

Registered number: 04251014

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**BATTELLE UK LIMITED**

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**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2022**

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**BATTELLE UK LIMITED**

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**COMPANY INFORMATION**

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**DIRECTORS**

M Janus  
T Sharpe  
D Grafham  
J Razzolini  
T Thorpe

**COMPANY SECRETARY**

T Sharpe

**REGISTERED NUMBER**

04251014

**REGISTERED OFFICE**

Highlands House  
Basingstoke Road Spencers Wood  
Reading  
Berkshire  
RG7 1NT

**INDEPENDENT AUDITORS**

Peters Elworthy & Moore  
Chartered Accountants & Statutory Auditors  
Salisbury House  
Station Road  
Cambridge  
CB1 2LA

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**BATTELLE UK LIMITED**

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**BATTELLE UK LIMITED**

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**STRATEGIC REPORT  
FOR THE YEAR ENDED 30 SEPTEMBER 2022**

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**INTRODUCTION**

The Directors present their Strategic Report with the report of the Directors and financial statements of the Company for the year ended 30 September 2022.

The principal activity of the Company is the conduct, under contract, of environmental and customer safety studies, formulation development and testing studies and dossier writing and compilation to assist in the development and registration of customers' crop protection, pharmaceutical and industrial chemical products.

**BUSINESS REVIEW**

The Company continually measures its performance using various Key Performance Indicators (KPIs). A summary of the Company's KPIs for the year are set out below:

|                             | <b>2022</b>       | <b>2021</b> |
|-----------------------------|-------------------|-------------|
|                             | <b>£</b>          | <b>£</b>    |
| Net current assets          | <b>5,965,666</b>  | 5,224,619   |
| Net assets                  | <b>9,430,788</b>  | 8,926,692   |
| Turnover                    | <b>10,674,802</b> | 10,178,492  |
| Operating Profit            | <b>573,366</b>    | 650,246     |
| Profit after tax            | <b>504,096</b>    | 333,174     |
| Average number of employees | <b>113</b>        | 106         |

The above KPIs show turnover and operating profit increased during 2022 despite a continued difficult trading environment.

The Company continues to experience strong demand for its services despite the ongoing economic headwinds, although this is impacting both revenue and profitability

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**BATTELLE UK LIMITED**

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**STRATEGIC REPORT (CONTINUED)  
FOR THE YEAR ENDED 30 SEPTEMBER 2022**

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**PRINCIPAL RISKS AND UNCERTAINTIES**

**Competitive risks**

The Company has developed strong long term partnerships with multiple customers. There are significant financial and reputational barriers of entry into the markets in which the Company operates and, while new competitors are expected, demand for the Company's services is foreseen to remain strong.

**Legislative risks**

The Company is a member of the Good Laboratory Practice Compliance program and the majority of its customers require studies to be conducted within this quality standard. Membership of the program is reviewed every two years but the Company's reputation is excellent and the risk that membership would be excluded in the future is seen as very low.

**Exposure to price, credit, liquidity and cash flow risk**

Price risk arises on financial instruments because of changes in, for example, commodity prices or equity prices. The Company does not consider that it is materially exposed to price risk.

Credit risk is the risk that one party of a financial instrument will cause a financial loss for that other party by failing to discharge an obligation. Company policies are aimed at minimising such losses and require customers to satisfy credit worthiness procedures prior to acceptance of contracts.

Liquidity risk is the risk that the Company will encounter difficulties in meeting obligations associated with financial liabilities. The Company aims to mitigate liquidity risk by managing cash generation by its operations and applying cash collection procedures.

Cash flow risk is the risk of exposure to variability in cash flows that is attributable to a particular risk associated with a recognised asset or liability such as future interest payments.

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

*Darren Grafham*

**D Grafham**  
Director

Date: 20 March 2023

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**BATTELLE UK LIMITED**

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**DIRECTORS' REPORT  
FOR THE YEAR ENDED 30 SEPTEMBER 2022**

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The directors present their report and the financial statements for the year ended 30 September 2022.

