

Semefab Limited

Registered number: SC100193

Annual report and financial statements

For the year ended 31 October 2021



SEMEFAB LIMITED

COMPANY INFORMATION

Directors	A D L James Hicks (2) Limited K G Persin G M Fisher G W Shaw
Company secretary	CCW Secretaries Limited
Registered number	SC100193
Registered office	Newark Road South Eastfield Industrial Estate Glenrothes Fife KY7 4NS
Independent auditor	Mazars LLP Chartered Accountants & Statutory Auditor 6 Dominus Way Meridian Business Park Leicester LE19 1RP
Bankers	Royal Bank of Scotland Drummond House 1 Redheughs Avenue Edinburgh EH12 9JN

SEMEFAB LIMITED

CONTENTS

	Page
Strategic report	1 - 2
Director's report	3 - 4
Independent auditor's report	5 - 8
Profit and loss account	9
Balance sheet	10
Statement of changes in equity	11
Statement of cash flows	12
Analysis of net funds	13
Notes to the financial statements	14 - 33

SEMEFAB LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 OCTOBER 2021

Principal activity

The principal activity of the Company during the year continued to be the design and manufacture of application specific integrated circuits, discrete semi-conductor devices and foundry processing for the MEM's industry. All of Semefab's customers are sole sourced for the products we supply.

Business review

Despite continuation of the COVID pandemic throughout FY21, Semefab continued working as normally adhering strictly to home working where possible allied to social distancing within the workplace, mask wearing and other virus containment measures, resulting in minimal impact to our operational capabilities. In general our supply chain partners have been able to keep Semefab supplied with the necessary raw silicon, chemicals, gases and consumables aided by our continued practice of holding prudent additional stocks of key materials which had been originally started in response to the delays that had been anticipated due to Brexit. The single largest challenge has been the general overheating of the semiconductor market generally and our ability to secure sufficient supplies of qualified raw silicon for our products having been put on allocation. This remains a concern going into FY22 and we have commenced qualifying additional silicon vendors where possible.

The effect of shortage of semiconductors, particularly in the automotive sector had a positive knock on effect for Semefab in that we saw an increase in orders across most markets and regions induced by nervousness that other supplies might be similarly affected. Additionally we have received a windfall of Last Time Buy orders due to the impending closure of our aged Fab 1 100mm wafer MOS/Bipolar facility in the Autumn of 2022.

The combined effect during FY21 was in fact a record Revenue and Profit year for the business: Sales increased by 14.8% to £13.4M, Gross margin value increased by 20.7% reflecting improved efficiency due to higher loading, and Profit before tax increased from 9.1% to 11.4% of Revenue. Semefab's cash position increased by 50.5% and Retained Earnings grew by £994K. Semefab continues to have a high export profile to Europe, North America and Far East that is unaffected by Brexit.

We continue to supply leading edge thermopiles for non contact temperature measurement, human presence detection, gesture recognition and for gas type sensing and gas flow measurement applications. Also our pressure sensor foundry business continues to be in strong demand for automotive and industrial markets as well as the medical sector continuing the requirement for low pressure sensors in respirators, ventilators and manometers for isolation settings.

Our precision analogue integrated circuits, used in medical equipment and instrumentation including MRI, CT and X-Ray scanners have now entered their Last Time Buy phase with strong demand expected until Fab 1 closes in Autumn 2022. Work has proceeded well to convert those products with good future demand over to 150mm silicon wafers processing and that work will continue during most of 2022.

Semefab has a strong pipeline of developments in hand in MEMS Sensors - notably in Electrogratings for precision metrology, gas and liquid flow metering, pressure sensors, blood viscosity measurement, and NDIR gas sensing aimed primarily at CO2 in the first instance. In Power switching semiconductors developments are well in hand for a range of 650V, 1200V and 1700V Silicon Carbide Schottky diodes and TCIGBT devices - the staple components in the majority of electrical power switching and conversion applications for motor drive, battery charging, traction and power control.

We are in active collaboration with University West of Scotland for precision thin film coatings to enhance performance of thermopiles and Near Infra Red emitters for NDIR gas sensing technology and with Griffith University in Queensland Australia and Sheffield University in England for design, simulation and characterisation of advanced power switching semiconductor technologies.

