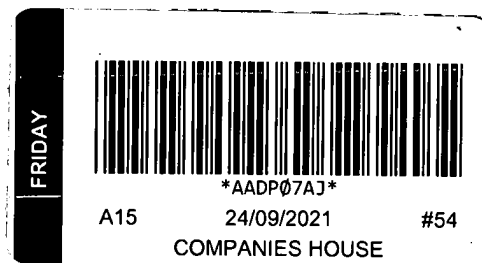


Wafer Technology International Limited

Report and financial statements or the year ended 31 December 2020



Wafer Technology International Limited

Report and financial statements for the year ended 31 December 2020

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Wafer Technology International Limited

Director and advisers for the year ended 31 December 2020

Director

Dr A W Nelson

Mr T Pullen – appointed 24 September 2021

Secretary

T A Dale – appointed 19 March 2020

Registered Office

Pascal Close

St Mellons

Cardiff

CF3 0LW

Bankers

HSBC Bank Plc

Director's report for the year ended 31 December 2020

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

Principal activity

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

The principal activity of the company's subsidiary, Wafer Technology Limited, is the manufacture and sale of a comprehensive range of semi-conductor compounds and ultra-high purity materials.

Profit and loss account

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 either the current or preceding year. There have been no movements in shareholders' funds during the current or preceding year.

Director

The directors of the company, who served throughout the financial year, unless otherwise stated are shown 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 director to prepare financial statements for each financial year. Under that law, the director has 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 director 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 director is 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.

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 him to ensure that the financial statements comply with the Companies Act 2006. He is 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.

**Director's report for the year ended 31 December 2020
(continued)**

Exemption from audit

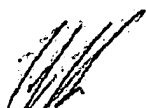
The Company has taken advantage of the exemption available under Section 480 of the Companies Act 2006 and has claimed the available exemption from audit.

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
24 September 2021

Balance sheet as at 31 December 2020

	Note	2020 £'000	2019 £'000
Investments	3	34	34
Creditors: amount falling due within one year	4	(10)	(10)
Net assets		24	24
Capital and reserves			
Called up share capital	5	20	20
Profit and loss account	2	4	4
Total equity shareholders' funds		24	24

For the year ending 31 December 2020 the company was entitled to exemption under section 480 of the Companies Act 2006. The members have not required the company to obtain an audit in accordance with section 476 of the Companies Act 2006.

The director acknowledges his responsibility for:

- (i) ensuring the company keeps accounting records which comply with section 386 of the Companies Act 2006; and
- (ii) preparing accounts which give a true and fair view of the state of affairs of the company as at the end of the financial year, and of its profit or loss for the financial year, in accordance with the requirements of section 393 of the Companies Act 2006, and which otherwise comply with the requirements of the Companies Act 2006 relating to accounts, so far as is applicable to the company.

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 8 were approved by the director on 24 September 2021.



Mr T Pullen

Director

24 September 2021

Notes to the financial statements year ended 31 December 2020

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 EPI Holdings 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 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, in conjunction with increased covenant headroom following the formal extension of the relaxation of certain bank covenants 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 2020

1 Accounting policies (continued)

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 2020 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.

2 Profit and loss account

The company has not traded during the period and there have been no movements in shareholders' funds. Accordingly neither a profit and loss account nor a statement of movements in shareholders' funds has been prepared. The director is the only employee and received no remuneration from the company.

**Notes to the financial statements year ended
31 December 2020 (continued)****3 Investments**

	Investment in subsidiary undertaking £'000
Cost and net book value	
At 31 December 2019 and 31 December 2020	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.

4 Creditors: amounts falling due within one year

	2020 £'000	2019 £'000
Amounts owed to subsidiary undertaking	10	10

5 Called up share capital

	2020 £'000	2019 £'000
Authorised		
20,000 ordinary shares of £1 each	20	20
Issued, allotted, called up and fully paid		
20,000 ordinary shares of £1 each	20	20

6 Contingencies

On 24 January 2019 the company entered into a new 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.

**Notes to the financial statements year ended
31 December 2020 (continued)**

7. Ultimate parent company

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