

**Element Materials Technology Laboratory
Instrumentation UK Limited (formerly Anatune
Limited)**

Directors' Report and Financial Statements

For the Fifteen Months Ended

31 December 2021

Company Number 03116801

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Element Materials Technology Laboratory Instrumentation UK Limited (formerly Anatune Limited)

Company information

Directors	A Taylor C R Collins M J Hopkinson
Registered number	03116801
Registered office	3 rd Floor Davidson Building 5 Southampton Street London WC2E 7HA United Kingdom
Independent auditor	Ernst & Young LLP 1 More London Place London SE1 2AF United Kingdom

Element Materials Technology Laboratory Instrumentation UK Limited (formerly Anatune Limited)

Contents

	Page
Directors' report	1 - 4
Directors' responsibilities statement	5
Independent auditor's report	6 - 8
Statement of profit or loss	9
Statement of financial position	10
Statement of changes in equity	11
Notes to the financial statements	12 - 28

Element Materials Technology Laboratory Instrumentation UK Limited (formerly Anatune Limited)

Directors' Report for the 15 months ended 31 December 2021

The Directors present their report and financial statements for Element Materials Technology Laboratory Instrumentation UK Limited (the "Company") for the fifteen months ended 31 December 2021. The Company extended its accounting period from 30 September to 31 December to align the year end with that of the Element Group. The financial statements therefore show the fifteen-month period to 31 December 2021. The presented and comparative period are therefore not comparable due to the extended current period.

This report has been prepared with the special provisions of Part 15 of the Companies Act 2006 relating to small companies. The Directors have taken advantage of Section 414B whereby the Company is exempt from preparing a strategic report.

Principal activity

The principal activity of the Company throughout the fifteen months ended 31 December 2021 and the prior year was the supply of scientific products.

Results and dividends

The loss for the fifteen months, after taxation, amounted to £47,009 (profit for year to 30 September 2020 - £245,769).

No dividends were paid during the fifteen months to 31 December 2021 (year to 30 September 2020 - £nil).

Directors

The Directors who held office during the year and up to the date of signature of the financial statements were as follows:

T Taylor	
C R Collins	(Appointed 19 July 2021)
M J Hopkinson	(Appointed 19 July 2021)
A B Porter	(Resigned 10 August 2022)
A Lockley	(Resigned 29 July 2022)

Political contributions

The Company made no political donations and incurred no political expenditure during the year (2020: £nil).

Principal risks and uncertainties

While risk cannot be eliminated altogether, actions are taken to mitigate risk wherever possible. As a matter of policy, the Company does not enter into speculative activities. The material business and operational risks that the Directors consider the Company to be exposed to are:

Risk	Mitigating factor
Business continuity: Major incident or site closure resulting from factors including pandemics, natural disasters, or flood risks could cause a temporary closure of the Company's facilities and result in a reduction in revenue.	Internal monitoring for all health and safety policies is in place at all sites as well as business continuity plans.
Global economic recovery and market conditions: Unmitigated delays in the receipt of orders or cancellation of existing contracts could affect the Company's financial performance. If the Company is unable to continue trading profitably during periods of lower order intake, financial performance will deteriorate, and assets may be impaired.	The strength of our end market is an important driver for our growth. We actively monitor lead economic indicators in the market. The nature of the business and its variable cost base allows Management some flexibility to control costs and limit the impact of any global downturn.

Element Materials Technology Laboratory Instrumentation UK Limited (formerly Anatune Limited)

Directors' Report for the 15 months ended 31 December 2021 (continued)

Risk	Mitigating factor
Overall margin pressure due to significant cost inflation: In many geographies, there may be abnormal cost inflation due to which the Company's margin may come under pressure.	The Company has effected a number of price increases, coupled with this the Company continues to focus on cost control and efficiency programs to limit the impact of any abnormal cost inflation in 2022 and beyond.
Loss of reputation due to quality issues: The Company is exposed to potential liabilities arising from quality issues in the provision of services.	The Company has quality control procedures and operational KPIs in place to mitigate this risk which are under constant review and subject to regular external audit by accreditation bodies and customers. Strict quality control measures as well as deployment of experienced quality control expertise enable the Company to maintain standard operating procedures.
Loss of customer: The company has a single contract for the leasing of equipment to a single customer. There is a risk that the customer does not extend the contract beyond the current term.	The Company is improving its customer service, creating and expanding focused Key Accounts Management programs and improving operational delivery and regularly monitoring performance against expectations.
Liquidity and cashflow: The Company is exposed to a range of financial risks, both internally and externally driven, such as trade and intercompany non-repayment of debt or fluctuation in foreign exchange rates.	In order to ensure that sufficient funds are available to fund ongoing operations and future developments, Management regularly reviews the cash flow forecasts and financing arrangements, including any group support, of the business to ensure that there is sufficient funding in place. This includes reviews of the cash flow forecasts and operational performance of the entities from which the intercompany debt is due to monitor recoverability issues or the presence of indicators of impairment.
Cyber security: Cyber-security and related risks are key emergent areas of critical importance for all businesses. Cyber threats can emanate from a wide variety of sources and could target various systems for a wide range of purposes, making response particularly difficult. In addition to business interruption and financial loss, the Company may suffer reputational damage.	The Group's IT teams (the 'Group' being the whole group of companies, headed by EM Topco Limited) continually monitor cyber security developments as a business-as-usual activity. Working with a number of specialist and industry leading technical partners, multiple layers of business protection have been created through the use of advanced intrusion detection and protection systems, web access firewalls and advanced content filtering to combat denial of service attacks.

