

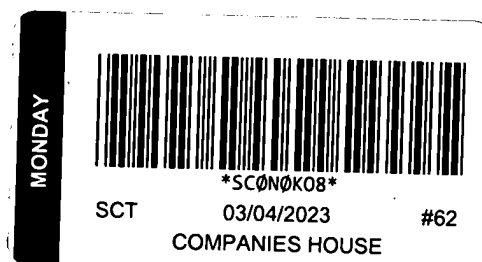
**Crawford Scientific Holdings  
Limited**

Annual Report and Financial Statements

For the Fifteen Months Ended

31 December 2021

Company Number SC479923



## **Crawford Scientific Holdings Limited**

### **Company Information**

<b>Directors</b>	A Taylor C R Collins M J Hopkinson
<b>Registered number</b>	SC479923
<b>Registered office</b>	Rosewell House 2a (1f) Harvest Drive Newbridge Midlothian EH28 8QJ Scotland
<b>Auditor</b>	Ernst & Young LLP 1 More London Place London SE1 2AF United Kingdom

## **Crawford Scientific Holdings Limited**

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# Crawford Scientific Holdings Limited

## Directors' Report for the fifteen months ended 31 December 2021

The Directors present their report and financial statements of Crawford Scientific Holdings 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 the Element Group. The financial statements therefore show the fifteen-month period to 31 December 2021. The presented and comparative period are therefore not directly comparable due to the extended period.

This report has been prepared in accordance 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 in the period was that of an intermediary holding company.

### Results and dividends

The loss for the period, after taxation, amounted to £1,456,729 (year to 30 September 2020 – profit of £4,460,486).

Dividends of £nil (2020- £3,000,000) were paid during the period.

### Directors

The directors who served during the period were:

A Taylor	
S Fletcher	(Resigned 21 October 2022)
C R Collins	(Appointed 19 July 2021)
M J Hopkinson	(Appointed 19 July 2021)
A B Porter	(Resigned 28 July 2022)
S Crawford	(Resigned 19 July 2021)
Dr J Grewar	(Resigned 19 July 2021)

### 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
Cash flow, credit and liquidity risk	In order to ensure that sufficient funds are available to fund ongoing operations and future developments, management regularly reviews cash flow forecasts and financing arrangements of the business to ensure that there is sufficient funding in place.

# Crawford Scientific Holdings Limited

## Directors' Report for the fifteen months ended 31 December 2021 (Continued)

### Principal risks and uncertainties (continued)

Risk	Mitigating factor
Operational performance of the companies from which balances are recoverable	Management regularly reviews the cash flow forecasts and operational performance of the companies in which the receivables are held to ensure that no recoverability issues or indicators of impairment are present. Management accounts for any recoverability issues or impairment identified appropriately where or if applicable.

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.

### 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 March 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") being 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 2.3 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. EM Bidco Limited is owned by EM Topco Limited who are owned by Temasek Holdings (Private) Limited who became the ultimate parent company of the Group on the same date. The completion of the acquisition resulted in the extinguishment of the Group's old debt facilities and establishment of new facilities. The Company ceased to be a guarantor for the Group's debt facilities from this date and was not required to provide guarantees 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.

## **Crawford Scientific Holdings Limited**

### **Directors' Report for the fifteen months ended 31 December 2021**

(Continued)

#### **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 auditors are 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 auditors are aware of that information.

#### **Auditor**

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

This report was approved by the board on 28 March 2023 and signed on its behalf by:



**Claire Collins**  
Director  
Date: 28 March 2023

## **Crawford Scientific Holdings Limited**

### **Directors' Responsibilities Statement for the fifteen 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.

## **Crawford Scientific Holdings Limited**

### **Independent Auditor's Report to the Members of Crawford Scientific Holdings Limited**

#### **Opinion**

We have audited the financial statements of Crawford Scientific Holdings Limited for the period ended 31 December 2021, which comprise of the Statement of Profit or Loss Account, the Statement of Financial Position, the Statement of changes in equity and the related notes 1 to 19, 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 period 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 March 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.



## **Crawford Scientific Holdings Limited**

### **Independent Auditor's Report to the Members of Crawford Scientific Holdings Limited (continued)**

#### **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 rise 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.

#### **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 strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and directors' report have 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 strategic report or 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.

## **Crawford Scientific Holdings Limited**

### **Independent Auditor's Report to the Members of Crawford Scientific Holdings Limited (continued)**

#### **Responsibilities of directors**

As explained more fully in the directors' responsibilities statement set out on page 4, 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.