**DIRECTORS**

The directors who served during the year were:

M Janus  
T Sharpe  
D Grafham  
J Razzolini  
T Thorpe

**RESULTS AND DIVIDENDS**

The profit for the year, after taxation, amounted to £504,096 (2021 - £333,174).

**DIRECTORS' RESPONSIBILITIES STATEMENT**

The directors are responsible for preparing the Strategic Report, 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 for the Company's financial statements and then apply them consistently;
- make judgments 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 to 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.

**GOING CONCERN**

The Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis in preparing the annual financial statements.

Further details regarding the adoption of the going concern basis can be found in the statement of accounting policies in the financial statements.

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**BATTELLE UK LIMITED**

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**DIRECTORS' REPORT (CONTINUED)  
FOR THE YEAR ENDED 30 SEPTEMBER 2022**

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**FUTURE DEVELOPMENTS**

The Directors are optimistic that the Company will continue to expand, taking advantage of the opportunities offered by the available capacity at its Chelmsford facility and potential expansion at its Havant site.

**RESEARCH AND DEVELOPMENT ACTIVITIES**

The Company conducts contract R&D on behalf of its customers in the chemical, agrochemical and pharmaceutical industries. The Company also conducts a small amount of internal R&D to promote new technologies and increase its attractiveness to customers in the above industries.

**DIRECTORS' INDEMNITIES**

The Company has qualifying third party indemnity provisions for the benefit of its Directors which were made during the year and remain in force at the date of this report.

**AUDITORS**

The auditors, Peters Elworthy & Moore, have expressed their willingness to continue in office as auditor and a resolution to reappoint them will be proposed.

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

*Darren Grafham*

**D Grafham**  
Director

Date: 20 March 2023

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**BATTELLE UK LIMITED**

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**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BATTELLE UK LIMITED**

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**OPINION**

We have audited the financial statements of Battelle UK Limited (the 'Company') for the year ended 30 September 2022, which comprise the Profit and Loss Account, the Balance Sheet, the Statement of Cash Flows, the Statement of Changes in Equity and the related notes, 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 Financial Reporting Standard 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 state of the Company's affairs as at 30 September 2022 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

**BASIS FOR OPINION**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' 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 United Kingdom, including the Financial Reporting Council's Ethical Standard 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 of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.



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**BATTELLE UK LIMITED**

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**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BATTELLE UK LIMITED (CONTINUED)**

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**OTHER INFORMATION**

The other information comprises the information included in the Annual Report other than the financial statements and our Auditors' 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 our 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 this other information, we are required to report that fact.

We have nothing to report in this regard.

**OPINION 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 the 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 the Directors' Report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

**RESPONSIBILITIES OF DIRECTORS**

As explained more fully in the Directors' Responsibilities Statement set out on page 3, 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.

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**BATTELLE UK LIMITED**

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**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BATTELLE UK LIMITED (CONTINUED)**

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**AUDITORS' 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 Auditors' 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Our approach to identifying and assessing the risk of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- We identified the laws and regulations applicable to the Company through discussions with directors and from our commercial knowledge and experience of the sector;
- We obtained an understanding of the legal and regulatory framework applicable to the Company and how the Company is complying with that framework;
- We obtained an understanding of the Company's policies and procedures on compliance with laws and regulations, including documentation of any instances of non-compliance;
- We identified which laws and regulations were significant in the context of the Company. The laws and regulations we considered in this context were Financial Reporting Standard 102 (United Kingdom Generally Accepted Accounting Practice), Companies Act 2006 and relevant UK taxation legislation.
- We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items;
- In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the Company's ability to operate or to avoid material penalty; and
- Identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of these financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud and considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

We discussed among the audit engagement team regarding the opportunities and incentives that may exist within the Company for fraud and how and where fraud might occur in the financial statements.

