



Rt Hon Tom Tugendhat MP
Chair, Foreign Affairs Committee
House of Commons
Westminster
London SW1A 0AA

13th April 2020

Dear Mr Tugendhat,

Thank you for your letters of 8th April addressed to Ron Black, the former CEO of Imagination Technologies and Ray Bingham, the acting CEO of Imagination Technologies. I am writing on behalf of both Imagination Technologies and Canyon Bridge, the private equity fund which owns it outright.

We are committed to interacting transparently with politicians and officials, this is the approach which we have taken since Imagination Technologies was acquired by Canyon Bridge in 2017 and we welcome the chance to maintain this dialogue with you.

As you will have read in the press the proposed board changes which you were writing to enquire about are no longer taking place. In light of this many of the points which you raised in your correspondence will have been addressed. However, I also wanted to respond your questions about our ongoing commitment to the UK. I hope that the attached factsheet which we have prepared for you and other colleagues in Westminster gives you reassurance.

If you have further questions we would be happy to address them.

Yours sincerely,

Ray Bingham, CEO Imagination Technologies and Partner, Canyon Bridge
John Kao, Partner, Canyon Bridge
Peter Kuo, Partner, Canyon Bridge

Factsheet – Canyon Bridge and Imagination Technologies

- **Financial support:** Since taking control of Imagination Technologies in late 2017, Canyon Bridge has provided ongoing financial support by investing \$50 million in Imagination Technologies in the form of interest-free loans.
- **Stable employee numbers:** Both global and UK headcount have remained stable at Imagination Technologies since our gaining control of the company in late 2017, at approximately 850 globally and 550 in the UK. The acquisition has not resulted in any redundancy programme.
- **Falling staff turnover:** Staff turnover rates have improved substantially, from greater than 20% in 2017 to under 10% now, which is well below the industry average. This shows that Imagination Technologies is increasingly an attractive place with industry-leading benefits and conditions where talented engineers want to build long-term careers.
- **Contributing to society:** Besides employing a large headcount in the UK, Imagination Technologies paid £4m in NIC in 2019 thereby contributing its fair share to society. In addition, Imagination has raised employee salaries since Canyon Bridge took control and has paid employee bonuses.
- **Investing for the future:** Imagination Technology's expenditure on R&D was \$73 million in 2019. This is 84% of our 2019 revenue, which is far above any other company in our industry that we are aware of. The UK is the main beneficiary of this spending because more than 50% of our headcount is located in the UK. We expect that will continue to be the case in the foreseeable future. More than 700 of Imagination Technologies 850+ staff are engaged in R&D activity and the majority of those are based in the UK.
- **A leader in innovation:** In 2019 Imagination Technologies filed 304 patents, putting it in the top 15 patent filers in the UK. This compares to 250 patent filings in 2017.
- **Staff entitlements protected:** Employment rights, pension benefits, and working conditions have all been maintained since 2017.
- **Commitment to the UK:** Imagination Technologies remains domiciled in the UK, and the UK remains the company's base of operations. Senior management will continue to operate out of the UK in the foreseeable future, and the strategic direction of the business will continue to be set from the UK. CB can affirm that under its ownership, the majority of Imagination's employees will remain based in the UK.