In accordance with its risk management guidelines the Company raises awareness of business risks at all operational management levels and encourages all management teams to assess and minimise risk. The Company's intermediate holding company, EM Topco Limited, ensures that appropriate insurance cover is in place for the Company and its subsidiaries in respect of customarily insured liabilities and claims. The risks are monitored by the Directors on a continual basis.

Element Materials Technology Laboratory Instrumentation UK Limited (formerly Anatune Limited)

Directors' Report for the 15 months ended 31 December 2021 (continued)

Going concern

The Company's business activities, together with factors likely to affect its future development, performance and position are considered by the Directors on an annual basis.

The Directors believe that preparing the financial statements on the going concern basis is appropriate due to the continued financial support of the intermediate parent company, EM Topco Limited ("Element"). The Directors have received confirmation that Element will support the company as necessary, and has the ability to do so, until the end of the period considered by the Directors in their going concern assessment, being the period from the date of approval of the Annual Report and Financial Statements until 31 December 2024.

This financial support is required as the Company is a participant in the Element Group cash pooling arrangement and therefore as a result, ultimately relies on the liquidity of the Group.

The Directors have, at the time of approving the financial statements, a reasonable expectation that the Group and Company have the adequate resources for the Company to continue to adopt the going concern basis of accounting in preparing these financial statements. Further detail is contained in the statement on going concern within note 2.3 to the financial statements.

Events after the reporting date

On 6th July 2022, the Company's ultimate parent undertaking, Element Materials Technology Group Limited was acquired by EM Bidco Limited. Following the acquisition, the ultimate parent undertaking changed to Temasek Holdings (Private) Limited, a company incorporated in Singapore. The completion of the acquisition resulted in the extinguishment of the Group's old debt facilities and establishment of new facilities. The Company was not required to provide a guarantee for the new facilities.

Between the end of the financial year and the date of this report, no other item, transaction or event of a material nature has occurred, in the opinion of the Directors of the Company, that is likely to significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial years

Future developments

The Directors are not aware, at the date of this report of any likely major changes in the Company's activities in the next year.

Directors' insurance and indemnities

As permitted by the Companies Act 2006, the Group purchases and maintains Directors' and Officers' insurance cover against certain legal liabilities and costs incurred by the Directors and Officers of the companies within the Group, in the performance of their duties. The Company has also granted an indemnity to each of its Directors in relation to the Directors' exercise of their powers, duties and responsibilities as Directors of the Company, the terms of which are in the Companies Act 2006.

Disclosure of information to auditor

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

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

Element Materials Technology Laboratory Instrumentation UK Limited (formerly Anatune Limited)

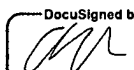
Directors' Report for the 15 months ended 31 December 2021 (continued)

Auditor

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

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board on 3 August 2023 and signed on its behalf.

DocuSigned by:

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C R Collins
Director
4 August 2023

Element Materials Technology Laboratory Instrumentation UK Limited (formerly Anatune Limited)

Directors' Responsibilities Statement for the 15 months ended 31 December 2021

The directors are responsible for preparing 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 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 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 year.

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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

Independent Auditor's Report to the Members of Element Materials Technology Laboratory Instrumentation Limited (formerly Anatune Limited)

Opinion

We have audited the financial statements of Element Materials Technology Laboratory Instrumentation Limited (the 'company') for the period ended 31 December 2021 which comprise of the Directors Responsibilities Statement, Balance Sheet and the related notes 1 to 24, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the company's affairs as at 31 December 2021 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and the provisions available for small entities, in the circumstances set out in note 2 to the financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period to 31 December 2024.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern.

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 this report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

Independent Auditor's Report to the Members of Element Materials Technology Laboratory Instrumentation Limited (formerly Anatune Limited) (continued)

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has 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 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
- the directors were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemptions in preparing the directors' report and from the requirement to prepare a strategic report

Responsibilities of directors

As explained more fully in the Directors' responsibilities statement (set out on page 5) 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.

Auditor's responsibilities for the audit of the financial statements

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

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

Independent Auditor's Report to the Members of Element Materials Technology Laboratory Instrumentation Limited (formerly Anatune Limited) (continued)