SEMEFAB LIMITED

**STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 OCTOBER 2021**

Principal risks and uncertainties

A key risk is price inflation of raw materials and of electricity in particular. Semefab's electricity hedging strategy has safeguarded from high prices in 2021 & 2022. Despite the impending closure of Fab 1, spare capacity will still exist at Semefab for some time to come, the main barrier to utilisation being extended development and product qualification timescales. In mitigation we are exploring a renewable energy supply strategy and are deploying additional development engineering staff. Work is in hand to develop and manufacture power switching CIGBT semiconductors and we are exploring the use of SiC and GaN substrates for enhanced efficiency power switching and control in electric vehicle charging and smart grid applications as a means to filling spare capacity and creating major growth into the future.

Invasion of Ukraine and Russian Sanctions

The Company does not operate in either Ukraine or Russia and no key suppliers are located in either country. There remains some uncertainty regarding inflationary pressure in the economy, and in particular dramatic increases in the price of energy and possible further consequences of the Russia-Ukrainian war situation. Forecasting into 2022 and beyond is difficult, however the future continued growth requirement for sensors and efficient power switching semiconductors is undeniable and likely to remain strong well into the future. The board will keep the situation under review.


Financial risk management objectives and policies

The Company makes little use of financial instruments other than operational bank accounts and loans. The Director believes the Company's exposure to price risk, credit risk, liquidity risk and cash flow risk is not material for the assessment of the assets, liabilities, financial position and profit or loss of the Company.

Research and development

The main focus of research and development continues to be in new technology areas such as MEM's, sensors and state of the art power switching and conversion semi-conductor devices. The applications served are in global medical, industrial, automotive and energy saving markets.

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


allan.james (Jul 6, 2022 11:47 GMT+1)

A D L James
Director

Date: Jul 6, 2022

SEMEFAB LIMITED

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 OCTOBER 2021**

The Directors present their report and the financial statements for the year ended 31 October 2021.

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 ("FRS 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 judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and 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.

Results and dividends

The profit for the year, after taxation, amounted to £993,624 (2020 - £841,938).

The Directors do not recommend the payment of a dividend.

Directors

The Directors who served during the year were:

A D L James
Hicks (2) Limited
K G Persin (appointed 10 June 2021)

On 1 June 2022, G M Fisher and G W Shaw were appointed as Directors of the Company.

Matters covered in the strategic report

As permitted by Paragraph 1A of Schedule 7 to the Large and Medium-sized Companies and Groups (Accounts and reports) Regulations 2008 certain matters which are required to be disclosed in the Directors' report have been omitted as they are included in the Strategic report on page 1-2.

SEMEFAB LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 OCTOBER 2021**

Post balance sheet events

On 24 February 2022 Russian Forces entered Ukraine, resulting in Western Nation reactions including announcements of sanctions against Russia and Russian interests worldwide. The Director has carried out an assessment of the potential impact of Russian Forces entering Ukraine on the business, including the impact of mitigation measures and uncertainties, and have concluded that this is a non-adjusting post balance sheet event. The greatest potential impact on the business is expected to be from the indirect economic ripple effect on the global economy. The Director has taken account of these potential impacts in their going concern assessment.

Disclosure of information to auditor


Each of the persons who are Directors at the time when this Directors' report is approved has confirmed that:

- so far as the Director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- the Director has taken all the steps that ought to have been taken as a Director in order to be aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Auditor

The auditor, Mazars LLP, is deemed to be reappointed in accordance with section 386 of the Companies Act 1985 by virtue of an elective resolution passed by the members on 9 January 2015.

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


allan.james (Jul 6, 2022 11:47 GMT+1)

A D L James
Director

Date: Jul 6, 2022

SEMEFAB LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SEMEFAB LIMITED

Opinion

We have audited the financial statements of Semefab Limited (the 'Company') for the year ended 31 October 2021 which comprise the profit and loss account, the balance sheet, the statement of changes in equity, the statement of cash flows, the analysis of net funds and notes to the financial statements, 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 state of the Company's affairs as at 31 October 2021 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 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 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.

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 our report, we do not express any form of assurance conclusion thereon.

SEMEFAB LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SEMEFAB LIMITED

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.

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 the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In 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 intend either 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.

SEMEFAB LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SEMEFAB LIMITED

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

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.

Based on our understanding of the Company and its industry, we considered that non-compliance with the following laws and regulations might have a material effect on the financial statements: employment regulation, health and safety regulation, anti-money laundering regulation, non-compliance with implementation of government support schemes relating to COVID-19.

