



**ANNUAL REPORT**  
**FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER 2012**



**Company Number: 931259**

**REGISTERED NUMBER: 00931259 (England and Wales)**

**ELGEM TECHNOLOGY  
COMPANY LIMITED BY GUARANTEE**

**REPORT OF THE DIRECTORS AND  
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2012**

Wags LLP t/a Wagstaffs  
Chartered Accountants and Statutory Auditors  
Richmond House  
Walkern Road  
Stevenage  
Hertfordshire  
SG1 3QP

**ELGEM TECHNOLOGY (REGISTERED NUMBER: 00931259)  
COMPANY LIMITED BY GUARANTEE**

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FOR THE YEAR ENDED 31ST DECEMBER 2012**

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**ELGEM TECHNOLOGY  
COMPANY LIMITED BY GUARANTEE**

**COMPANY INFORMATION  
FOR THE YEAR ENDED 31ST DECEMBER 2012**

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**DIRECTORS:** Dr Stuart Cook  
Dr Salmiah Ahmad  
Dr Kamarudin Ab-Malek  
Dr Wan Abdul Rahaman Wan Yaacob

**SECRETARY:** Dr Elias Ben Awang

**REGISTERED OFFICE:** Brickendon Lane  
Brickendonbury  
Hertford  
Hertfordshire  
SG13 8NL

**REGISTERED NUMBER.** 00931259 (England and Wales)

**AUDITORS:** Wags LLP t/a Wagstaffs  
Chartered Accountants and Statutory Auditors  
Richmond House  
Walkern Road  
Stevenage  
Hertfordshire  
SG1 3QP

**ELGEM TECHNOLOGY (REGISTERED NUMBER: 00931259)  
COMPANY LIMITED BY GUARANTEE**

**REPORT OF THE DIRECTORS  
FOR THE YEAR ENDED 31ST DECEMBER 2012**

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The directors present their report with the financial statements of the company for the year ended 31st December 2012

**PRINCIPAL ACTIVITY**

The company's principal activity during the year was to undertake commercial activities that are in line with the role, function and policies of the Malaysian Rubber Board and the Tun Abdul Razak Research Centre and the commercial exploitation of new products developed by the Tun Abdul Razak Research Centre. In addition the company awards specific research grants to facilitate new product development.

**DIRECTORS**

The directors shown below have held office during the whole of the period from 1st January 2012 to the date of this report

Dr Stuart Cook  
Dr Salmiah Ahmad  
Dr Kamarudin Ab-Malek  
Dr Wan Abdul Rahaman Wan Yaacob

**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The directors are responsible for preparing the Report of the Directors 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 period. In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and accounting estimates that are reasonable and prudent,
- 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.

**STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS**

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

**ELGEM TECHNOLOGY (REGISTERED NUMBER: 00931259)  
COMPANY LIMITED BY GUARANTEE**

**REPORT OF THE DIRECTORS  
FOR THE YEAR ENDED 31ST DECEMBER 2012**

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**AUDITORS**

The auditors, Wags LLP t/a Wagstaffs, will be proposed for re-appointment at the forthcoming Annual General Meeting

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

**ON BEHALF OF THE BOARD:**



Dr Elias Ben Awang - Secretary

Date

27/6/2013

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF  
ELGEM TECHNOLOGY**

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We have audited the financial statements of Elgem Technology for the year ended 31st December 2012, which comprise the Profit and Loss Account, Balance Sheet, Cashflow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (effective April 2008) (United Kingdom Generally Accepted Practice applicable to Smaller Entities).

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 a Report of the Auditors 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.

**Respective responsibilities of directors and auditors**

As explained more fully in the Statement of Directors' Responsibilities set out on page two, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

**Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Report of the Directors to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

**Opinion on financial statements**

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31st December 2012 and of its loss for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

**Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements.

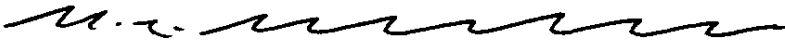
**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF  
ELGEM TECHNOLOGY**

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**Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where 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, or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the Report of the Directors



Mark Hubbocks (Senior Statutory Auditor)  
for and on behalf of Wags LLP t/a Wagstaffs  
Chartered Accountants and Statutory Auditors  
Richmond House  
Walkern Road  
Stevenage  
Hertfordshire  
SG1 3QP