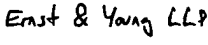
Our approach was as follows:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the company and determined that the most significant are those that relate to the reporting framework (FRS102 and the Companies Act 2006) and the relevant tax compliance regulations. In addition, we conclude that there are certain significant laws and regulations relating to health and safety, employee matters, environmental matters and anti-bribery and corruption practices across the various jurisdictions in which the company operates.
- We understood how Element Materials Technology Laboratory Instrumentation UK Limited is complying with those frameworks by making enquiries of management including those responsible for legal and compliance procedures. We corroborated our enquires through our review of board meeting minutes and consideration of the results of our audit procedures for the company.
- We designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures involved a review of board minutes to identify any non-compliance with laws and regulations and enquiries of general counsel, those charged with governance and management. If we identify instances of non-compliance, we understand how management and those charged with governance have responded to them, including understanding the remediation actions taken, through enquiry of management and inspection of relevant documentation and correspondence. We also consider the appropriateness of the accounting for the impacts of any such non-compliance, and the adequacy of the financial statement disclosures.
- We assessed the susceptibility of the company's financial statements to material misstatement, including how fraud might occur by meeting with management to understand where it considered there was susceptibility to fraud, reviewing documentation of the company's policies and procedures including the Code of Conduct and assessing whistleblowing incidences for those with a potential financial reporting impact. We also considered performance targets and whether they might influence management to override controls to manipulate revenue. As a result, we identified a fraud risk relating to manipulation of accrued income. We considered the controls that the company has established to address the risk identified, or that otherwise prevent, deter or detect fraud and how senior management monitors those controls; and
- We designed our audit procedures to respond to the identified risk relating to manipulation of accrued income. The procedures included understanding the revenue recognition process including calculation related to accrued income and challenging and understanding any judgement made about stage of completion of projects. We selected samples from the accrued income listing and reviewed underlying documentary evidence supporting the revenue recognition. We also reviewed credit notes raised post year end and sampled material items to obtain evidence supporting the transaction and recognition date. We also, as part of the overall response to the risk of fraud, performed journal entry testing

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:

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Cameron Cartmell (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
London
10 August 2023

Element Materials Technology Laboratory Instrumentation UK Limited (formerly Anatune Limited)

Statement of profit or loss for the 15 months ended 31 December 2021

		15 months to Dec 2021	Year to 30 Sep 2020 (restated)
	Note	£	£
Revenue		6,383,433	5,107,895
Cost of sales		(3,555,862)	(2,607,575)
Gross profit		2,827,571	2,500,320
Administrative expenses		(2,859,927)	(2,307,329)
Other operating income	4	1,593	81,032
Operating (loss) / profit	5	(30,763)	274,023
Interest payable and similar charges	6	(12,831)	(15,093)
(Loss) / profit before tax		(43,594)	258,930
Tax on profit	8	(3,415)	(13,161)
(Loss) / profit after tax		(47,009)	245,769

All results are generated from continuing operations.

There is no Statement of other comprehensive income as all income and expenses for the current period are included in the Statement of profit or loss above.

The accompanying notes are an integral part of these financial statements.

Element Materials Technology Laboratory Instrumentation UK Limited (formerly Anatune Limited)

Statement of financial position as at 31 December 2021

	Note	2021 £	2021 £	2020 (restated) £	2020 (restated) £
Fixed assets					
Intangible assets	9		9,682		-
Tangible assets	10		755,104		986,116
Investments	11		1		1
			<u>764,787</u>		<u>986,117</u>
Current assets					
Stocks	12	527,929		692,855	
Debtors: amounts falling due within one year	13	1,662,037		793,038	
Cash at bank and in hand		176,121		490,160	
		<u>2,366,087</u>		<u>1,976,053</u>	
Creditors: amounts falling due within one year	14	(1,832,225)		(1,506,282)	
Net current assets			<u>533,862</u>		<u>469,771</u>
Total assets less current liabilities			<u>1,298,649</u>		<u>1,455,888</u>
Creditors: amounts falling due after more than one year	15		(44,892)		(139,244)
Provisions for liabilities					
Provisions for liabilities	17		(199,782)		(215,660)
Net assets			<u>1,053,975</u>		<u>1,100,984</u>
Capital and reserves					
Called up share capital	18		32,364		32,364
Share premium account	19		16,678		16,678
Capital redemption reserve	19		6,374		6,374
Retained earnings	19		998,559		1,045,568
Total shareholder equity			<u>1,053,975</u>		<u>1,100,984</u>

The accompanying notes are an integral part of these financial statements.

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements of Element Materials Technology Laboratory Instrumentation UK Limited (registered number 03116801) were approved by the Board of Directors and authorised for issue on 3 August 2023 and were signed on its behalf by:

DocuSigned by:
C R Collins
Director
4 August 2023

Element Materials Technology Laboratory Instrumentation UK Limited (formerly Anatune Limited)

Statement of changes in equity for the 15 months ended 31 December 2021

	Share capital	Share premium account	Capital redemption reserve	Retained earnings	Total
	£	£	£	£	£
At 1 October 2020 (note 2.18)	32,364	16,678	6,374	1,045,568	1,100,984
Loss for the period	-	-	-	(47,009)	(47,009)
At 31 December 2021	<u>32,364</u>	<u>16,678</u>	<u>6,374</u>	<u>998,559</u>	<u>1,053,975</u>

Statement of changes in equity for the year ended 30 September 2019

	Share capital	Share premium account	Capital redemption reserve	Retained earnings	Total
	£	£	£	£	£
At 1 October 2019	32,364	16,678	6,374	826,769	882,185
Prior period adjustments (note 2.18)	-	-	-	(26,970)	(26,970)
At 1 October 2019 (restated)	<u>32,364</u>	<u>16,678</u>	<u>6,374</u>	<u>799,799</u>	<u>855,215</u>
Profit for the year	-	-	-	254,794	254,794
Prior period adjustments (note 2.18)	-	-	-	(9,025)	(9,025)
At 30 September 2020 (restated)	<u>32,364</u>	<u>16,678</u>	<u>6,374</u>	<u>1,045,568</u>	<u>1,100,984</u>

Element Materials Technology Laboratory Instrumentation UK Limited (formerly Anatune Limited)

Notes to the financial statements for the 15 months ended 31 December 2021 (continued)

1. General information

The Company is a private limited company limited by shares, registered in England and Wales under the Companies Act. The address of the registered office is given on the Company information page and the nature of the Company's operations and its principal activities are set out in the directors' report.