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**BATTELLE UK LIMITED**

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**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BATTELLE UK LIMITED (CONTINUED)**

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In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of fraud through management bias and override of controls. To address the risk of fraud through management bias and override of controls, we:

- Tested the appropriateness of journal entries and other adjustments;
- Designed procedures to identify unexpected and unusual journal entries and performed testing to confirm the validity of such postings;
- Evaluated the business rationale of any significant transactions that were unusual or outside the normal course of business; and
- Assessed whether judgments and assumptions made in determining the significant accounting estimates, as set out in Note 3 to the financial statements, were indicative of potential bias.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- Agreeing financial statement disclosures to underlying supporting documentation; and
- Enquiring of management as to actual and potential litigation and claims.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Auditors' Report.

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**BATTELLE UK LIMITED**

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**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BATTELLE UK LIMITED (CONTINUED)**

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**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 Auditors' 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.

Roberta Newman (Senior Statutory Auditor)

for and on behalf of  
**Peters Elworthy & Moore**

Chartered Accountants  
Statutory Auditors

Salisbury House  
Station Road  
Cambridge  
CB1 2LA

Date: 22 March 2023

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**BATTELLE UK LIMITED**


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**PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 30 SEPTEMBER 2022**


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|  | Note | 2022<br>£        | 2021<br>£        |
|--|------|------------------|------------------|
| Turnover                               | 4    | 10,674,802       | 10,178,492       |
| Cost of sales                          |      | (6,636,418)      | (6,190,239)      |
| <b>GROSS PROFIT</b>                    |      | <b>4,038,384</b> | <b>3,988,253</b> |
| Administrative expenses                |      | (3,568,137)      | (3,438,904)      |
| Other operating income                 | 5    | 103,119          | 100,897          |
| <b>OPERATING PROFIT</b>                | 6    | <b>573,366</b>   | <b>650,246</b>   |
| Interest receivable and similar income |      | -                | 500              |
| Other finance income/(expenses)        | 10   | 59,398           | (110,219)        |
| <b>PROFIT BEFORE TAX</b>               |      | <b>632,764</b>   | <b>540,527</b>   |
| Tax on profit                          | 11   | (128,668)        | (207,353)        |
| <b>PROFIT FOR THE FINANCIAL YEAR</b>   |      | <b>504,096</b>   | <b>333,174</b>   |

The notes on pages 14 to 27 form part of these financial statements.

**BATTELLE UK LIMITED**  
**REGISTERED NUMBER: 04251014**

**BALANCE SHEET**  
**AS AT 30 SEPTEMBER 2022**

|  | Note | 2022<br>£               | 2021<br>£               |
|--|------|-------------------------|-------------------------|
| <b>FIXED ASSETS</b>                            |      |                         |                         |
| Tangible assets                                | 12   | 3,818,550               | 3,992,882               |
|  |      | <u>3,818,550</u>        | <u>3,992,882</u>        |
| <b>CURRENT ASSETS</b>                          |      |                         |                         |
| Debtors: amounts falling due within one year   | 13   | 4,856,553               | 4,032,761               |
| Cash at bank and in hand                       | 14   | 4,297,317               | 4,617,933               |
|  |      | <u>9,153,870</u>        | <u>8,650,694</u>        |
| <b>CURRENT LIABILITIES</b>                     |      |                         |                         |
| Creditors: amounts falling due within one year | 15   | (3,188,204)             | (3,426,075)             |
| <b>NET CURRENT ASSETS</b>                      |      | <u>5,965,666</u>        | <u>5,224,619</u>        |
| <b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>   |      | <u>9,784,216</u>        | <u>9,217,501</u>        |
| <b>PROVISIONS FOR LIABILITIES</b>              |      |                         |                         |
| Deferred tax                                   | 16   | (353,428)               | (290,809)               |
|  |      | <u>(353,428)</u>        | <u>(290,809)</u>        |
| <b>NET ASSETS</b>                              |      | <u><u>9,430,788</u></u> | <u><u>8,926,692</u></u> |
| <b>CAPITAL AND RESERVES</b>                    |      |                         |                         |
| Called up share capital                        | 17   | 10,000                  | 10,000                  |
| Profit and loss account                        | 18   | 9,420,788               | 8,916,692               |
|  |      | <u><u>9,430,788</u></u> | <u><u>8,926,692</u></u> |

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 20 March 2023

*Darren Grafham*

**D Grafham**  
**Director**

The notes on pages 14 to 27 form part of these financial statements.