- 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 (FRS 102 and the Companies Act 2006) and the relevant tax compliance regulations. In addition, we concluded 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 the company is complying with those frameworks by making enquiries of management to understand how the company maintains and communicates its policies and procedures in these areas. We inquired of management to identify if there were any matters where there is risk of breaching these frameworks that could have a material impact on the company. We also understood the controls put in place by the wider Element Group to reduce opportunities for fraudulent transactions.
- We assessed the susceptibility of the Company's financial statements to material misstatement, including how fraud might occur by considering the risk of management override through internal team meetings, inquiry of management and review of the Element Group fraud assessments. Where the risk was considered to be higher, we performed audit procedures to address each identified fraud risk.
- Based on this understanding we designed our audit procedures to identify noncompliance with such laws and regulations. Our procedures involved: journal entry testing, review of significant contracts and enquiries of management.

## **Crawford Scientific Holdings Limited**

### **Independent Auditor's Report to the Members of Crawford Scientific Holdings Limited (continued)**

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:

*Ernst & Young LLP*

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**Cameron Cartmell** (Senior Statutory Auditor)

For and on behalf of Ernst & Young LLP, Statutory Auditor

London

United Kingdom

31 March 2023

## Crawford Scientific Holdings Limited

### Statement of Profit or Loss for the fifteen months ended 31 December 2021

	Note	15 months to Dec 2021 £	Year to 30 Sep 2020 £
Administrative expenses		(1,457,380)	(1,039,600)
<b>Operating loss</b>	4	<b>(1,457,380)</b>	<b>(1,039,600)</b>
Income from shares in group undertakings		-	5,500,000
<b>(Loss)/profit before taxation</b>		<b>(1,457,380)</b>	<b>4,460,400</b>
Tax credit on loss / profit	7	651	86
<b>(Loss)/profit for the financial period</b>		<b><u>(1,456,729)</u></b>	<b><u>4,460,486</u></b>

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.

# Crawford Scientific Holdings Limited


## Statement of Financial Position as at 31 December 2021

	Note	31 Dec 2021 £	31 Dec 2021 £	30 Sep 2020 £	30 Sep 2020 £
<b>Fixed assets</b>					
Tangible assets	9		5,494		9,342
Investments	10		12,169,476		12,169,476
			<u>12,174,970</u>		<u>12,178,818</u>
<b>Current assets</b>					
Debtors: amounts falling due within one year	11	964,868		1,513,017	
		<u>964,868</u>		<u>1,513,017</u>	
<b>Current liabilities</b>					
Creditors: amounts falling due within one year	12	(10,727,648)		(9,822,916)	
<b>Net current liabilities</b>			<u>(9,762,780)</u>		<u>(8,309,899)</u>
<b>Net assets</b>			<u><u>2,412,190</u></u>		<u><u>3,868,919</u></u>
<b>Capital and reserves</b>					
Called up share capital	14		433,319		433,319
Share premium account	15		1,689,398		1,689,398
Capital redemption reserve	15		16,000		16,000
Profit and loss account	15		273,473		1,730,202
<b>Total equity</b>			<u><u>2,412,190</u></u>		<u><u>3,868,919</u></u>

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

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

The financial statements of Crawford Scientific Holdings Limited (registered number SC479923) were approved by the Board of Directors and authorised for issue on 28 March 2023 and were signed on its behalf by

  
**Claire Collins**  
 Director  
 Date: 28 March 2023  
 Company registration number: SC479923

## Crawford Scientific Holdings Limited

### Statement of Changes in Equity for the fifteen months ended 31 December 2021

	Called up share capital	Share premium account	Capital redemption reserve	Profit and loss account	Total equity
	£	£	£	£	£
At 1 October 2020	433,319	1,689,398	16,000	1,730,202	3,868,919
<b>Comprehensive loss for the period</b>					
Loss for the period	-	-	-	(1,456,729)	(1,456,729)
<b>Total comprehensive loss for the period</b>	-	-	-	(1,456,729)	(1,456,729)
Dividends: Equity capital	-	-	-	-	-
<b>At 31 December 2021</b>	<b>433,319</b>	<b>1,689,398</b>	<b>16,000</b>	<b>273,473</b>	<b>2,412,190</b>

