

Element Materials Technology Cambridge UK Limited

Directors' Report and Financial Statements

For the year ended

31 December 2022

Company Number: 08142067

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Element Materials Technology Cambridge UK Limited

Company Information

Directors	M Hopkinson S Cantley C Collins
Registered number	11446650
Registered office	3 rd Floor Davidson Building 5 Southampton Street London WC2E 7HA United Kingdom

Element Materials Technology Cambridge UK Limited

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Element Materials Technology Cambridge UK Limited

Directors' Report for the year ended 31 December 2022

The Directors present their report and financial statements of Element Materials Technology Cambridge UK Limited ("the Company") for the year ended 31 December 2022. In the previous period the Company extended the accounting period from 31 July 2021 to 31 December 2021 to align the year end with that of the Element Group. The current year and comparative amounts are therefore not comparable due to the extended prior 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 year ended 31 December 2021 and the prior 17 month period was the provision of modelling, simulation and data analysis services.

Directors

The Directors who served during the year were:

Dr James Dean	(Resigned 31 December 2022)
Roderick Martin	(Resigned 5 May 2023)
Matthew Hopkinson	(Appointed 20 January 2021)
Sheena Cantley	(Appointed 4 August 2023)
Claire Collins	(Appointed 21 September 2023)

Dividends

The Directors do not recommend payment of a dividend (2021: £nil).

Political contributions

The Company made no political donations and incurred no political expenditure during the year (2021: £nil).

Element Materials Technology Cambridge UK Limited

Directors' Report for the year ended 31 December 2022

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 holding 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 Group (the "Group") means the whole group of companies, headed by EM Topco Limited.

The Directors have, at the time of approving the financial statements, a reasonable expectation that the Group and the Company have 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 2.2 to the financial statements.

Events during the reporting period

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.

On 30 November 2022, the net assets of Element Materials Technology Cambridge UK Limited ("Cambridge") were hived into Element Digital Engineering Limited, which was a fellow subsidiary of Element Materials Technology Holding UK Limited. As a result of this transaction Cambridge became dormant and remains a wholly owned subsidiary of Element Materials Technology Holding UK Limited.

Events after the reporting date

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. While the company became dormant in 2022, due to its trade and assets being hived into a fellow subsidiary, the Directors do not intend to wind up the company for the foreseeable future.

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.

Element Materials Technology Cambridge UK Limited

Directors' Report for the year ended 31 December 2022

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.

Exemption from Audit under S479 of the Companies Act 2006

A guarantee has been given under S479C by the Company's parent company. As such the Company is exempt from audit.

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 21 December 2023 and signed on its behalf.



C Collins

Director

Date: 21 December 2023

Element Materials Technology Cambridge UK Limited

Directors' Responsibilities Statement for the year ended 31 December 2022

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.

Element Materials Technology Cambridge UK Limited

Statement of Profit or Loss for the year ended 31 December 2022

	Note	Year ended 31 Dec 2022 £	17months to 31 Dec 2021 £
Turnover		494,514	787,696
Cost of sales		(274,651)	(600,089)
Gross profit		219,863	187,607
Administrative expenses		(233,322)	(536,895)
Other operating income		-	1,600
Operating loss	4	(13,459)	(347,688)
Interest payable and similar charges		-	(1,625)
Loss before tax		(13,459)	(349,313)
Tax credit / (charge)	6	-	954
Loss after tax		(13,459)	(348,359)

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 Cambridge UK Limited

Registered number: 04801798

Statement of Financial Position as at 31 December 2022

	Note	31 Dec 2022 £	31 Dec 2022 £	31 Dec 2021 £	31 Dec 2021 £
Fixed assets					
Intangible assets	7		-		15,762
Tangible assets	8		-		20,127
			-		35,889
Current assets					
Debtors: amounts falling due within one year	9	101,343		143,437	
Cash at bank and in hand		-		117,868	
		101,343		261,305	
Current liabilities					
Creditors: amounts falling due within one year	10	(287,000)		(128,358)	
Net current (liabilities) / assets			(185,657)		132,947
Total assets less current liabilities			(185,657)		168,836
Non current liabilities					
Provisions	12		-		(341,034)
Net (liabilities) / assets			(185,657)		(172,198)
Capital and reserves					
Called up share capital	13		40		40
Share premium account			99,994		99,994
Profit and loss account			(285,691)		(272,232)
Total equity			(185,657)		(172,198)

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 were approved and authorised for issue by the board on 21 December 2023 and were signed on its behalf by