To help us identify instances of non-compliance with these laws and regulations, and in identifying and assessing the risks of material misstatement in respect to non-compliance, our procedures included, but were not limited to:

- Inquiring of management and, where appropriate, those charged with governance, as to whether the company is in compliance with laws and regulations, and discussing their policies and procedures regarding compliance with laws and regulations;
- Inspecting correspondence, if any, with relevant licensing or regulatory authorities;
- Communicating identified laws and regulations to the engagement team and remaining alert to any indications of non-compliance throughout our audit; and
- Considering the risk of acts by the company which were contrary to applicable laws and regulations, including fraud.

We also considered those laws and regulations that have a direct effect on the preparation of the financial statements, such as tax legislation, pension legislation, the Companies Act 2006.

In addition, we evaluated the directors' and management's incentives and opportunities for fraudulent manipulation of the financial statements, including the risk of management override of controls, and determined that the principal risks related to posting manual journal entries to manipulate financial performance, management bias through judgements and assumptions in significant accounting estimates, and significant one-off or unusual transactions.

Our audit procedures in relation to fraud included but were not limited to:

- Making enquiries of the directors and management on whether they had knowledge of any actual, suspected or alleged fraud;
- Gaining an understanding of the internal controls established to mitigate risks related to fraud;
- Discussing amongst the engagement team the risks of fraud; and
- Addressing the risks of fraud through management override of controls by performing journal entry testing.

There are inherent limitations in the audit procedures described above and the primary responsibility for the prevention and detection of irregularities including fraud rests with management. As with any audit, there remained a risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls.

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. This description forms part of our auditor's report.

SEMEFAB LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SEMEFAB LIMITED

Use of the audit 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.

Stephen English

Stephen English (Senior Statutory Auditor)

for and on behalf of:

Mazars LLP
Chartered Accountants and Statutory Auditor
6 Dominus Way
Meridian Business Park
Leicester
LE19 1RP

Date: Jul 6, 2022

SEMEFAB LIMITED

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 OCTOBER 2021**

	Note	2021 £	2020 £
Turnover	4	13,416,747	11,684,888
Cost of sales		(8,012,851)	(7,207,164)
Gross profit		5,403,896	4,477,724
Administrative expenses		(4,870,404)	(3,885,644)
Other operating income	5	1,089,532	564,829
Operating profit	6	1,623,024	1,156,909
Interest receivable and similar income	10	8,070	12,683
Interest payable and similar expenses	11	(101,028)	(110,639)
Profit before tax		1,530,066	1,058,953
Tax on profit	12	(536,442)	(217,015)
Profit for the financial year		993,624	841,938


The notes on pages 14 to 33 form part of these financial statements.

SEMEFAB LIMITED
REGISTERED NUMBER: SC100193

BALANCE SHEET
AS AT 31 OCTOBER 2021

	Note	2021 £	2020 £
Fixed assets			
Tangible assets	13	7,183,060	8,116,134
		<u>7,183,060</u>	<u>8,116,134</u>
Current assets			
Stocks	14	1,771,121	2,008,964
Debtors: amounts falling due after more than one year	15	350,000	350,000
Debtors: amounts falling due within one year	15	1,971,850	1,557,792
Cash at bank and in hand	16	4,243,646	2,818,798
		<u>8,336,617</u>	<u>6,735,554</u>
Creditors: amounts falling due within one year	17	(2,631,771)	(2,510,310)
Net current assets		<u>5,704,846</u>	<u>4,225,244</u>
Total assets less current liabilities		<u>12,887,906</u>	<u>12,341,378</u>
Creditors: amounts falling due after more than one year	18	(2,756,723)	(3,300,193)
Provisions for liabilities			
Deferred tax	21	(1,460,248)	(984,549)
Deferred capital grants	23	(864,204)	(1,243,529)
		<u>(2,324,452)</u>	<u>(2,228,078)</u>
Net assets		<u><u>7,806,731</u></u>	<u><u>6,813,107</u></u>
Capital and reserves			
Called up share capital	23	1,000,914	1,000,914
Capital redemption reserve	24	86	86
Profit and loss account	24	6,805,731	5,812,107
		<u>7,806,731</u>	<u>6,813,107</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on Jul 6, 2022


allan.james (Jul 6, 2022 11:47 GMT+1)

A D L James
 Director

The notes on pages 14 to 33 form part of these financial statements.