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**BATTELLE UK LIMITED**


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**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 30 SEPTEMBER 2022**


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|                             | <b>Called up<br/>share capital</b> | <b>Profit and<br/>loss account</b> | <b>Total equity</b> |
|-----------------------------|------------------------------------|------------------------------------|---------------------|
|                             | <b>£</b>                           | <b>£</b>                           | <b>£</b>            |
| <b>At 1 October 2020</b>    | <b>10,000</b>                      | <b>8,583,518</b>                   | <b>8,593,518</b>    |
| Profit for the year         | -                                  | 333,174                            | 333,174             |
| <b>At 1 October 2021</b>    | <b>10,000</b>                      | <b>8,916,692</b>                   | <b>8,926,692</b>    |
| Profit for the year         | -                                  | 504,096                            | 504,096             |
| <b>AT 30 SEPTEMBER 2022</b> | <b>10,000</b>                      | <b>9,420,788</b>                   | <b>9,430,788</b>    |

The notes on pages 14 to 27 form part of these financial statements.

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**BATTELLE UK LIMITED**


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**STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 30 SEPTEMBER 2022**


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|   | 2022<br>£        | 2021<br>£        |
|---|------------------|------------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>                   |                  |                  |
| Profit for the financial year                                 | 504,096          | 333,174          |
| <b>ADJUSTMENTS FOR:</b>                                       |                  |                  |
| Depreciation of tangible assets                               | 843,350          | 840,578          |
| RDEC income   | (103,119)        | -                |
| Interest received   | -                | (500)            |
| Taxation charge   | 128,668          | 207,353          |
| (Increase)/decrease in debtors                                | (699,187)        | 19,386           |
| (Increase)/decrease in amounts owed by groups                 | (31,112)         | 572              |
| (Decrease)/increase in creditors                              | (237,871)        | 821,183          |
| Corporation tax (paid)  | (56,423)         | (42,840)         |
| <b>NET CASH GENERATED FROM OPERATING ACTIVITIES</b>           | <b>348,402</b>   | <b>2,178,906</b> |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>                   |                  |                  |
| Purchase of tangible fixed assets                             | (669,018)        | (420,204)        |
| Interest received   | -                | 500              |
| <b>NET CASH FROM INVESTING ACTIVITIES</b>                     | <b>(669,018)</b> | <b>(419,704)</b> |
| <b>(DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS</b>       | <b>(320,616)</b> | <b>1,759,202</b> |
| Cash and cash equivalents at beginning of year                | 4,617,933        | 2,858,731        |
| <b>CASH AND CASH EQUIVALENTS AT THE END OF YEAR</b>           | <b>4,297,317</b> | <b>4,617,933</b> |
| <b>CASH AND CASH EQUIVALENTS AT THE END OF YEAR COMPRISE:</b> |                  |                  |
| Cash at bank and in hand                                      | 4,297,317        | 4,617,933        |



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**BATTELLE UK LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2022**

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**1. GENERAL INFORMATION**

Battelle UK Limited, the Company, is a company incorporated in the United Kingdom under the Companies Act 2006.

The Company is a private company limited by shares and is registered in England and Wales. The address of the registered office is shown on the company information page.

**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.

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

The following principal accounting policies have been applied:

**2.2 GOING CONCERN**

These financial statements have been prepared on the going concern basis which assumes that the Company will have adequate resources to continue in operational existence for the foreseeable future.

In making their assessment the directors have reviewed the latest available financial information as well as trading forecasts for the remainder of the FY23 financial year, and the period beyond.

The Company meets its day to day working capital requirements using cash reserves and does not have any bank debt owing. Cash at bank remains at a high level which provides security in the event of an economic downturn and the order book remains healthy.