### Statement of Changes in Equity For the Year Ended 30 September 2020

	Called up share capital	Share premium account	Capital redemption reserve	Profit and loss account	Total equity
	£	£	£	£	£
At 1 October 2019	433,319	1,689,398	16,000	269,716	2,408,433
<b>Comprehensive income for the year</b>					
Profit for the year	-	-	-	4,460,486	4,460,486
<b>Total comprehensive income for the year</b>	-	-	-	4,460,486	4,460,486
Dividends: Equity capital	-	-	-	(3,000,000)	(3,000,000)
<b>At 30 September 2020</b>	<b>433,319</b>	<b>1,689,398</b>	<b>16,000</b>	<b>1,730,202</b>	<b>3,868,919</b>

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

# **Crawford Scientific Holdings Limited**

## **Notes to the Financial Statements for the 15 months ended 31 December 2021**

### **1. General information**

Crawford Scientific Holdings Limited ("the Company") is a private company limited by shares incorporated in Scotland under the Companies Act. The address of the registered office of the Company is Rosewell House, 2a (1f) Harvest Drive, Newbridge, Midlothian, Scotland, EH28 8QJ.

The principal activity of the company in the period was that of an intermediary holding company.

### **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 Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

As permitted by Section 400 of the Companies Act 2006, consolidated accounts have not been prepared as the Company is a wholly owned subsidiary of LCP Bidco Limited. 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. The group financial statements are available to the public and can be obtained as set out in note 19.

The preparation of financial statements in compliance with 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.

# Crawford Scientific Holdings Limited

## Notes to the Financial Statements for the fifteen 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 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 2021, net assets of £2,412,190 (2020: £3,868,919). The Company has no external loans or borrowings or complex financial instruments as at 31 December 2021. The Company generated a loss after tax of £1,456,729 in the fifteen months ended 31 December 2021 (2020: Profit after tax of £4,460,486).

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. 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") being the whole group of companies, headed by EM Topco Limited.

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 March 2024.

The going concern assessment, which has been performed for the period up to 31 March 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, inflation and interest rates, 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 March 2024.

The Directors have chosen the period to 31 March 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.

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 and the availability of mitigating actions including price increases and managing capital expenditure
- the potential impacts of the conflict in Ukraine on our business



## **Crawford Scientific Holdings Limited**

### **Notes to the Financial Statements for the fifteen months ended 31 December 2021 (continued)**

#### **2. Accounting policies (continued)**

##### **2.3 Going concern (continued)**

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.

On the 6th of July 2022, Temasek acquired a controlling interest in the Group. As a result of this transaction, the Group entered into a new debt facility agreement and this debt is now due for repayment in 2029. The total value of the facility at 28 February 2023 is US \$3,406 million, of which \$3,143 million has been drawn.

The going concern assessment takes into account the Group's cash flow and available undrawn credit facilities.

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, global economic conditions and high inflation and is modelled on a 16% reduction in EBITDA in 2023 and 16% reduction to 31 March 2024. Sensitivity analyses have also been performed on cost inflation, as well as increasing interest rates 0.5% above current forward curves. In performing the assessment consideration was given to the risk of below forecast performance in relation to recently acquisitions - the sensitivity scenarios above include these acquisitions and are considered sufficient to consider the impact of severe but plausible possible downside in the performance of the acquired entities.

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

The Group also prepared a reverse stress test to quantify the level of reduction in EBITDA at which the available liquidity would be reduced to nil by the end of the assessment period. In completing this test the directors considered the level of decline required to reach this and concluded that this was not a plausible outcome due to the value of the decline before any actions were taken by management.

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 March 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 March 2024.

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

## **Crawford Scientific Holdings Limited**

### **Notes to the Financial Statements for the fifteen months ended 31 December 2021 (continued)**

#### **2. Accounting policies (continued)**

##### **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 value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Computer equipment	- 1 to 3 years
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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 profit or loss.

##### **2.5 Valuation of investments**

Investments in subsidiaries are measured at cost less accumulated impairment.

##### **2.6 Debtors**

Amounts due from group undertaking and other debtors are initially 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.

##### **2.7 Financial instruments**

The company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in the case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the statement of income and retained earnings.

## **Crawford Scientific Holdings Limited**

### **Notes to the Financial Statements for the fifteen months ended 31 December 2021 (continued)**

#### **2. Accounting policies (continued)**

##### **2.7 Financial Instruments**

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

##### **2.8 Creditors**

Amounts due to group undertaking and other 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.

##### **2.9 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 profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the company in independently administered funds.

##### **2.10 Dividends**

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

##### **2.11 Current and deferred taxation**

Tax is recognised in the statement of comprehensive income, 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 generates income.