SEMEFAB LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 OCTOBER 2021**

	Called up share capital	Capital redemption reserve	Profit and loss account	Total equity
	£	£	£	£
At 1 November 2020	1,000,914	86	5,812,107	6,813,107
Profit for the year	-	-	993,624	993,624
At 31 October 2021	1,000,914	86	6,805,731	7,806,731

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 OCTOBER 2020**

	Called up share capital	Capital redemption reserve	Profit and loss account	Total equity
	£	£	£	£
At 1 November 2019	1,001,000	-	5,673,669	6,674,669
Profit for the year	-	-	841,938	841,938
Purchase of own shares	-	-	(703,500)	(703,500)
Shares cancelled during the year	(86)	86	-	-
At 31 October 2020	1,000,914	86	5,812,107	6,813,107

The notes on pages 14 to 33 form part of these financial statements.

SEMEFAB LIMITED

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 OCTOBER 2021**

	2021 £	2020 £
Cash flows from operating activities		
Profit for the financial year	993,624	841,938
Adjustments for:		
Depreciation of tangible assets	1,142,723	1,109,830
Amortisation of capital grants	(379,325)	(379,326)
Interest paid	101,028	110,639
Interest received	(8,070)	(12,683)
Taxation charge	536,442	217,015
Decrease/(increase) in stocks	237,843	(76,919)
(Increase)/decrease in debtors	(430,020)	1,179,075
Increase in creditors	71,957	117,863
Corporation tax received	15,962	21,453
Net cash generated from operating activities	<u>2,282,164</u>	<u>3,128,885</u>
Cash flows from investing activities		
Purchase of tangible fixed assets	(209,647)	(385,141)
Interest received	8,070	12,683
Net cash used in investing activities	<u>(201,577)</u>	<u>(372,458)</u>
Cash flows from financing activities		
Repayment of loans	(240,000)	(125,000)
Repayment of hire purchase	(314,711)	(314,711)
Interest paid	(101,028)	(110,639)
Issue of loan notes	-	(350,000)
Purchase of own shares	-	(703,500)
Net cash used in financing activities	<u>(655,739)</u>	<u>(1,603,850)</u>
Net increase in cash and cash equivalents	1,424,848	1,152,577
Cash and cash equivalents at beginning of year	2,818,798	1,666,221
Cash and cash equivalents at the end of year	<u>4,243,646</u>	<u>2,818,798</u>
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	<u>4,243,646</u>	<u>2,818,798</u>

The notes on pages 14 to 33 form part of these financial statements.

SEMEFAB LIMITED

**ANALYSIS OF NET FUNDS
FOR THE YEAR ENDED 31 OCTOBER 2021**

	At 1 November 2020 £	Cash flows £	At 31 October 2021 £
Cash at bank and in hand	2,818,798	1,424,848	4,243,646
Other loans	(1,675,000)	75,000	(1,600,000)
Group loans	(975,000)	165,000	(810,000)
Hire purchase	(964,904)	314,711	(650,193)
	<u>(796,106)</u>	<u>1,979,559</u>	<u>1,183,453</u>

The notes on pages 14 to 33 form part of these financial statements.

SEMEFAB LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2021**

1. General information

Semefab Limited, registered number: SC100193, presents its financial statements for the Year ended 31 October 2021.

The Company is a private Company, limited by shares and is registered in Scotland. The address of the registered office is Newark Road South, Eastfield Industrial Estate, Glenrothes, Fife, KY7 4NS.

The principal activity of the Company is the design and manufacture of application specific integrated circuits, discrete semi-conductor devices and foundry processing for the MEM's industry.

The presentation currency for the financial statements is Pound Sterling (£) as this is the currency of the primary economic environment in which the Company operates and is rounded to the nearest pound.

A summary of the Company's accounting policies, which have been consistently applied, are set out below:

2. Accounting policies**2.1 Basis of preparation of financial statements**

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 102 ("FRS 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 accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Financial reporting standard 102 - reduced disclosure exemptions

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 4 Statement of Financial Position paragraph 4.12(a) (iv);
- 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 Hicks (1) Limited as at 31 October 2021 and these financial statements may be obtained from Companies House.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2021**

2. Accounting policies (continued)

2.3 Going concern

The Directors, along with the Company's senior management team, have and are continuing to assess the business's impact of COVID-19 on all areas of the business. This includes ongoing discussions with all of the business's internal and external key stakeholders. As part of this process, the Directors have been assessing the likely trading levels of the Company over the foreseeable future and evaluating the availability of both financial and non-financial resources to ensure the Company continues to trade profitably and without material disruption. As a result, and with careful and cautious management, the Directors consider the Company will remain a profitable, cash generative business for the foreseeable future.

