>2020 £'000</b>
Amounts owed to subsidiary undertaking	10	10

**Notes to the financial statements year ended  
31 December 2021****7 Called up share capital**

	<b>2021</b>	<b>2020</b>
	<b>£'000</b>	<b>£'000</b>
<hr/>		
<b>Authorised</b>		
20,000 ordinary shares of £1 each	<b>20</b>	20
<b>Issued, allotted, called up and fully paid</b>		
20,000 ordinary shares of £1 each	<b>20</b>	20
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**8 Contingencies**

The company is a party to a cross guarantee with other group companies to guarantee the group indebtedness to the Group's primary bankers. This guarantee is supported by a fixed and floating charge over the assets and undertakings of the company.

**9 Ultimate parent company**

The immediate and ultimate parent undertaking and controlling party is IQE plc, whose financial statements are available from the Company Secretary, Pascal Close, St Mellons, Cardiff, CF3 0LW. This is the smallest and largest group in which the results of the Company are included.

IQE plc and Wafer Technology International Limited are incorporated in England and Wales.