Date 27<sup>th</sup> June 2013



**ELGEM TECHNOLOGY (REGISTERED NUMBER: 00931259)**  
**COMPANY LIMITED BY GUARANTEE**

**PROFIT AND LOSS ACCOUNT**  
**FOR THE YEAR ENDED 31ST DECEMBER 2012**

|  | Notes | 2012<br>£             | 2011<br>£        |
|--|-------|-----------------------|------------------|
| <b>TURNOVER</b>                                    | 2     | <b>449,690</b>        | 827,012          |
| Cost of sales                                      |       | <u>(219,687)</u>      | <u>(369,365)</u> |
| <b>GROSS PROFIT</b>                                |       | <b>230,003</b>        | 457,647          |
| Distribution costs                                 |       | (3,330)               | (4,838)          |
| Administrative expenses                            |       | <u>(238,114)</u>      | <u>(552,927)</u> |
| <b>OPERATING LOSS</b>                              | 3     | <b>(11,441)</b>       | (100,118)        |
| Interest receivable and similar income             |       | <u>712</u>            | <u>911</u>       |
|  |       | <u>(10,729)</u>       | <u>(99,207)</u>  |
| Interest payable and similar charges               |       | <u>(721)</u>          | <u>(922)</u>     |
| <b>LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION</b> |       | <b>(11,450)</b>       | (100,129)        |
| Tax on loss on ordinary activities                 | 4     | <u>2,289</u>          | <u>20,692</u>    |
| <b>LOSS FOR THE FINANCIAL YEAR</b>                 |       | <u><b>(9,161)</b></u> | <u>(79,437)</u>  |

The notes form part of these financial statements

**ELGEM TECHNOLOGY (REGISTERED NUMBER: 00931259)**  
**COMPANY LIMITED BY GUARANTEE**

**BALANCE SHEET**  
**31ST DECEMBER 2012**

|  | Notes | 2012<br>£             | 2011<br>£             |
|--|-------|-----------------------|-----------------------|
| <b>FIXED ASSETS</b>                          |       |                       |                       |
| Tangible assets                              | 5     | 86,967                | 122,679               |
| Investments                                  | 6     | 1,312                 | 1,312                 |
|  |       | <u>88,279</u>         | <u>123,991</u>        |
| <b>CURRENT ASSETS</b>                        |       |                       |                       |
| Stocks                                       |       | 393,614               | 241,275               |
| Debtors                                      | 7     | 187,999               | 222,967               |
| Cash at bank and in hand                     |       | 788,444               | 1,190,851             |
|  |       | <u>1,370,057</u>      | <u>1,655,093</u>      |
| <b>CREDITORS</b>                             |       |                       |                       |
| Amounts falling due within one year          | 8     | (477,888)             | (767,522)             |
| <b>NET CURRENT ASSETS</b>                    |       | <u>892,169</u>        | <u>887,571</u>        |
| <b>TOTAL ASSETS LESS CURRENT LIABILITIES</b> |       | <u>980,448</u>        | <u>1,011,562</u>      |
| <b>CREDITORS</b>                             |       |                       |                       |
| Amounts falling due after more than one year | 9     | (21,955)              | (43,908)              |
| <b>NET ASSETS</b>                            |       | <u><u>958,493</u></u> | <u><u>967,654</u></u> |
| <b>RESERVES</b>                              |       |                       |                       |
| Capital reserve                              | 11    | 18,256                | 18,256                |
| Profit and loss account                      | 11    | 940,237               | 949,398               |
|  |       | <u><u>958,493</u></u> | <u><u>967,654</u></u> |

The notes form part of these financial statements

ELGEM TECHNOLOGY (REGISTERED NUMBER 00931259)  
COMPANY LIMITED BY GUARANTEE

BALANCE SHEET - continued  
31ST DECEMBER 2012

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The financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective April 2008)

The financial statements were approved by the Board of Directors on 27<sup>th</sup> June 2013 and were signed on its behalf by