2.4 Turnover

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the Company and the turnover can be reliably measured. Turnover 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 turnover is recognised:

Sale of goods

Turnover from the sale of goods is recognised when all of the following conditions are satisfied:

- the Company has transferred the significant risks and rewards of ownership to the buyer;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of turnover can be measured reliably;
- it is probable that the Company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Rendering of services

Turnover 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 turnover 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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2021**

2. Accounting policies (continued)

2.5 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.

Land is not depreciated. Depreciation on other assets 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 annual basis:

Freehold buildings	- 4% per annum
Plant & machinery	- 10% - 20% per annum

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the profit or loss account.

2.6 Stocks

Stocks and work in progress are stated at the lower of cost and net realisable value. Cost includes materials, direct labour and production overheads appropriate to the relevant stage of production. Net realisable value is based on estimated selling prices less further costs to completion and disposal.

Work in progress is valued on the basis of direct costs plus attributable overheads based on a normal level of activity. Provision is made for any foreseeable losses where appropriate. No element of profit is included in the valuation of work in progress.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in the profit and loss account.

2.7 Debtors

Short term debtors are measured at transaction price, less any impairment.

2.8 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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2021**

2. Accounting policies (continued)

2.9 Financial instruments

The Company only enters into basic financial instruments 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 and loans from related parties.

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.

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 profit and loss account.

2.10 Hire purchase

Assets obtained under hire purchase contracts are capitalised as tangible fixed assets and are depreciated over their useful lives. The finance element of the rental payment is charged to the profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

2.11 Creditors

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

2.12 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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2021**

2. Accounting policies (continued)

2.13 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is Pounds Sterling (£).

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit and loss account within administration expenses.

2.14 Operating leases

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

2.15 Sale and leaseback

Where a sale and leaseback transaction results in a hire purchase contract, no gain is immediately recognised for any excess of sales proceeds over the carrying amount of the asset. Instead, the proceeds are presented as a liability and subsequently measured at amortised cost using the effective interest method.

2.16 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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2021**

2. Accounting policies (continued)

2.17 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the profit or loss account.

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.

2.18 Interest income

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

2.19 Borrowing costs

All borrowing costs are recognised in the profit and loss account in the year in which they are incurred.

2.20 Research and development

It is not possible to distinguish between the research phase and the development phase of an internal project, therefore all research and development expenditure is treated as if it were all incurred in the research phase only and is recognised as an expense when it is incurred.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2021**

2. Accounting policies (continued)

2.21 Employee benefit trust ("EBT")

The Company has established a trust for the benefit of employees; former employees and certain of their dependants. Monies contributed to this trust are held by independent trustees and managed at their discretion.

Under UTIF 32, "Employee Benefit Trusts and Other Intermediate Payment Arrangements", the assets and liabilities of the trust are accounted for as assets and liabilities of the Company until the earlier of the date that an allocation of trust funds to employees in respect of past services is declared, or the date that assets of the trust vest unconditionally in identified individuals. Any impairment in the value of such assets is recognised in profit and loss account in the period to which it relates.

Where the Company determines payments to a trust on the basis of employees' past services to the business and the Company can obtain no future economic benefit from those contributions, such contributions payable by the Company to the trust are charged to the profit or loss in the period to which they relate.

3. Judgements in applying accounting policies and key sources of estimation uncertainty

Preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not apparent from other sources. Actual results may differ from these estimates.

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 and in any future periods affected.

Significant matter judgements

There are no significant matter judgements in these financial statements.

Estimation uncertainty

Management makes estimates of the value of overheads to be absorbed into the cost of stock. These estimates are included in cost of sales and stock.

Management make estimates of the impaired value of slow moving stock. These estimates are included in cost of sales and stock.

SEMEFAB LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2021**

4. Turnover

Turnover is wholly attributable to the principal activity of the Company.