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 Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with Section 1A of FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the company's accounting policies (see note 3).

The presentational and functional currency of these financial statements is GBP. Values are rounded to the nearest pound.

The following principal accounting policies have been applied:

2.2 Financial reporting standard 102 - reduced disclosure exemption

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

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.
- This information is included in the consolidated financial statements of Element Materials Technology Limited as at 31 December 2021 and these financial statements may be obtained from Companies House.

Element Materials Technology Laboratory Instrumentation UK Limited (formerly Anatune Limited)

Notes to the financial statements for the 15 months ended 31 December 2021 (continued)

2. Accounting policies (continued)

2.3 Going concern

In line with the Financial Reporting Council's guidance on going concern issued in April 2016, the Directors have undertaken an exercise to review the appropriateness of the continued use of the going concern basis. The financial statements of the Company have been prepared on a going concern basis, as the Directors have concluded that the going concern basis continues to be appropriate.

The Company has, as at 31 December 2021 net assets of £1,053,975 (30 September 2020: £1,100,984) The Company has no external loans or borrowings or complex financial instruments as at 31 December 2021 (30 September 2020 £nil). The Company had cash balances of £176,121 at as 31 December 2021 (30 September 2020 £490,160). The Company generated a loss after tax of £47,009 in the 15 months ended 31 December 2021 (Year to 30 September 2020: Profit after tax of £245,769).

The company's future viability is ultimately dependent on the performance of the wider trading group owned by the company's intermediate holding company, EM Topco Limited ("Element"), and group management's decisions on the flow of capital.

The Directors believe that preparing the financial statements on the going concern basis is appropriate due to the continued financial support of the Intermediate parent company, EM Topco Limited ("Element"). The Directors have received confirmation that Element will support the company as necessary, and has the ability to do so, until the end of the period considered by the Directors in their going concern assessment, being the period from the date of approval of the Annual Report and Financial Statements until 31 December 2024. The Directors have ascertained that Element has the ability to provide this support through discussions with Element directors and review of available information.

This financial support is required as the Company is a participant in the Element Group cash pooling arrangement and therefore as a result, ultimately relies on the liquidity of the Group.

The going concern assessment, which has been performed for the period up to 31 December 2024, takes into account the Group's cash flow and available undrawn banking facilities. The analysis concluded that even after the downside scenarios modelled, the Group would have sufficient funds to trade and settle its liabilities as they fall due.

The Directors believe that the Group is well placed to manage its business risks successfully, despite the current uncertain economic outlook. The Group's forecasts and projections, taking account of reasonably possible changes in trading performance, show that the Group would be able to operate within the level of its current committed facilities. As part of a regular assessment of the Group's working capital and financing position, the Directors have prepared a detailed bottom-up trading budget and cash flow forecast for the period through 31 December 2024.

The Directors have chosen the period to 31 December 2024 to assess the going concern because this is the end of the date of the period used for the going concern assessment of the Group headed by EM Topco Limited, the Intermediate parent, upon whose continued financial support the Company relies. In considering the going concern status, the Directors have considered the principal risks and uncertainties discussed in the strategic report and assessed the impact.

Element Materials Technology Laboratory Instrumentation UK Limited (formerly Anatune Limited)

Notes to the financial statements for the 15 months ended 31 December 2021 (continued)

2. Accounting policies (continued)

2.3 Going Concern (continued)

In assessing the going concern status, the Directors have considered:

- Global economic downturn impacting underlying end-markets
- Susceptibility to inflation and interest rate movements
- The status of the Group's existing and future credit arrangements
- Technological disruption due to simulation and software potentially reducing traditional testing and/or outsourcing of testing activities
- Difficulties in recruiting/retaining technical talent to support organic growth, and
- Overall margin pressure due to significant cost inflation, delivery of NTS synergies, and the availability of mitigating actions including price increases and managing capital expenditure.

The Directors have considered the potential impacts of the conflict in Ukraine on our business, assessing possible supply chain disruptions and evaluating risks to future earnings. At this stage we do not anticipate a material impact to the Group's performance. However, if the Group is impacted, we are confident that mitigating actions and cost management plans within management's control could be implemented to alleviate risk.

The going concern assessment takes into account the Group's cash flow and available undrawn credit facilities. Based on the going concern assessment performed over the period to 31 December 2024, the Directors have a reasonable expectation that the Group will continue in operation, settle its liabilities as they fall due, and remain compliant with banking facilities and have adequate liquidity to trade.