C Collins

Director

Company registration number: 04801798

Date: 21 December 2023

Element Materials Technology Cambridge UK Limited

Registered number: 04801798

**Statement of Changes in Equity
for the year ended 31 December 2022**

	Share capital	Share premium account	Profit and loss account	Total
	£	£	£	£
Balance at 31 July 2020	40	99,994	76,127	176,161
Loss for the 17 month period	-	-	(348,359)	(348,359)
Balance at 31 December 2021	40	99,994	(272,232)	(172,198)
Loss for the year	-	-	(13,459)	11,294
Balance at 31 December 2022	40	99,994	(285,691)	(185,657)

Element Materials Technology Cambridge UK Limited

Notes to the Financial Statements for the year ended 31 December 2022

1. General information

Element Materials Technology Cambridge UK Limited ("the Company") is a private company limited by shares incorporated in the United Kingdom under the Companies Act. The address of the registered office is 3rd Floor, Davidson Building, 5, Southampton Street, London, WC2E 7HA.

The principal activity of the Company throughout the year ended 31 December 2022 and the prior period was the provision of environmental testing services.

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 Going concern

In line with the Financial Reporting Council's guidance on going concern issued in April 2016 and the requirements of the Companies Act 2006, 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 2022 net liabilities of £185,657 (2021: net liabilities of £172,198). The Company has no external loans or borrowings or complex financial instruments as at 31 December 2022. The Company generated a loss after tax of £13,459 in the year ended 31 December 2021 (17 month period ended 31 December 2021: Loss after tax of £348,359).

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"). 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.

Element Materials Technology Cambridge UK Limited

Notes to the Financial Statements for the year ended 31 December 2022 (continued)

2.3 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

The following criteria must also be met before revenue is recognised:

Services

Revenue from services 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 revenue 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.

2.4 Tangible fixed assets

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

Depreciation is charged so as to allocate the cost of assets less their residual, using the straight-line method over its expected useful life, as follows.

Plant and machinery	- 4 years
IT equipment	- 4 years

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.

2.5 Debtors

Trade debtors, amounts due from group undertaking and other debtors are initially measured at transaction price and subsequently at cost less any impairment. Loans receivable are initially measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

Element Materials Technology Cambridge UK Limited

Notes to the Financial Statements for the year ended 31 December 2022 (continued)

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.

2.7 Creditors

Trade and other creditors are initially 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.

2.8 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.

2.9 Borrowings

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised costs, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the profit and loss account over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

2.10 Dividends

Dividend distribution to the company's shareholders is recognised as a liability in the financial statements in the reporting period in which the dividends are declared, unless the dividend is an interim declaration and settled in the period.

2.11 Defined contribution pension obligation

Contributions to defined contribution plans are recognised as employee benefit expense when they are due. If contribution payments exceed the contribution due to service, the excess is recognised as a prepayment.

Element Materials Technology Cambridge UK Limited

Notes to the Financial Statements for the year ended 31 December 2022 (continued)

2.12 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. Where there is a charge attributable to an item of income and expense or to an item recognised directly in equity these are 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.

2.13 Provisions

A provision is recognised where the company has a legal or constructive obligation as a result of a past event. The value of the provision is the best estimate of the amount the company would pay to settle the obligation at the reporting date. The effect of the time value of money is not material and the provision is not discounted.

3. Critical accounting judgements and estimates

In the application of the company's accounting policies, which are described in note 2, the Directors are required to make judgements, 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 the only critical accounting judgement in these financial statements is the provision for retention bonuses. Judgement is required in assessing the likelihood of cash outflows. Management bases its judgement on the legal obligations in place at the reporting date.

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 if the revision affects both current and future periods. The Directors consider that there are no significant estimates in the preparation of these financial statements that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Element Materials Technology Cambridge UK Limited

Notes to the Financial Statements for the year ended 31 December 2022 (continued)

4. Operating loss

The operating loss is stated after charging:

	Year ended 31 Dec 2022 £	17 months to 31 Dec 2021 £
Depreciation of tangible fixed assets (note 8)	5,327	3,813
Government support Covid-19 furlough income	-	(1,600)
Amortisation of intangible assets (note 7)	<u>5,668</u>	<u>2,598</u>

5. Employees and directors

The average monthly number of persons (including directors) employed by the company during the year was 5 (2021: 8).