Analysis of turnover by country of destination:

	2021 £	2020 £
United Kingdom	2,296,579	2,211,279
Rest of Europe	4,644,633	2,888,598
USA	4,655,058	3,375,414
Rest of World	1,820,477	3,209,597
	<u>13,416,747</u>	<u>11,684,888</u>

5. Other operating income

	2021 £	2020 £
Income from research & development	954,313	447,719
Grants receivable	29,506	47,732
Miscellaneous income	105,713	69,378
	<u>1,089,532</u>	<u>564,829</u>

6. Operating profit

The operating profit is stated after charging/(crediting):

	2021 £	2020 £
Research & development	351,030	185,596
Depreciation of owned tangible fixed assets	939,816	906,925
Depreciation of assets held under hire purchase	202,905	202,905
Amortisation of capital grants	(379,326)	(379,326)
Foreign currency exchange retranslation	32,396	(196,694)
Operating lease payments	-	1,895
	<u>-</u>	<u>-</u>

SEMEFAB LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2021**

7. Auditor's remuneration

	2021	2020
	£	£
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	16,200	15,525
Fees payable to the Company's auditor and its associates in respect of:		
All other services	7,600	4,700

8. Employees

Staff costs, including Director's remuneration, were as follows:

	2021	2020
	£	£
Wages and salaries	4,229,432	3,637,082
Social security costs	416,771	362,261
Cost of defined contribution pension scheme	113,360	101,929
	<u>4,759,563</u>	<u>4,101,272</u>

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

	2021	2020
	No.	No.
Production	114	103
Administration	8	8
	<u>122</u>	<u>111</u>

SEMEFAB LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2021**

9. Directors' remuneration

	2021	2020
	£	£
Directors' emoluments	161,392	121,118
Company contributions to defined contribution pension schemes	3,202	3,165
	<u>164,594</u>	<u>124,283</u>

During the year retirement benefits were accruing to 1 Director (2020 - 1) in respect of defined contribution pension schemes.

10. Interest receivable

	2021	2020
	£	£
Other interest receivable	8,070	12,683
	<u>8,070</u>	<u>12,683</u>

11. Interest payable and similar expenses

	2021	2020
	£	£
Loan interest	49,685	54,332
Interest payable to parent undertaking	18,553	23,346
Hire purchase interest	32,790	32,961
	<u>101,028</u>	<u>110,639</u>

SEMEFAB LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2021**

12. Taxation

	2021 £	2020 £
Corporation tax		
Current tax on profits for the year	60,743	-
Adjustments in respect of previous periods	-	(15,962)
Total current tax	<u>60,743</u>	<u>(15,962)</u>
Deferred tax		
Origination and reversal of timing differences (note 21)	475,699	232,977
Total deferred tax	<u>475,699</u>	<u>232,977</u>
Taxation on profit on ordinary activities	<u>536,442</u>	<u>217,015</u>

Factors affecting tax charge for the year

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

	2021 £	2020 £
Profit on ordinary activities before tax	1,530,066	1,058,953
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 19% (2020 - 19%)	290,713	201,201
Effects of:		
Expenses not deductible for tax purposes	2,083	823
Difference between capital allowances and depreciation	26,113	(9,029)
Adjustments to deferred tax charge in respect of prior periods	(132,926)	(43,339)
Remeasurement of deferred tax for changes in tax rates	350,459	83,321
Research & development tax credit	-	(15,962)
Total tax charge for the year	<u>536,442</u>	<u>217,015</u>

SEMEFAB LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2021**

12. Taxation (continued)**Factors that may affect future tax charges**

It is anticipated that the Company will continue to claim research and development allowances in the future.

The Company has taxable trading losses of approximately £Nil (2020 - £762,252) available to utilise against future trading profits.

The UK Government announced in the 2021 budget that from 1 April 2023, the rate of corporation tax in the United Kingdom will increase from 19% to 25%.

13. Tangible fixed assets

	Freehold buildings £	Plant & machinery £	Total £
Cost			
At 1 November 2020	6,251,776	16,895,404	23,147,180
Additions	-	209,647	209,647
At 31 October 2021	<u>6,251,776</u>	<u>17,105,051</u>	<u>23,356,827</u>
Depreciation			
At 1 November 2020	2,599,604	12,431,442	15,031,046
Charge for the year	250,071	892,650	1,142,721
At 31 October 2021	<u>2,849,675</u>	<u>13,324,092</u>	<u>16,173,767</u>
Net book value			
At 31 October 2021	<u>3,402,101</u>	<u>3,780,959</u>	<u>7,183,060</u>
At 31 October 2020	<u>3,652,172</u>	<u>4,463,962</u>	<u>8,116,134</u>