The directors have considered the adequacy of the Company's financial resources at the time of approving the financial statements, noting the level of cash held, the sales pipeline from both existing and new customers, and approved budgets. Despite the current challenging economic trading conditions, the Company has maintained its strong liquidity position and the directors are confident that the Company will remain profitable in FY23.

Following their review, the directors have concluded that the Company is well placed to manage its business risks successfully in the current economic climate and remain satisfied that the going concern assessment is appropriate.

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**BATTELLE UK LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2022**

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**2. ACCOUNTING POLICIES (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:

**Rendering of services**

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

**2.4 OPERATING LEASES**

Rentals paid under operating leases are charged to profit or loss on a straight-line basis over the lease term.

**2.5 GOVERNMENT GRANTS**

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

Grants of a revenue nature are recognised in the Profit and Loss Account in the same period as the related expenditure.

**2.6 INTEREST INCOME**

Interest income is recognised in profit or loss using the effective interest method.

**2.7 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.

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**BATTELLE UK LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2022**

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**2. ACCOUNTING POLICIES (CONTINUED)****2.8 CURRENT AND DEFERRED TAXATION**

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

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

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

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

**2.9 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.

The estimated useful lives range as follows:

|                                  |                                 |
|----------------------------------|---------------------------------|
| Improvement to property          | - Straight line over lease term |
| Fixtures and fittings            | - 10-33% per annum              |
| Technical equipment              | - 20% per annum                 |
| Non-technical equipment          | - 33% per annum                 |
| Assets in course of construction | - No depreciation               |

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.

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**BATTELLE UK LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2022**

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**2. ACCOUNTING POLICIES (CONTINUED)**

**2.10 DEBTORS**

Short-term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

**2.11 CASH AND CASH EQUIVALENTS**

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the Statement of Cash Flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Company's cash management.

**2.12 CREDITORS**

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

**2.13 PROVISIONS FOR LIABILITIES**

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to profit or loss in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance Sheet.

**2.14 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 ordinary shares.

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**BATTELLE UK LIMITED**


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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2022**


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**3. JUDGMENTS IN APPLYING ACCOUNTING POLICIES AND KEY SOURCES OF ESTIMATION  
UNCERTAINTY**

In the application of the Company's accounting policies, the directors are required to make judgments, 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 estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in a period of the revision and future periods if the revision affects both current and future periods.

Revenue recognition is an area of critical judgment, in most cases revenue is recognised on a percentage of hours completed basis, however where that basis doesn't accurately reflect the position of the project, judgments are made to override that percentage with the percentage of work technically completed.

**4. TURNOVER**

The whole of the turnover is attributable to the principal activity of the Company.

Analysis of turnover by country of destination:

|                   | 2022<br>£         | 2021<br>£         |
|-------------------|-------------------|-------------------|
| United Kingdom    | 3,138,271         | 4,074,004         |
| Rest of Europe    | 5,360,446         | 3,906,367         |
| Rest of the world | 2,176,085         | 2,198,121         |
|                   | <u>10,674,802</u> | <u>10,178,492</u> |

**5. OTHER OPERATING INCOME**

|  | 2022<br>£      | 2021<br>£      |
|--|----------------|----------------|
| Research and development expenditure credits | 103,119        | 76,127         |
| Government grants receivable                 | -              | 24,770         |
|  | <u>103,119</u> | <u>100,897</u> |

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**BATTELLE UK LIMITED**


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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2022**


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**6. OPERATING PROFIT**

The operating profit is stated after charging:

|  | <b>2022</b>           | 2021           |
|--|-----------------------|----------------|
|  | £                     | £              |
| Research & development charged as an expense | <b>793,224</b>        | 720,523        |
| Depreciation of tangible fixed assets        | <b>843,350</b>        | 840,578        |
| Other operating lease rentals                | <b>360,556</b>        | 342,795        |
| Defined contribution pension cost            | <b>379,302</b>        | 391,644        |
|  | <u><b>793,224</b></u> | <u>391,644</u> |

**7. AUDITORS' REMUNERATION**

|  | <b>2022</b>          | 2021          |
|--|----------------------|---------------|
|  | £                    | £             |
| Fees payable to the Company's auditors for the audit of the Company's financial statements | <b>18,115</b>        | 17,250        |
|  | <u><b>18,115</b></u> | <u>17,250</u> |

Total fees payable to the Company's auditor and its associates in respect of non audit services amounted to £9,900 (2021 - £9,435).