Sensitivity analyses have been performed on the forecasts to consider the impact of severe, but plausible, reasonable worst-case scenarios on the headroom on cash and available credit facilities. These scenarios, which sensitized the forecasts for specific identified risks, modelled the reduction in anticipated levels of underlying EBITDA and the associated increase in net debt. This scenario is the sustained decline in Group performance due to a variety of macroeconomic issues including, but not limited to, cost inflation and is modelled on a 16% reduction in EBITDA in 2023 and 2024.

Throughout this downside scenario, the Group continues to have significant liquidity headroom on its debt commitments and existing facilities and against the revolving credit facility covenants.

Further considerations were made to the financial and operational impact of plausible downside scenarios occurring individually or in combination. These included the impacts of a further deterioration in the macro-economic environment, underperformance in executing the Group's strategy, failure to deliver operational improvements. Consideration was also given to the plausibility of the occurrence of other individual events that could have a material impact on the Group's going concern status.

As a result of the Group wide going concern assessment described above and the confirmation received that Element will support the Company as necessary and has the ability to do so, to 31 December 2024, the Directors are satisfied that the Company has access to adequate resources to continue in operational existence for the foreseeable future and will be able to meet its liabilities as they fall due during the period from the date of the approval of these financial statements to 31 December 2024.

Therefore, the financial statements of the Company have been prepared on a going concern basis.

Element Materials Technology Laboratory Instrumentation UK Limited (formerly Anatune Limited)

Notes to the financial statements for the 15 months ended 31 December 2021 (continued)

2. Accounting policies (continued)

2.4 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the company and the turnover can be reliably measured. 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 when all of the following conditions are satisfied:

- the company has transferred the significant risks and rewards of ownership to the buyer;
- the company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of turnover can be measured reliably;
- it is probable that the company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

2.5 Government grants

Grants are accounted under the accruals model as permitted by FRS 102. Grants relating to expenditure on tangible fixed assets are credited to profit or loss at the same rate as the depreciation on the assets to which the grant relates. The deferred element of grants is included in creditors as deferred income.

Grants of a revenue nature are recognised in the Statement of profit or loss in the same period as the related expenditure.

2.6 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 the Statement of 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.

2.7 Research and development

Research and development expenditure is written off as incurred

Element Materials Technology Laboratory Instrumentation UK Limited (formerly Anatune Limited)

Notes to the financial statements for the 15 months ended 31 December 2021 (continued)

2. Accounting policies (continued)

2.8 Intangible assets

Computer software is stated at cost less accumulated amortisation and accumulated impairment losses. Software is amortised over its estimated useful life, of between one and three years, on a straight-line basis.

Where factors such as technological advancement or changes in market price, indicate that residual value or useful life have changed, the residual value, useful life or amortisation rate are amended prospectively to reflect the new circumstances. The assets are revised for impairment if the above factors indicate that the carrying amount may be impaired.

2.9 Tangible fixed assets

Tangible fixed assets are stated at historical cost less accumulated depreciation and impairment. 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.

Depreciation is provided at rates calculated to write off the cost or valuation, less estimated residual value, of each asset on a straight-line basis over its expected useful life, as follows:

Leasehold property improvements	- Lower of useful life and contractual lease term
Plant and machinery	- 15%
Motor vehicles	- 25%
Office equipment	- 25%
Computer equipment	- 25%

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 the Statement of profit or loss.

2.10 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 balance sheet 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 the Statement of profit or loss.

Element Materials Technology Laboratory Instrumentation UK Limited (formerly Anatune Limited)

Notes to the financial statements for the 15 months ended 31 December 2021 (continued)

2. Accounting policies (continued)

2.11 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.

2.12 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.

2.13 Creditors

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

2.14 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 balance sheet 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 balance sheet.

2.15 Finance leases and hire purchase contracts

Assets held under finance leases and hire purchase contracts are recognised in the balance sheet as assets and liabilities at the lower of the fair value of assets and the present value of the minimum lease payments, which is determined at the inception of the lease term. Any initial direct costs of the lease are added to the amount recognised as an asset.

Lease payments are apportioned between the finance charges and reduction of the outstanding lease liability using the effective interest method. Finance charges are allocated to each period so as to produce a constant rate of interest on the remaining balance of the liability.

Element Materials Technology Laboratory Instrumentation UK Limited (formerly Anatune Limited)

Notes to the financial statements for the 15 months ended 31 December 2021 (continued)

2.16 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of 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 balance sheet date in the countries where the company operates and generates income.

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

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

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

2.17 Provisions for liabilities

A provision is recognised when the group has a legal or constructive obligation as a result of a past event and it is probably that an outflow of economic benefits will be required to settle the obligation.

A provision for dilapidation liabilities are made when there is a present obligation and where it is probable that expenditure on restoration work will be required and a reliable estimate can be made of the cost.

2.18 Prior year restatement

Recognition of dilapidation provision for leasehold improvements

The comparative figures in the Statement of Profit or Loss, the Statement of Financial Position and the Statement of Changes in Equity have been restated to correct for an error arising from the non-recognition of Leasehold improvements and dilapidation provision of £46,853 and £82,867 respectively. Recognition of depreciation on the leasehold improvements amounted to £7,809 and impact of recognition of interest expense amounted to £1,231. The value of Tangible Assets and Provisions previously reported have therefore been increased to £986,116 and £82,867 respectively in the Statement of Financial Position. The value of retained earnings as at 1 October 2019 has decreased by £26,970 to £799,799 and the balance as at 30 September 2020 has decreased by £35,994 to £1,045,568. The value of Administration Expenses and Interest expense previously reported have been increased to £2,307,329 and £1,231 respectively in the Statement of Profit or Loss, resulting in a reduction in the profit for the year from £254,794 to £245,769.