The net book value of assets held under hire purchase contracts, included above, are as follows:

	2021 £	2020 £
Plant & machinery	1,367,937	1,570,842
	<u>1,367,937</u>	<u>1,570,842</u>

SEMEFAB LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2021**

14. Stocks

	2021 £	2020 £
Raw materials	493,853	573,028
Work in progress	1,277,268	1,435,936
	<u>1,771,121</u>	<u>2,008,964</u>

15. Debtors

	2021 £	2020 £
Due after more than one year		
Loan note (note 26)	350,000	350,000
	<u>350,000</u>	<u>350,000</u>

	2021 £	2020 £
Due within one year		
Trade debtors	1,712,902	1,363,276
EBT debtor (note 26)	36,309	36,309
Other debtors	76,178	20,999
Prepayments and accrued income	146,461	137,208
	<u>1,971,850</u>	<u>1,557,792</u>

16. Cash and cash equivalents

	2021 £	2020 £
Cash at bank	4,241,176	2,816,328
EBT cash	2,470	2,470
	<u>4,243,646</u>	<u>2,818,798</u>

SEMEFAB LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2021**

17. Creditors: amounts falling due within one year

	2021 £	2020 £
Trade creditors	906,652	983,586
Corporation tax	60,743	-
Other taxation and social security	114,454	94,300
Obligations under hire purchase contracts (note 20)	303,470	314,711
Other creditors	-	11,252
Accruals and deferred income	1,246,452	1,106,461
	<u>2,631,771</u>	<u>2,510,310</u>

18. Creditors: amounts falling due after more than one year

	2021 £	2020 £
Other loans (note 19)	1,600,000	1,675,000
Obligations under hire purchase contracts (note 20)	346,723	650,193
Amounts owed to group undertakings	810,000	975,000
	<u>2,756,723</u>	<u>3,300,193</u>

Amounts owed to group undertakings due after more than one year relate to an unsecured loan, have no fixed repayment date, and bears interest at 2% above the bank base rate. It is not expected to be repaid within 12 months from the balance sheet date.

Other loans amounting to £1,600,000 (2020: £1,675,000) are repayable in full or in part at any time up to 2027, at the Company's discretion, are unsecured and attract interest at 3% over the UK base rate.

19. Other loans

Analysis of the maturity of loans is given below:

	2021 £	2020 £
Other loans falling due after 5 years	1,600,000	1,675,000
	<u>1,600,000</u>	<u>1,675,000</u>

SEMEFAB LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2021**

20. Hire purchase

Minimum lease payments under hire purchase fall due as follows:

	2021 £	2020 £
Amounts falling due within one year	303,470	314,711
Amounts falling due within 2-5 years	346,723	650,193
	<u>650,193</u>	<u>964,904</u>

Hire purchase contracts are secured on the assets to which they relate.

21. Deferred taxation

	2021 £	2020 £
Balance bought forward	(984,549)	(751,572)
Credited to profit or loss	(475,699)	(232,977)
Balance carried forward	<u>(1,460,248)</u>	<u>(984,549)</u>

The provision for deferred taxation is made up as follows:

	2021 £	2020 £
Accelerated capital allowances	(538,704)	(431,045)
Rolled over capital gains	(921,544)	(700,373)
Short term timing differences	-	2,041
Losses carried forward	-	144,828
	<u>(1,460,248)</u>	<u>(984,549)</u>

SEMEFAB LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2021**

22. Deferred income**Capital grants**

	2021	2020
	£	£
Received and receivable:		
Balance bought forward	7,487,502	7,487,502
Additions	-	-
Balance carried forward	<u>7,487,502</u>	<u>7,487,502</u>

	2021	2020
	£	£
Amortisation		
Balance bought forward	6,243,972	5,864,647
Credit to the profit and loss account during the year	379,326	379,326
Balance carried forward	<u>6,623,298</u>	<u>6,243,973</u>

	2021	2020
	£	£
Net book value		
At 31 October	<u>864,204</u>	<u>1,243,529</u>

SEMEFAB LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2021**

23. Share capital

	2021	2020
	£	£
Allotted, called up and fully paid		
314 (2020 - 314) A ordinary shares of £1.00 each	314	314
600 (2020 - 600) B ordinary shares of £1.00 each	600	600
1,000,000 (2020 - 1,000,000) C ordinary shares of £1.00 each	1,000,000	1,000,000
	<u>1,000,914</u>	<u>1,000,914</u>

The A and B ordinary shares have equal voting rights and are entitled to dividends pro rated according to the amounts paid up respectively.