**8. EMPLOYEES**

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

|                                     | <b>2022</b>             | 2021             |
|-------------------------------------|-------------------------|------------------|
|                                     | £                       | £                |
| Wages and salaries                  | <b>4,768,059</b>        | 4,361,937        |
| Social security costs               | <b>531,815</b>          | 429,240          |
| Cost of defined contribution scheme | <b>379,302</b>          | 391,644          |
|                                     | <u><b>5,679,176</b></u> | <u>5,182,821</u> |

The average monthly number of employees, including the directors, during the year was as follows:

|                          | <b>2022</b>       | 2021       |
|--------------------------|-------------------|------------|
|                          | No.               | No.        |
| Research and development | <b>100</b>        | 97         |
| Office and management    | <b>13</b>         | 9          |
|                          | <u><b>113</b></u> | <u>106</u> |

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**BATTELLE UK LIMITED**


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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2022**


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**9. DIRECTORS' REMUNERATION**

|   | 2022<br>£      | 2021<br>£      |
|---|----------------|----------------|
| Directors' emoluments   | 106,267        | 95,798         |
| Company contributions to defined contribution pension schemes | 40,582         | 43,624         |
|   | <u>146,849</u> | <u>139,422</u> |

During the year retirement benefits were accruing to 1 director (2021 - 1) in respect of defined contribution pension schemes.

**10. OTHER FINANCE INCOME & EXPENSES**

|                                 | 2022<br>£     | 2021<br>£        |
|---------------------------------|---------------|------------------|
| Gain/(Loss) on foreign exchange | <u>59,398</u> | <u>(110,219)</u> |

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**BATTELLE UK LIMITED**


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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2022**


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**11. TAXATION**

|  | <b>2022</b>           | <b>2021</b>    |
|--|-----------------------|----------------|
|  | <b>£</b>              | <b>£</b>       |
| <b>CORPORATION TAX</b>                           |                       |                |
| Current tax on profits for the year              | <b>86,959</b>         | 134,325        |
| Adjustments in respect of previous periods       | <b>(28,461)</b>       | (34,505)       |
|  | <u><b>58,498</b></u>  | <u>99,820</u>  |
| <b>FOREIGN TAX</b>                               |                       |                |
| Foreign tax on income for the year               | <b>7,551</b>          | 23,479         |
| Foreign tax in respect of prior periods          | <b>-</b>              | 8,186          |
|  | <u><b>7,551</b></u>   | <u>31,665</u>  |
| <b>TOTAL CURRENT TAX</b>                         | <u><b>66,049</b></u>  | <u>131,485</u> |
| <b>DEFERRED TAX</b>                              |                       |                |
| Origination and reversal of timing differences   | <b>47,590</b>         | 7,991          |
| Effect of tax rate change on opening balance     | <b>15,029</b>         | 67,877         |
| <b>TOTAL DEFERRED TAX</b>                        | <u><b>62,619</b></u>  | <u>75,868</u>  |
| <b>TAXATION ON PROFIT ON ORDINARY ACTIVITIES</b> | <u><b>128,668</b></u> | <u>207,353</u> |



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**BATTELLE UK LIMITED**


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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2022**


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**11. TAXATION (CONTINUED)****FACTORS AFFECTING TAX CHARGE FOR THE YEAR**