# Crawford Scientific Holdings Limited

## Notes to the Financial Statements for the fifteen months ended 31 December 2021 (continued)

### 3. Critical accounting estimates and judgements

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 following are the critical judgements that the Directors have made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognised in the financial statements

#### *Impairment of investments in subsidiaries*

Critical judgement is applied when determining whether there are indicators of impairment in relation to investments in subsidiaries. In making this judgement the directors have considered internal and external factors impacting the investments market and whether the investments carrying amount is higher than the carrying value of the investment

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.

### 4. Operating loss

The operating loss is stated after charging:

	<b>15 months to Dec 2021 £</b>	<b>Year to 30 Sep 2020 £</b>
Depreciation of tangible fixed assets	<b>4,694</b>	1,742
Fees payable to the company's auditor for the audit of the company's annual financial statements	-	2,250
Defined contribution pension cost	<u><b>105,203</b></u>	<u><b>51,902</b></u>

Fees payable to Ernst & Young LLP for the audit of the Company were borne by other companies within the Group and disclosed in the consolidated financial statements of Element Materials Technology Group Limited. There were no non-audit services provided by Ernst & Young to the Company during the fifteen month period to 31 December 2021 (year to 30 September 2020: £nil).

## Crawford Scientific Holdings Limited

### Notes to the Financial Statements for the fifteen months ended 31 December 2021 (continued)

#### 5. Employees

The average monthly number of employees, including the directors, during the period was 8 (2020 - 6).

Staff costs, including directors' remuneration, were as follows:

	15 months to Dec 2021 £	Year to 30 Sep 2020 £
Wages and salaries	994,844	738,866
Cost of defined contribution scheme	105,203	51,902
	<u>1,100,047</u>	<u>790,768</u>

#### 6. Directors' remuneration

The 7 directors who served during the fifteen month period to 31 December 2021 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 are included in the disclosure in the Element Materials Technology Holdings UK Limited financial statements.
- 1 Director did not receive any remuneration for their services as a director.
- The remuneration of 4 of these was £735,134, which was paid through the financial statements (2020: £605,019)

The amounts paid to the highest paid director during the fifteen months to 31 December 2021 was £267,712 (year to 30 September 2020: £137,759)

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).

During the fifteen month period to 31 December 2021 retirement benefits were accruing to 4 directors (year to 30 September 2020 - 4) in respect of defined contribution pension schemes.

# Crawford Scientific Holdings Limited

## Notes to the Financial Statements for the fifteen months ended 31 December 2021 (continued)

### 7. Taxation

	15 months to Dec 2021 £	Year to 30 Sep 2020 £
<b>Corporation tax</b>		
Current tax on (losses)/profits for the period	-	-
<b>Total current tax</b>	-	-
<b>Deferred tax</b>		
Origination and reversal of timing differences	(667)	(86)
Changes to tax rates	16	-
<b>Total deferred tax</b>	(651)	(86)
<b>Tax credit on (loss)/profit on ordinary activities</b>	<u>(651)</u>	<u>(86)</u>

### Factors affecting tax charge for the year

The tax assessed for the year is lower than (2020 - lower than) the standard rate of corporation tax in the UK of 19% (2020 - 19%). The differences are explained below:

	15 months to Dec 2021 £	Year to 30 Sep 2020 £
(Loss)/profit on ordinary activities before tax	<u>(1,457,380)</u>	<u>4,460,400</u>
Expected tax (credit)/charge based on a corporation tax rate of 19% (2020 - 19%)	(276,902)	847,476
<b>Effects of:</b>		
Non-deductible items	7,079	-
Deferred tax rate change	16	-
Group income	-	(1,045,000)
Group relief	269,156	197,438
<b>Total tax charge for the year</b>	<u>(651)</u>	<u>(86)</u>

# Crawford Scientific Holdings Limited

## Notes to the Financial Statements for the fifteen months ended 31 December 2021 (continued)

### 8. Dividends

	15 months to Dec 2021 £	Year to 30 Sep 2020 £
Dividends of £nil per share (2020 - £0.007 per share)	<u>-</u>	<u>3,000,000</u>

### 9. Tangible fixed assets

	Computer equipment £
<b>Cost or valuation</b>	
At 30 September 2020	11,084
Additions	846
At 31 December 2021	<u>11,930</u>
<b>Depreciation</b>	
At 30 September 2020	1,742
Charge for the period	4,694
At 31 December 2021	<u>6,436</u>
<b>Net book value</b>	
At 31 December 2021	<u>5,494</u>
At 30 September 2020	<u>9,342</u>

# Crawford Scientific Holdings Limited

## Notes to the Financial Statements for the fifteen months ended 31 December 2021 (continued)

### 10. Fixed asset investments

	Investments in subsidiary companies £
<b>Cost</b>	
At 1 October 2020 and 31 December 2021	12,169,476
<b>Net book value</b>	
At 31 December 2021 and 30 September 2020	<u>12,169,476</u>

At 31 December 2021, the Directors of the Company consider there to be no indicators of impairment in relation to the investments held.

