

# Semefab Limited

Registered number: SC100193

## Annual report and financial statements

For the year ended 31 October 2022

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**SEMEFAB LIMITED**

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**COMPANY INFORMATION**

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

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**SEMEFAB LIMITED**

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**SEMEFAB LIMITED**

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**STRATEGIC REPORT  
FOR THE YEAR ENDED 31 OCTOBER 2022**

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**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**

This was the main year for transitioning customers from 4 inch to 6 inch silicon in readiness for Fab 1 closure. The business climate for sales of semiconductor components remained buoyant although signs emerged of an impending slow down towards the end of the year in the wake of the Russia -Ukraine conflict with attendant high cost of energy in particular leading to general price inflation. In response, Semefab increased its prices by 10 per cent. Semefab continues to export >70% of its product with Brexit having to date, a minor negative effect with additional delays at customs and some additional administration fees.

This need to prepare Fab 1 for closure has been occasioned by our largest single customer's precision analogue integrated circuit products naturally coming to their end of life, the increasing cost and difficulty of maintaining very old equipment and there being progressively fewer supplies of 4 inch silicon substrates available to us. All of Semefab customers were offered the opportunity to transition their products to 6 inch wafers or provide last time buy quantities on 4 inch. The result was an extremely busy year with record sales of £15.5M an increase of 16% on the previous year and Profit before tax of 15.7% or £2.43M. Despite large cost increases in our supply chain, - notably Gases at 67% and External Processing at 73%, we managed to improve the Gross Margin by 2.5% over 2021 to 42.7%. Worthy of note is that this was only made possible by judicious forward purchasing of Electricity that pegged our charge to almost the same as in 2021 despite massive increases in the spot rate for energy.

In consequence, Net cash flow from operating activities increased by 16% to £2.64M and Semefab was able to spend approx. £1.1M in Capital expenditure. Total Share Capital and Reserves were increased in the year by 20% to £9.7M

We continue to supply leading edge ambient light sensors, thermopiles for non-contact temperature measurement, human presence detection and gesture recognition and for gas type sensing and gas flow measurement applications. Our pressure sensor foundry business continues to be in strong demand for automotive and industrial markets. Our nuclear radiation detectors for scanners and FTIR platform devices for detection of disease markers in blood plasma continue to serve the medical sector.

Semefab has a strong pipeline of developments in hand in MEMS Sensors - notably in electrogratings for precision metrology, flow sensors for gases and liquids, pressure sensors, and gas-type sensors (Hydrogen and NDIR gas sensing), wafer scale X-ray sources, Retinal implant chips.

In Power switching semiconductors developments are underway 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.

**STRATEGIC REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 OCTOBER 2022**

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**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 us from high prices in 2021 & 2022. Despite the impending closure of Fab 1, substantial 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 have embarked on a strategy to reduce our carbon footprint by employing variable frequency drives on electric motors, fans and pumps to reduce energy consumption in during idle time and are focusing on eliminating waste in chemicals, consumables and particularly in high purity Nitrogen usage.

Improved planning and scheduling of development activities should lead to a faster rate of new product introduction. Both of these measures are targeted at minimising costs whilst becoming more efficient by filling spare capacity, so creating major growth into the future.

There remains considerable uncertainty regarding inflationary pressure in the economy, and in particular the future price of energy and possible further consequences of the Russia-Ukraine and China-Taiwan disputes. These uncertainties have made forecasting into 2023 and beyond very 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.


**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 switch 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 14, 2023 09:33 GMT+1)

**A D L James**  
Director

Date: Jul 14, 2023

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**SEMEFAB LIMITED**

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**DIRECTORS' REPORT  
FOR THE YEAR ENDED 31 OCTOBER 2022**

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The Directors present their report and the financial statements for the year ended 31 October 2022.

**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 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 £2,115,249 (2021 - £993,624).