The tax assessed for the year is higher than (2021 - higher than) the standard rate of corporation tax in the UK of 19% (2021 - 19%). The differences are explained below:

|  | 2022<br>£       | 2021<br>£ |
|--|-----------------|-----------|
| Profit on ordinary activities before tax   | <b>632,764</b>  | 540,527   |
| Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2021 - 19%) | <b>120,225</b>  | 102,700   |
| <b>EFFECTS OF:</b>   |                 |           |
| Expenses not deductible for tax purposes   | <b>618</b>      | 102       |
| Effects of overseas tax rates  | <b>3,122</b>    | 17,662    |
| Tax rate changes   | <b>15,029</b>   | 69,795    |
| Fixed asset differences  | <b>18,135</b>   | 37,647    |
| Adjustments to tax charge in respect of prior periods  | <b>(28,461)</b> | (20,553)  |
| <b>TOTAL TAX CHARGE FOR THE YEAR</b>   | <b>128,668</b>  | 207,353   |

**FACTORS THAT MAY AFFECT FUTURE TAX CHARGES**

The main rate of corporation tax will rise to 25% with effect from 1 April 2023 for companies earning annual taxable profits in excess of £250,000. Accordingly the deferred tax balance at the balance sheet date has been recognised at 25% (2021 - 25%).

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**BATTELLE UK LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2022**

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**12. TANGIBLE FIXED ASSETS**

|                                     | Long-term<br>leasehold<br>property<br>£ | Fixtures and<br>fittings<br>£ | Office<br>equipment<br>£ | Computer<br>equipment<br>£ | Assets in<br>course of<br>construction<br>£ | Total<br>£        |
|-------------------------------------|---|-------------------------------|--------------------------|----------------------------|---|-------------------|
| <b>COST</b>                         |   |                               |                          |                            |   |                   |
| At 1 October 2021                   | 6,650,694                               | 639,257                       | 4,765,793                | 357,008                    | -   | 12,412,752        |
| Additions                           | -                                       | 36,601                        | 390,826                  | 9,022                      | 232,569                                     | 669,018           |
| At 30 September 2022                | <u>6,650,694</u>                        | <u>675,858</u>                | <u>5,156,619</u>         | <u>366,030</u>             | <u>232,569</u>                              | <u>13,081,770</u> |
| <b>DEPRECIATION</b>                 |   |                               |                          |                            |   |                   |
| At 1 October 2021                   | 3,630,513                               | 637,908                       | 3,851,903                | 299,546                    | -   | 8,419,870         |
| Charge for the year on owned assets | 495,042                                 | 4,352                         | 325,549                  | 18,407                     | -   | 843,350           |
| At 30 September 2022                | <u>4,125,555</u>                        | <u>642,260</u>                | <u>4,177,452</u>         | <u>317,953</u>             | <u>-</u>                                    | <u>9,263,220</u>  |
| <b>NET BOOK VALUE</b>               |   |                               |                          |                            |   |                   |
| At 30 September 2022                | <u>2,525,139</u>                        | <u>33,598</u>                 | <u>979,167</u>           | <u>48,077</u>              | <u>232,569</u>                              | <u>3,818,550</u>  |
| At 30 September 2021                | <u>3,020,181</u>                        | <u>1,349</u>                  | <u>913,890</u>           | <u>57,462</u>              | <u>-</u>                                    | <u>3,992,882</u>  |

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**BATTELLE UK LIMITED**


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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2022**


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**13. DEBTORS**

|                                    | 2022<br>£        | 2021<br>£        |
|------------------------------------|------------------|------------------|
| Trade debtors                      | 1,056,593        | 1,443,398        |
| Amounts owed by group undertakings | 43,335           | 12,223           |
| Accrued income                     | 3,209,679        | 2,146,290        |
| Prepayments                        | 426,192          | 398,682          |
| Tax recoverable                    | 109,836          | 16,343           |
| Other debtors                      | 10,918           | 15,825           |
|                                    | <u>4,856,553</u> | <u>4,032,761</u> |

**14. CASH AND CASH EQUIVALENTS**

|                          | 2022<br>£        | 2021<br>£        |
|--------------------------|------------------|------------------|
| Cash at bank and in hand | <u>4,297,317</u> | <u>4,617,933</u> |