The C shares do not carry an entitlement to a dividend or have any voting rights. The C shares have the right on a winding up to receive, in priority to any other class of share, the sum of £1 per share.

The full terms and conditions of the rights attaching to share capital are set out in the Memorandum and Articles of Association, copies of which may be obtained from Companies House.

24. Reserves**Capital redemption reserve**

The capital redemption reserve represents the nominal value of shares purchased by the Company.

Profit & loss account

The profit and loss account represents profits and losses retained in the current and prior periods.

25. Pension commitments

The Company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Company in independently administered funds. The pension cost charge represents contributions payable by the Company to these funds and amounted to £113,360 (2020 - £101,929). There were accrued pension contributions of £Nil (2020 - £11,252) included within creditors at the year end.

SEMEFAB LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2021**

26. Related party transactions

During the year the Company entered into the following transactions with related parties:

a) Immediate parent undertaking, Hicks (2) Limited:

	2021 £	2020 £
Interest payable	18,553	23,346
Management fees payable	36,000	-
Creditors: due after more than one year	810,000	975,000
	<u>810,000</u>	<u>975,000</u>

b) The Sverdloff 2009 Trust, a trust in which S R Sverdloff, the ultimate controlling party, is a beneficiary:

	2021 £	2020 £
Interest payable	19,685	30,098
Creditors: due after more than one year	600,000	675,000
	<u>619,685</u>	<u>705,098</u>

c) Advanced Eco Technology Limited Pension Plan, a pension in which S R Sverdloff, the ultimate controlling party, is a member:

	2021 £	2020 £
Interest payable	30,000	30,041
Creditors: due after more than one year	1,000,000	1,000,000
	<u>1,030,000</u>	<u>1,030,041</u>

(d) Detector and Sensor Technologies (Holdings) Limited, a company in which A D L James is a member:

This is due to be repaid on 1 July 2025 and interest is accrued daily.

	2021 £	2020 £
Loans receivable	350,000	350,000
Interest received	9,687	10,959
	<u>359,687</u>	<u>360,959</u>

SEMEFAB LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2021**

26. Related party transactions (continued)

e) Advanced Eco Technology Limited, a company in which S R Sverdloff has an equity interest:

	2021 £	2020 £
Consultancy fees payable	95,753	84,036
Management fees payable	-	35,000
Creditor at year end	<u>465,943</u>	<u>612,311</u>

f) Profusion Ltd, a company in which K G Persin, is also a Director:

	2021 £	2020 £
Sales	164,284	58,406
Debtor at year end	<u>42,791</u>	<u>-</u>

g) DST Sensor Technologies Limited, a company in which A D L James is a Director:

	2021 £	2020 £
Sales	564,589	194,106
Debtor at year end	<u>207,477</u>	<u>16,366</u>

h) The EBT debtor (note 15) represents amounts due from A D L James, a Director of the Company, which bears interest of 5% per annum and is repayable on demand.

A D L James is considered to be key management personnel of the Company.

27. Post balance sheet events

On 24 February 2022 Russian Forces entered Ukraine, resulting in Western Nation reactions including announcements of sanctions against Russia and Russian interests worldwide and an economic ripple effect on the global economy. The Directors have carried out an assessment of the potential impact of Russian Forces entering Ukraine on the business, including the impact of mitigation measures and uncertainties, and have concluded that this is a non-adjusting post balance sheet event with the greatest impact on the business expected to be from the economic ripple effect on the global economy. The Directors have taken account of these potential impacts in their going concern assessments

SEMEFAB LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2021**

28. Immediate and ultimate parent undertaking and ultimate controlling party

The Company's immediate and ultimate parent undertakings are Hicks (2) Limited and Hicks (1) Limited respectively. Both of these companies are registered in England and Wales. The largest and smallest group in which the financial statements of Semefab Limited are consolidated is that headed by Hicks (1) Limited. The financial statements of Hicks (1) Limited can be obtained from Companies House.

S R Sverdloff is considered to be the ultimate controlling party, by virtue of his controlling interest in the issued equity share capital of Hicks (1) Limited, the ultimate parent undertaking.