### Subsidiary undertakings

The following were subsidiary undertakings of the company:

Name	Class of shares	Holding	Principal activity	Registered office and country of incorporation
Element Materials Technology Laboratory Solutions Limited (formerly Crawford Scientific Limited)	Ordinary	100%	Supply of scientific products and technical support services including contract analytical services and consultancy	Rosewell House, 2a (1f) Harvest Drive, Newbridge, Midlothian, EH28 8JQ, Scotland.
Element Materials Analytical Services Limited (formerly Hall Analytical Laboratories Limited)	Ordinary	100%	Provision of analytical laboratory services	3 <sup>rd</sup> Floor, Davidson Building, 5 Southampton Street, London, WC2E 7HA, England.



# Crawford Scientific Holdings Limited

## Notes to the Financial Statements for the fifteen months ended 31 December 2021 (continued)

### 11. Debtors: amounts falling due within one year

	31 Dec 2021 £	30 Sep 2020 £
Amounts owed by group undertakings	964,131	1,485,518
Other debtors	-	27,413
Deferred tax (note 13)	737	86
	<u>964,868</u>	<u>1,513,017</u>

No receivables fall due after more than one year. Amounts owed by group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

### 12. Creditors: amounts falling due within one year

	31 Dec 2021 £	30 Sep 2020 £
Amounts owed to group undertakings	10,675,964	9,766,649
Other taxation and social security	25,449	-
Other creditors	26,235	56,267
	<u>10,727,648</u>	<u>9,822,916</u>

Amounts owed to group undertakings falling due within one year are loans from group companies that are interest free and repayable on demand.

### 13. Deferred taxation

	£
At 1 October 2020	86
Credited to profit or loss	651
At 31 December 2021	<u>737</u>

## Crawford Scientific Holdings Limited

### Notes to the Financial Statements for the fifteen months ended 31 December 2021 (continued)

#### 13. Deferred taxation (continued)

The deferred tax asset is made up as follows:

	31 Dec 2021 £	30 Sep 2020 £
Accelerated capital allowances	603	(48)
Short term timing differences	134	134
	<u>737</u>	<u>86</u>

#### 14. Share capital

	31 Dec 2021 £	30 Sep 2020 £
<b>Authorised, allotted, called up and fully paid</b>		
433,318,521- ordinary shares of £0.001 each	<u>433,319</u>	<u>433,319</u>

#### 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**

Share premium is the amount by which the fair value of the consideration received exceeds the nominal value of 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.

##### **Profit and loss account**

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

## **Crawford Scientific Holdings Limited**

### **Notes to the Financial Statements for the fifteen months ended 31 December 2021 (continued)**

#### **16. Employee benefit plans**

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an employee benefit expense in the statement of profit or loss as incurred. The Company made £105,203 contribution to defined contribution plans in the 15 months to 31 December 2021 (2020: year to 30 September 2020 £51,902). At both period ends there were no contributions payable over to the scheme.

#### **17. 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'.

During the 15 month period to 31 December 2021, fees of £40,000 (year to 30 September 2020 - £47,200) were paid to a director of the company. There is £nil owed at 31 December 2021 (30 September 2020: £nil). These fees represent consultancy costs paid in order to retain the services of a director to perform a handover of responsibilities prior to retirement.

#### **18. 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 ceased to be a guarantor for the Group's debt facilities from this date and was not required to provide guarantees for the new facilities.

Between the end of the financial year and the date of this report, no 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.

#### **19. Controlling party**

The immediate parent undertaking is LCP Bidco Limited, a company incorporated in the Scotland.

On 19 July 2021, the entire share capital of Arch Sciences Group Limited, which wholly owned LCP Bidco 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.

The parent undertaking of 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.

## **Crawford Scientific Holdings Limited**

### **Notes to the Financial Statements for the fifteen months ended 31 December 2021 (continued)**

#### **19. Controlling party (continued)**

Copies of the Group financial statements of Element Materials Technology Limited and Element Materials Technology Group Limited are available from Companies House, Crown Way, Cardiff CF14 3UZ. Element Materials Technology Group Limited's registered office address 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.