Element Materials Technology Laboratory Instrumentation UK Limited (formerly Anatune Limited)

Notes to the financial statements for the 15 months ended 31 December 2021 (continued)

3. Critical accounting judgements and key sources of estimation

In the application of the company's accounting policies, which are described in note 2, the Directors are required to make judgements that have a significant impact on the amounts recognised and to make estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates

The directors consider that there were no critical accounting judgments made in preparing these financial statements.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised if the revision affects only that year, or in the year of the revision and future periods. The key assumptions concerning the future, and other key sources of estimation uncertainty at the reporting period, that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

Dilapidations

Provisions for dilapidation liabilities are made when there is a present obligation and where it is probable that expenditure on restoration work will be required and a reliable estimate can be made of the cost. In estimating the dilapidation liability, Management uses their best estimate regarding cost of restoring operating sites to their original condition in accordance with the terms of the lease contracts where relevant. These estimates are reviewed annually, and the amount expected to be paid on termination or expiry of the leased property is recognised as a dilapidation provision as at year end. There are significant uncertainties with regards to the timing and final amounts of any future payments. These uncertainties can also result in the reversal of previously established provisions once final settlement is reached with the third party. Given the nature of the provision, it is not possible to estimate the exact timing of cash flows.

4. Other operating income

	15 months to 31 Dec 2021 £	Year to 30 Sep 2020 £
Government grants receivable	<u>1,593</u>	<u>81,032</u>

Element Materials Technology Laboratory Instrumentation UK Limited (formerly Anatune Limited)

Notes to the financial statements for the 15 months ended 31 December 2021 (continued)

5. Operating profit

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

	15 months to Dec 2021 £	Year to 30 Sep 2020 £
Fees payable to the company's auditor	-	4,250
Exchange differences	3,645	318
Amortisation of intangible fixed assets (note 9)	12,109	-
Depreciation of tangible fixed assets (note 10)	266,151	239,958
Operating lease rentals	134,982	96,592
(Profit)/loss on disposal of tangible fixed assets	(4,083)	10,455
Pension costs	<u>58,053</u>	<u>46,290</u>

A prior period adjustment has been made to increase depreciation expense by £7,812 in year ended 30 September 2020 (£23,436 in year ended 30 September 2019) to correct for the omission of a provision for dilapidations.

Audit fees

Fees payable to Ernst & Young LLP for the audit of the Company for the period ended 31 December 2021 were borne by other companies within the Group and disclosed in the consolidated financial statements of Element Materials Technology Group Limited (2020: Year ended 30 September 2020 £4,250 paid to BDO).

6. Interest Payable

	15 months to 31 Dec 2021 £	Year to 30 Sep 2020 £
Interest Payable	<u>12,831</u>	<u>15,093</u>

Interest payable relates to interest payable on HP agreements and the unwinding of discount and changes on discount rate on provisions.

7. Employees and Directors' remuneration

The average number of persons employed by the company during the year amounted to 24 (2020 - 26).

The 5 directors who served during the period are also directors of a number of other group companies and do not consider it possible to identify the proportion of their remuneration relating to their roles as directors of this company.

- The remuneration of 2 of these is included in the disclosure in the Element Materials Technology Holding UK Limited financial statements, of which £nil was paid through these financial statements.
- The remuneration of 2 of these is included in the disclosure in the Element Material Technology Laboratory Solutions UK Limited financial statements, of which £nil was paid through these financial statements.
- The remuneration of 1 of these was £109,154, which was paid through these financial statements (2020: £85,962).

The amounts paid to the highest paid director during the fifteen months to 31 December 2021 was £109,154 (year to 30 September 2020: £85,962).

There were no other short-term employee benefits in the year (2020: nil) and there were no retirement benefits accruing to Directors under pension schemes as at 31 December 2021 (2020: nil).

Element Materials Technology Laboratory Instrumentation UK Limited **(formerly Anatune Limited)**

Notes to the financial statements **for the 15 months ended 31 December 2021 (continued)**

8. Taxation

Tax charge in the Statement of profit or loss:

	15 months to Dec 2021 £	Year to 30 Sep 2020 £
Corporation tax		
Current tax on profits for the period	15,000	31,667
Adjustments in respect of previous periods	5,525	-
Total current tax	<u>20,525</u>	<u>31,667</u>
Deferred tax		
Origination and reversal of timing differences	(44,874)	(18,506)
Changes to tax rates	27,764	-
Total deferred tax	<u>(17,110)</u>	<u>(18,506)</u>
Taxation on profit	<u><u>3,415</u></u>	<u><u>13,161</u></u>

The tax charge for the period can be reconciled to the profit per the Statement of profit or loss as follows:

	2021 £	2020 £
(Loss) / profit before taxation	<u>(43,594)</u>	<u>258,930</u>
Expected tax charge/(credit) based on a corporation tax rate of 19% (2020: 19%)	(8,283)	49,197
Group relief (claimed) for nil consideration	(24,650)	(72,788)
Expenses not deductible for tax purposes	3,059	36,752
Adjustment re		
Deferred tax rate change adjustment	27,764	-
Corporation tax prior year adjustment	5,525	-
Taxation charge for the period / year	<u><u>3,415</u></u>	<u><u>13,161</u></u>

At the Statement of financial position date, the Company had an unrecognised deferred tax asset of £nil.