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  
G M Fisher (appointed 1 June 2022)  
G W Shaw (appointed 1 June 2022)

**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.

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**SEMEFAB LIMITED**

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**DIRECTORS' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 OCTOBER 2022**

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**Going concern**

These financial statements have been prepared on a going concern basis as the Directors have not identified any material uncertainties related to events or conditions that may cast significant doubt about the ability of the Company to continue as a going concern.

**Economic impact of global events**

UK businesses are currently facing many uncertainties such as the consequences of Brexit, Covid 19, environmental sustainability and geopolitical events such as the Russian invasion of Ukraine. These uncertainties have contributed to an environment where there exists a range of issues and risks, including inflation, rising interest rates, labour shortages, disrupted supply chains and new ways of working.

The Directors have carried out an assessment of the potential impact of these uncertainties on the business, including the impact of mitigation measures, and have concluded that these are non-adjusting events 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 assessment.

Semefab Limited continues to work with its partners to minimise any impacts of these events and maximise the realisation of any opportunities they may provide to the business.

**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, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

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

  
allan.james (Jul 14, 2023 09:33 GMT+1)

**A D L James**  
Director

Date: Jul 14, 2023

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**SEMEFAB LIMITED**

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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SEMEFAB LIMITED**

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**Opinion**

We have audited the financial statements of Semefab Limited (the 'Company') for the year ended 31 October 2022 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 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 "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.

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**SEMEFAB LIMITED**

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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SEMEFAB LIMITED**

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**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.

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.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SEMEFAB LIMITED**

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**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.

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 and anti-money laundering regulation.

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, revenue recognition (which we pinpointed to the cut-off assertion) 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.

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**SEMEFAB LIMITED**

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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SEMEFAB LIMITED**

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**Auditor's responsibilities for the audit of the financial statements (continued)**

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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

**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 14, 2023

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**SEMEFAB LIMITED**

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**PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 31 OCTOBER 2022**

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	Note	2022 £	2021 £
<b>Turnover</b>	<b>4</b>	15,513,838	13,416,747
Cost of sales		(8,883,900)	(8,012,851)
<b>Gross profit</b>		<u>6,629,938</u>	<u>5,403,896</u>
Administrative expenses		(5,037,347)	(4,870,404)
Other operating income	<b>5</b>	931,075	1,089,532
<b>Operating profit</b>	<b>6</b>	<u>2,523,666</u>	<u>1,623,024</u>
Interest receivable and similar income	<b>10</b>	8,416	8,070
Interest payable and similar expenses	<b>11</b>	(106,426)	(101,028)
<b>Profit before tax</b>		<u>2,425,656</u>	<u>1,530,066</u>
Tax on profit	<b>12</b>	(310,407)	(536,442)
<b>Profit for the financial year</b>		<u><u>2,115,249</u></u>	<u><u>993,624</u></u>

The notes on pages 14 to 34 form part of these financial statements.

**BALANCE SHEET  
AS AT 31 OCTOBER 2022**

	Note	2022 £	2021 £
<b>Fixed assets</b>			
Tangible assets	13	7,062,627	7,183,060
Investments	14	52	-
		<u>7,062,679</u>	<u>7,183,060</u>
<b>Current assets</b>			
Stocks	15	1,510,598	1,771,121
Debtors: amounts falling due after more than one year	16	350,000	350,000
Debtors: amounts falling due within one year	16	3,062,111	1,971,850
Cash at bank and in hand	16	4,571,333	4,243,646
		<u>9,494,042</u>	<u>8,336,617</u>
Creditors: amounts falling due within one year	18	(2,980,476)	(2,631,771)
<b>Net current assets</b>		<u>6,513,566</u>	<u>5,704,846</u>
<b>Total assets less current liabilities</b>		<u>13,576,245</u>	<u>12,887,906</u>
Creditors: amounts falling due after more than one year	19	(2,199,461)	(2,756,723)
<b>Provisions for liabilities</b>			
Deferred tax	22	(1,515,648)	(1,460,248)
Deferred capital grants	23	(485,823)	(864,204)
		<u>(2,001,471)</u>	<u>(2,324,452)</u>
<b>Net assets</b>		<u><u>9,375,313</u></u>	<u><u>7,806,731</u></u>
<b>Capital and reserves</b>			
Called up share capital	24	1,000,750	1,000,914
Capital redemption reserve	25	250	86
Profit and loss account	25	8,374,313	6,805,731
		<u>9,375,313</u>	<u>7,806,731</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on Jul 14, 2023

  
allan.james (Jul 14, 2023 09:33 GMT+1)