**15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

|                                    | 2022<br>£        | 2021<br>£        |
|------------------------------------|------------------|------------------|
| Trade creditors                    | 25,409           | 96,210           |
| Accruals                           | 1,088,923        | 1,110,328        |
| Deferred income                    | 1,832,229        | 2,101,981        |
| Other taxation and social security | 237,924          | 114,479          |
| Other creditors                    | 3,719            | 3,077            |
|                                    | <u>3,188,204</u> | <u>3,426,075</u> |

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**BATTELLE UK LIMITED**


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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2022**


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**16. DEFERRED TAXATION**

|                           | 2022<br>£        | 2021<br>£        |
|---------------------------|------------------|------------------|
| At beginning of year      | (290,809)        | (214,941)        |
| Charged to profit or loss | (62,619)         | (75,868)         |
| <b>AT END OF YEAR</b>     | <b>(353,428)</b> | <b>(290,809)</b> |

The provision for deferred taxation is made up as follows:

|                                | 2022<br>£ | 2021<br>£ |
|--------------------------------|-----------|-----------|
| Accelerated capital allowances | (353,428) | (290,809) |

**17. SHARE CAPITAL**

|  | 2022<br>£ | 2021<br>£ |
|--|-----------|-----------|
| <b>ALLOTTED, CALLED UP AND FULLY PAID</b>            |           |           |
| 10,000 (2021 - 10,000) Ordinary shares of £1.00 each | 10,000    | 10,000    |

**18. RESERVES****Profit and loss account**

The retained earnings represent cumulative profits or losses.

**19. ANALYSIS OF NET DEBT**

|                          | At 1<br>October<br>2021<br>£ | Cash flows<br>£  | At 30<br>September<br>2022<br>£ |
|--------------------------|------------------------------|------------------|---------------------------------|
| Cash at bank and in hand | 4,617,933                    | (320,616)        | 4,297,317                       |
|                          | <b>4,617,933</b>             | <b>(320,616)</b> | <b>4,297,317</b>                |

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**BATTELLE UK LIMITED**


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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2022**


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**20. CONTINGENT LIABILITIES**

Battelle UK Limited operate from leased premises in Chelmsford, Essex comprising office and laboratory facilities. The lease for these premises contains a re-instatement clause which, should the landlord choose to enforce it, requires Battelle UK Limited to re-instate those premises back to their original condition, comprising smaller office and warehouse space, following the end of the current lease at 15 October 2027.

There are significant uncertainties in respect of the amount and timing of future outflows arising from this matter due to;

- whether the landlord will enforce the re-instatement (current rental values for office and laboratory space are significantly higher than that for warehouse space),
- whether a new lease will be procured prior to the expiration of the current lease in 2027 and the terms around any new lease, and the value/cost arising from the requirement to re-instate.

Due to the above uncertainties in existence it is considered possible, rather than probable, that future outflows will arise in respect of this item. Similarly, it is considered impracticable to make an assessment as to what amount may be required to settle any obligation, should one arise. As such, this item is considered to be a contingent liability and is not included in the statement of financial position contained elsewhere in this report.

**21. PENSION COMMITMENTS**

The Company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £379,302 (2021 - £391,644). Contributions totalling £59,050 (2021 - £57,574) were payable to the fund at the balance sheet date and are included in creditors.

**22. COMMITMENTS UNDER OPERATING LEASES**

At 30 September 2022 the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

|  | 2022<br>£        | 2021<br>£        |
|--|------------------|------------------|
| Not later than 1 year                        | 380,449          | 359,241          |
| Later than 1 year and not later than 5 years | 1,631,326        | 1,533,992        |
| Later than 5 years                           | -                | 477,783          |
|  | <u>2,011,775</u> | <u>2,371,016</u> |

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**BATTELLE UK LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2022**

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**23. CONTROLLING PARTY**

The Company's immediate and ultimate controlling parent is Battelle Memorial Institute, a charitable organisation in the United States of America. Battelle Memorial Institute is the smallest and largest company for which consolidated accounts are prepared.

The Directors do not consider there to be any one ultimate controlling party.