Factors that may affect future tax charges

A UK budget resolution was announced on 3rd March 2021 increasing the UK corporation tax rate to 25%, effective from 1st April 2023. This was substantively enacted into UK law on the 10th June 2021. Deferred tax balances within the accounts have therefore been calculated using a corporation tax rate of 25%.

Element Materials Technology Laboratory Instrumentation UK Limited (formerly Anatune Limited)

Notes to the financial statements for the 15 months ended 31 December 2021 (continued)

9. Intangible fixed assets

	Software £	Total £
Cost or valuation		
At 1 October 2020	-	-
Additions	21,791	21,791
Disposals	(10,459)	(10,459)
At 31 December 2021	11,332	11,332
Amortisation		
At 1 October 2020	-	-
Charge for the period	12,109	12,109
Disposals	(10,459)	(10,459)
At 31 December 2021	1,650	1,650
Net book value		
At 31 December 2021	9,682	9,682
At 30 September 2020	-	-

Element Materials Technology Laboratory Instrumentation UK Limited (formerly Anatune Limited)

Notes to the financial statements for the 15 months ended 31 December 2021 (continued)

10. Tangible fixed assets

	Long-term leasehold property £	Plant and machinery £	Motor vehicles £	Office equipment £	Computer equipment £	Total £
Cost or valuation						
At 1 October 2020	33,914	1,397,566	198,270	30,329	131,327	1,791,406
Prior period adjustment	78,120	-	-	-	-	78,120
At 1 October 2020 (restated)	112,034	1,397,566	198,270	30,329	131,327	1,869,526
Additions	-	236,020	-	150	8,421	244,591
Disposals	-	(410,776)	(44,419)	-	-	(455,195)
At 31 December 2021	112,034	1,222,810	153,851	30,479	139,748	1,658,922
Depreciation						
At 1 October 2020 (as reported)	33,914	518,162	156,684	26,171	117,231	852,162
Prior period adjustment	31,248	-	-	-	-	31,248
At 1 October 2020 (restated)	65,162	518,162	156,684	26,171	117,231	883,410
Charge for the period	7,812	222,694	23,429	2,076	10,140	266,151
Disposals	-	(201,324)	(44,419)	-	-	(245,743)
At 31 December 2021	72,974	539,532	135,694	28,247	127,371	903,818
Net book value						
At 31 December 2021	<u>39,060</u>	<u>683,278</u>	<u>18,157</u>	<u>2,232</u>	<u>12,377</u>	<u>755,104</u>
At 30 September 2020	<u>46,872</u>	<u>879,404</u>	<u>41,586</u>	<u>4,158</u>	<u>14,096</u>	<u>986,116</u>

The prior period adjustment has been made to correct for an omission of a provision for dilapidations (note 2.18)

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

	31 Dec 2021 £	30 Sep 2020 £
Plant and machinery	91,569	119,600
Motor vehicles	18,157	39,806
	<u>109,726</u>	<u>159,406</u>

Element Materials Technology Laboratory Instrumentation UK Limited (formerly Anatune Limited)

Notes to the financial statements for the 15 months ended 31 December 2021 (continued)

11. Investments

	Investments in subsidiary companies £
Cost or valuation	
At 30 September 2020	1
At 31 December 2021	<u>1</u>

The company holds 100% of the voting share capital of Friiscan Limited.

12. Stocks

	31 Dec 2021 £	30 Sep 2020 £
Finished goods and goods for resale	<u>527,929</u>	<u>692,855</u>

13. Debtors: amounts falling due within one year

	31 Dec 2021 £	30 Sep 2020 £
Trade debtors	862,842	399,290
Amounts owed by group undertakings	639,727	350,549
Prepayments and accrued income	159,468	43,199
	<u>1,662,037</u>	<u>793,038</u>

Amounts owed by group undertakings are unsecured, interest free, have no fixed repayment date and are repayable upon demand

Element Materials Technology Laboratory Instrumentation UK Limited (formerly Anatune Limited)

Notes to the financial statements for the 15 months ended 31 December 2021 (continued)

14. Creditors: amounts falling due within one year

	31 Dec 2021 £	30 Sep 2020 £
Trade creditors	496,288	189,558
Amounts owed by group undertakings	136,849	-
Corporation tax	37	31,629
Other taxation and social security	238,749	292,473
Obligations under finance lease and hire purchase contracts	36,412	63,566
Accruals and deferred income	923,890	929,056
	<u>1,832,225</u>	<u>1,506,282</u>

Amounts owed to group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable upon demand.