Dr Stuart Cook - Director

The notes form part of these financial statements

**ELGEM TECHNOLOGY (REGISTERED NUMBER: 00931259)**  
**COMPANY LIMITED BY GUARANTEE**

**CASH FLOW STATEMENT**  
**FOR THE YEAR ENDED 31ST DECEMBER 2012**

|  | 2012<br>£             | 2011<br>£               |
|--|-----------------------|-------------------------|
| <b>Cash generated from operations</b>              |                       |                         |
| Operating loss                                     | (11,441)              | (100,118)               |
| Reconciliation to cash generated from operations   |                       |                         |
| Depreciation                                       | 35,712                | 35,712                  |
| (Increase)/decrease in stocks                      | (152,339)             | 219,131                 |
| Decrease in debtors                                | 37,257                | 17,663                  |
| (Decrease)/increase in creditors                   | (289,633)             | 333,448                 |
|  | <u>(380,444)</u>      | <u>505,836</u>          |
| <br><b>Cash from other sources</b>                 |                       |                         |
| Interest received                                  | <u>712</u>            | <u>911</u>              |
| <br><b>Application of cash</b>                     |                       |                         |
| Interest paid                                      | (721)                 | (922)                   |
| Purchase of tangible fixed assets                  | -                     | (18,000)                |
| Loan repayments in year                            | (21,954)              | (21,954)                |
|  | <u>(22,675)</u>       | <u>(40,876)</u>         |
| <br><b>Net (decrease)/increase in cash</b>         | <b>(402,407)</b>      | 465,871                 |
| Cash at bank and in hand at beginning of year      | <u>1,190,851</u>      | <u>724,980</u>          |
| <br><b>Cash at bank and in hand at end of year</b> | <u><b>788,444</b></u> | <u><b>1,190,851</b></u> |

The notes form part of these financial statements

**ELGEM TECHNOLOGY (REGISTERED NUMBER 00931259)  
COMPANY LIMITED BY GUARANTEE**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31ST DECEMBER 2012**

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**1 ACCOUNTING POLICIES**

**Accounting convention**

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008)

**Turnover**

Turnover represents the total invoice value, excluding value added tax, trade discounts and all other taxes of sales made during the year

**Tangible fixed assets**

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life

|                         |   |
|-------------------------|---|
| Land and buildings      | - Nil / 20 years straight line and Specialist workshop 50 years |
| Plant and machinery etc | - 20% on cost   |

**Stocks**

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items

**Deferred tax**

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date

**Foreign currencies**

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

**Investments**

Fixed asset investments are stated at cost less provision for permanent diminution in value

**Group accounts**

The company is entitled to the exemption under Section 398 of the Companies Act 2006 from the obligation to prepare group accounts

**2 TURNOVER**

Turnover attributable to geographical markets outside the United Kingdom amounted to 100% for the year

**ELGEM TECHNOLOGY (REGISTERED NUMBER: 00931259)**  
**COMPANY LIMITED BY GUARANTEE**

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED 31ST DECEMBER 2012**

**3 OPERATING LOSS**

The operating loss is stated after charging

|  | 2012              | 2011              |
|--|-------------------|-------------------|
|  | £                 | £                 |
| Depreciation - owned assets                    | 35,712            | 35,712            |
| Auditors remuneration                          | 2,250             | 3,500             |
| Foreign exchange differences                   | 28,112            | 44,329            |
|  | <u>          </u> | <u>          </u> |
| Directors' remuneration and other benefits etc | <u>          </u> | <u>          </u> |

**4 TAXATION**

**Analysis of the tax credit**

The tax credit on the loss on ordinary activities for the year was as follows

|                                    | 2012              | 2011              |
|------------------------------------|-------------------|-------------------|
|                                    | £                 | £                 |
| Deferred tax                       | (2,289)           | (20,692)          |
|                                    | <u>          </u> | <u>          </u> |
| Tax on loss on ordinary activities | (2,289)           | (20,692)          |
|                                    | <u>          </u> | <u>          </u> |

**5 TANGIBLE FIXED ASSETS**

|   | Land and<br>buildings<br>£ | Plant and<br>machinery<br>etc<br>£ | Totals<br>£       |
|---|----------------------------|------------------------------------|-------------------|
| <b>COST</b>                                   |                            |                                    |                   |
| At 1st January 2012<br>and 31st December 2012 | 18,723                     | 193,637                            | 212,360           |
|   | <u>          </u>          | <u>          </u>                  | <u>          </u> |
| <b>DEPRECIATION</b>                           |                            |                                    |                   |
| At 1st January 2012                           | 5,111                      | 84,570                             | 89,681            |
| Charge for year                               | 189                        | 35,523                             | 35,712            |
|   | <u>          </u>          | <u>          </u>                  | <u>          </u> |
| At 31st December 2012                         | 5,300                      | 120,093                            | 125,393           |
|   | <u>          </u>          | <u>          </u>                  | <u>          </u> |
| <b>NET BOOK VALUE</b>                         |                            |                                    |                   |
| At 31st December 2012                         | 13,423                     | 73,544                             | 86,967            |
|   | <u>          </u>          | <u>          </u>                  | <u>          </u> |
| At 31st December 2011                         | 13,612                     | 109,067                            | 122,679           |
|   | <u>          </u>          | <u>          </u>                  | <u>          </u> |

**ELGEM TECHNOLOGY (REGISTERED NUMBER 00931259)  
COMPANY LIMITED BY GUARANTEE**

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31ST DECEMBER 2012**

**5 TANGIBLE FIXED ASSETS - continued**

The freehold house is stated at market value on 20th January 1970, being the date of acquisition. All subsequent improvements are stated at cost.