6. Taxation

	Year ended 31 Dec 2022 £	17 months to 31 Dec 2021 £
Current tax		
Current year / period movement	-	-
Prior year / period movement	-	-
Deferred tax		
Current year / period movement	(1,332)	(954)
Prior period / year movement	<u>1,332</u>	
Total tax (credit) / charge	<u>-</u>	<u>(954)</u>

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 Cambridge UK Limited

Notes to the Financial Statements for the year ended 31 December 2022 (continued)

7. Intangible assets

	Total £
Cost	
At 1 January 2022	18,360
Disposals	(18,360)
At 31 December 2022	-
Accumulated amortisation	
At 1 January 2022	2,598
Charge for the period	5,668
Disposals	(8,266)
At 31 December 2021	-
Carrying amount	
At 31 December 2022	-
At 31 December 2021	15,762

8. Tangible fixed assets

	Plant & machinery £	IT Equipment £	Total £
Cost			
At 1 January 2021	417	23,523	23,940
Additions	-	15,550	15,550
Disposals	(417)	(39,073)	(39,490)
At 31 December 2022	-	-	-
Accumulated depreciation			
At 1 January 2021	417	3,396	3,813
Charge for the period	-	5,327	5,327
Disposals	(417)	(8,723)	(9,140)
At 31 December 2022	-	-	-
Carrying amount			
At 31 December 2022	-	-	-
At 31 December 2021	-	20,127	20,127

Element Materials Technology Cambridge UK Limited

Notes to the Financial Statements for the year ended 31 December 2022 (continued)

9. Debtors: amounts falling due within one year

	31 Dec 2022 £	31 Dec 2021 £
Trade debtors	-	57,791
Amounts recoverable on contracts	-	28,340
Amounts owed by group undertakings	101,343	53,301
Other debtors	-	-
Prepayments and other receivables	-	3,051
Deferred tax asset	-	954
	<u>101,343</u>	<u>143,437</u>

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

Amounts recoverable on contracts are initially recognised for revenue earned from ongoing services. Upon completion of services and acceptance by the customer, the amount recoverable on contract is reclassified to trade receivables.

10. Creditors: amounts falling due within one year

	31 Dec 2022 £	31 Dec 2021 £
Trade creditors	-	14,729
Amounts owed to group undertakings	287,000	85,500
Corporation tax	-	-
Other taxation and social security	-	17,698
Other creditors	-	10,431
	<u>287,000</u>	<u>128,358</u>

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

Element Materials Technology Cambridge UK Limited

Notes to the Financial Statements for the year ended 31 December 2022 (continued)

11. Deferred taxation

The following are the deferred tax liabilities and assets recognised by the company and movements thereon during the current and prior reporting periods.

	Accelerated capital allowances £	Total £
Deferred tax asset at 1 January 2022	954	954
Current year movement	1,332	954
Prior year movement	(1,332)	954
Transferred to another group entity	(954)	954
Deferred tax asset at 31 December 2022	-	954

12. Provisions

	£
At 1 January 2022	341,034
Charged in year	117,446
Released in year	(251,390)
Transferred in year	(207,090)
At 31 December 2022	-

The provision is for retention bonuses and other payments associated with the acquisition, which become payable in 2023 if conditions are met.

13. Share capital

	31 Dec 2022 £	31 Dec 2021 £
Allotted, called up and fully paid		
40,000 ordinary shares of £0.001	40	40

Element Materials Technology Cambridge UK Limited

Notes to the Financial Statements for the year ended 31 December 2022 (continued)

14. 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. Contributions of £nil (2021: £3,260) were payable to the fund at the balance sheet date and are included in creditors.

15. 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.

Share premium account

The share premium account contains the premium arising on the issue of equity shares, net of issue expenses.

Profit and loss account

The profit and loss account reserve comprises accumulated trading profits and losses.

16. 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'.

In the year ended 31 December 2022 the Company paid rent of £1,312 (17 month period ended 31 December 2021: £14,432) to Plastometrex Limited. Element Materials Technology Holding UK Limited holds minority shares in Plastometrex.

17. Events after the reporting date

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.

Element Materials Technology Cambridge UK Limited

Notes to the Financial Statements for the year ended 31 December 2022 (continued)

18. Controlling party

On 6th July 2022, the Company's ultimate parent undertaking changed to Temasek Holdings (Private) Limited, a company incorporated in Singapore. The Company's immediate parent undertaking is Element Materials Technology Holding UK Limited, which is incorporated in 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 EM Midco2 Limited, a company incorporated in England and Wales.

The parent undertaking of the largest Group of which the Company is a member and for which group financial statements are prepared is Temasek Holdings (Private) Limited, a company incorporated in Singapore.

Copies of the 31 December 2022 Group financial statements of EM Midco2 Limited are available from Companies House, Crown Way, Cardiff CF14 3UZ. EM Midco2 Limited's registered office address is 3rd Floor Davidson Building, 5, Southampton Street, London, United Kingdom, WC2E 7HA.

Copies of the 31 March 2023 Group financial statements of Temasek Holdings (Private) Limited are available from www.temasekreview.com.sg/group-financials/.