15. Creditors: amounts falling due after more than one year

	31 Dec 2021 £	30 Sep 2020 £
Net obligations under finance leases and hire purchase contracts	<u>44,892</u>	<u>139,244</u>

16. Hire purchase and finance leases

Minimum lease payments under hire purchase fall due as follows:

	31 Dec 2021 £	30 Sep 2020 £
Within one year	36,412	63,566
Between 1-5 years	44,892	139,244
	<u>81,304</u>	<u>202,810</u>

Hire purchase assets are secured on the assets concerned.

Element Materials Technology Laboratory Instrumentation UK Limited (formerly Anatune Limited)

Notes to the financial statements for the 15 months ended 31 December 2021 (continued)

17. Provisions for liabilities

	Deferred taxation £	Provision for dilapidations £	Total £
Cost or valuation			
At 1 October 2020 (as reported)	132,793	-	132,793
Prior period adjustment	-	82,867	82,867
At 1 October 2020 (restated)	132,793	82,867	215,660
(Credited)/charged to profit or loss	(17,109)	1,231	(15,878)
At 31 December 2021	<u>115,684</u>	<u>84,098</u>	<u>199,782</u>

The prior period adjustment has been made to correct for the omission of a provision for dilapidations

Deferred taxation

The provision for deferred taxation is made up as follows:

	31 Dec 2021 £	30 Sep 2020 £
Accelerated capital allowances	<u>115,684</u>	<u>132,793</u>

Provision for dilapidations

A provision is recognised for the expected costs of dilapidations at Wellbrook Court to return the building to the condition required in the lease. It is expected that these costs will be incurred at the end of the lease term in 2027.

18. Share capital

	31 Dec 2021 £	30 Sep 2020 £
Allotted, called up and fully paid		
30,000- ordinary A shares of £1 each	30,000	30,000
2,364- ordinary C shares of £1 each	2,364	2,364
	<u>32,364</u>	<u>32,364</u>

Ordinary A and C shares rank pari-passu except that ordinary C shares hold no voting rights.

Element Materials Technology Laboratory Instrumentation UK Limited (formerly Anatune Limited)

Notes to the financial statements for the 15 months ended 31 December 2021 (continued)

19. Reserves

The company's capital and reserves are as follows:

Called up share capital

Called up share capital represents the nominal value of the shares issued.

Capital redemption reserve

The capital redemption reserve is used to maintain the level of permanent capital where the company has bought back and cancelled its own shares.

Retained earnings

Retained earnings represents cumulative profits or losses, net of dividends paid and other adjustments.

20. Pension commitments

The company operates a defined contributions 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 £58,053 in the fifteen months to 31 December 2021 (year to 30 September 2020 - £46,290). Contributions totalling £Nil (30 September 2020 - £Nil) were payable to the fund at the balance sheet date and are included in creditors.

21. Commitments under operating leases

At 31 December 2021, the company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	31 Dec 2021 £	30 Sept 2020 £
Not later than 1 year	118,648	99,092
Later than 1 year and not later than 5 years	411,655	40,397
	<u>530,303</u>	<u>139,489</u>

22. Related party transactions

The company has taken advantage of the exemption as a subsidiary undertaking from disclosing transactions between wholly owned subsidiaries within the group, as allowed under FRS 102 section 33, 'Related Party Transactions'.

Element Materials Technology Laboratory Instrumentation UK Limited (formerly Anatune Limited)

Notes to the financial statements for the 15 months ended 31 December 2021 (continued)

23 Events after the reporting date

On 6th July 2022, the Company's ultimate parent undertaking, Element Materials Technology Group Limited was acquired by EM Bidco Limited. Following the acquisition, the ultimate parent undertaking changed to Temasek Holdings (Private) Limited, a company incorporated in Singapore. The completion of the acquisition resulted in the extinguishment of the Group's old debt facilities and establishment of new facilities. The Company was not required to provide a guarantee for the new facilities.

Between the end of the financial year and the date of this report, no other item, transaction or event of a material nature has occurred, in the opinion of the Directors of the Company, that is likely to significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial years.

24. Controlling party

The immediate parent undertaking is LCP Bidco Limited, a company incorporated in the England and Wales.

Until 19 July 2021, the ultimate parent company was Arch Sciences Group Limited, a company incorporated in the England and Wales. The ultimate controlling party until that date was Limerston Capital LLP. On 19 July 2021, the entire share capital of Arch Sciences Group Limited was acquired by Element Materials Technology Group Holdings CC2 Limited, a company incorporated in the England and Wales.

The parent company of the smallest group of which the Company is a member, and for which group financial statements are prepared, is Element Materials Technology Limited, a company incorporated in England and Wales.

As at 31 December 2021, the largest Group which includes the Company and for which Group financial statements are prepared is Element Materials Technology Group Limited, a company incorporated in England and Wales.

Copies of the 31 December 2021 Group financial statements of Element Materials Technology Limited and Element Materials Technology Group Limited are available from Companies House, Crown Way, Cardiff, CF14 3UZ, United Kingdom. The registered office address for both companies is 3rd Floor Davidson Building, 5 Southampton Street, London, United Kingdom, WC2E 7HA.

Following the acquisition on 6th July 2022, the Company's ultimate parent undertaking changed to Temasek Holdings (Private) Limited, a company incorporated in Singapore.