The freehold property cost comprises £9,250 attributable to land and £9,473 attributable to the building and subsequent improvements.

**6 FIXED ASSET INVESTMENTS**

|                        | Interest<br>in other<br>participating<br>interests<br>£ |
|------------------------|---|
| <b>COST</b>            |   |
| At 1st January 2012    |   |
| and 31st December 2012 | <u>1,312</u>  |
| <b>NET BOOK VALUE</b>  |   |
| At 31st December 2012  | <u><u>1,312</u></u>                                     |
| At 31st December 2011  | <u><u>1,312</u></u>                                     |

The company owns the entire issued share capital of EK Polymers SDN BHD, a company incorporated in Malaysia. The company activity is the development and sale of polymers and associated products.

The net liabilities of EK Polymers SDN BHD at 31st December 2012 were £1,694 (2011: £638) and the loss for the period was £1,064 (2011: £886).

**7 DEBTORS. AMOUNTS FALLING DUE WITHIN ONE YEAR**

|                    | 2012<br>£             | 2011<br>£             |
|--------------------|-----------------------|-----------------------|
| Trade debtors      | 122,485               | 146,012               |
| Corporation tax    | 27,636                | 27,636                |
| VAT                | 28,873                | 42,603                |
| Deferred tax asset | 9,005                 | 6,716                 |
|                    | <u><u>187,999</u></u> | <u><u>222,967</u></u> |

**ELGEM TECHNOLOGY (REGISTERED NUMBER: 00931259)**  
**COMPANY LIMITED BY GUARANTEE**

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED 31ST DECEMBER 2012**

**7 DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR - continued**

|                                |              |              |
|--------------------------------|--------------|--------------|
| Deferred tax asset             | 2012         | 2011         |
|                                | £            | £            |
| Accelerated capital allowances | (10,289)     | (15,818)     |
| Tax losses carried forward     | 19,294       | 22,534       |
|                                | <u>9,005</u> | <u>6,716</u> |

**8 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

|                                    |                |                |
|------------------------------------|----------------|----------------|
|                                    | 2012           | 2011           |
|                                    | £              | £              |
| Trade creditors                    | 1,599          | 411            |
| Amounts owed to group undertakings | 173,789        | 463,261        |
| Accruals and deferred income       | 302,500        | 303,850        |
|                                    | <u>477,888</u> | <u>767,522</u> |

**9 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

|                                    |               |               |
|------------------------------------|---------------|---------------|
|                                    | 2012          | 2011          |
|                                    | £             | £             |
| Amounts owed to group undertakings | 21,955        | 43,908        |
|                                    | <u>21,955</u> | <u>43,908</u> |

**10 DEFERRED TAX**

|                                |                |
|--------------------------------|----------------|
|                                | £              |
| Balance at 1st January 2012    | (6,716)        |
| Losses carried forward         | 3,240          |
| Accelerated capital allowances | (5,529)        |
|                                | <u>(9,005)</u> |
| Balance at 31st December 2012  | <u>(9,005)</u> |

**11 RESERVES**

|                       | Profit<br>and loss<br>account<br>£ | Capital<br>reserve<br>£ | Totals<br>£    |
|-----------------------|------------------------------------|-------------------------|----------------|
| At 1st January 2012   | 949,398                            | 18,256                  | 967,654        |
| Deficit for the year  | (9,161)                            |                         | (9,161)        |
|                       | <u>940,237</u>                     | <u>18,256</u>           | <u>958,493</u> |
| At 31st December 2012 | <u>940,237</u>                     | <u>18,256</u>           | <u>958,493</u> |



**ELGEM TECHNOLOGY (REGISTERED NUMBER: 00931259)**  
**COMPANY LIMITED BY GUARANTEE**

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED 31ST DECEMBER 2012**

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**12 RELATED PARTY DISCLOSURES**

During the year the company purchased scientific research and consultancy services amounting to £168,464 (2011 £493,274) from the Tun Abdul Razak Research Centre, a company controlled by the Malaysian Rubber Board

Included within creditors is £195,744 due to the Tun Abdul Razak Research Centre (2011 £507,169) Of this, £21,955 (2011 £43,908) is due to be repaid after more than one year

These transactions are considered to be at arm's length

**13 ULTIMATE CONTROLLING PARTY**

The company is ultimately controlled by the Malaysian Rubber Board which is a Statutory Authority of the Government of Malaysia

**14 COMPANY LIMITED BY GUARANTEE**

The company has no share capital and is limited by guarantee and the liability of each member is limited to £1

The word "Limited" has been omitted from the company name from licence from the Department of Trade and Industry