**A D L James**  
Director

The notes on pages 14 to 34 form part of these financial statements.

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**SEMEFAB LIMITED**

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**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 OCTOBER 2022**

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	Called up share capital	Capital redemption reserve	Profit and loss account	Total equity
	£	£	£	£
At 1 November 2021	1,000,914	86	6,805,731	7,806,731
Profit for the year	-	-	2,115,249	2,115,249
Purchase of own shares	-	-	(546,667)	(546,667)
Cancellation of shares	(164)	164	-	-
<b>At 31 October 2022</b>	<b>1,000,750</b>	<b>250</b>	<b>8,374,313</b>	<b>9,375,313</b>

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

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	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
<b>At 31 October 2021</b>	<b>1,000,914</b>	<b>86</b>	<b>6,805,731</b>	<b>7,806,731</b>

The notes on pages 14 to 34 form part of these financial statements.

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**SEMEFAB LIMITED**

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**STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 OCTOBER 2022**

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	2022 £	2021 £
<b>Cash flows from operating activities</b>		
Profit for the financial year	2,115,249	993,624
<b>Adjustments for:</b>		
Depreciation of tangible assets	1,170,456	1,142,723
Amortisation of capital grants	(378,380)	(379,325)
Interest paid	106,426	101,028
Interest received	(8,416)	(8,070)
Taxation charge	310,407	536,442
Decrease in stocks	260,523	237,843
Increase in debtors	(1,090,262)	(430,020)
Increase in creditors	136,716	71,957
Corporation tax received	13,190	15,962
<b>Net cash generated from operating activities</b>	<u>2,635,909</u>	<u>2,282,164</u>
<b>Cash flows from investing activities</b>		
Purchase of tangible fixed assets	(1,050,023)	(209,647)
Purchase of fixed asset investments	(52)	-
Interest received	8,416	8,070
<b>Net cash used in investing activities</b>	<u>(1,041,659)</u>	<u>(201,577)</u>
<b>Cash flows from financing activities</b>		
Repayment of loans	(310,000)	(240,000)
Repayment of hire purchase	(303,470)	(314,711)
Interest paid	(106,426)	(101,028)
Purchase of own shares	(546,667)	-
<b>Net cash used in financing activities</b>	<u>(1,266,563)</u>	<u>(655,739)</u>
<b>Net increase in cash and cash equivalents</b>	327,687	1,424,848
Cash and cash equivalents at beginning of year	4,243,646	2,818,798
<b>Cash and cash equivalents at the end of year</b>	<u>4,571,333</u>	<u>4,243,646</u>
<b>Cash and cash equivalents at the end of year comprise:</b>		
Cash at bank and in hand	<u>4,571,333</u>	<u>4,243,646</u>

The notes on pages 14 to 34 form part of these financial statements.

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**SEMEFAB LIMITED**

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**ANALYSIS OF NET FUNDS  
FOR THE YEAR ENDED 31 OCTOBER 2022**

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	At 1 November 2021 £	Cash flows £	At 31 October 2022 £
Cash at bank and in hand	4,243,646	327,687	4,571,333
Other loans	(1,600,000)	-	(1,600,000)
Group loans	(810,000)	310,000	(500,000)
Hire purchase	(650,193)	303,470	(346,723)
	<u>1,183,453</u>	<u>941,157</u>	<u>2,124,610</u>

The notes on pages 14 to 34 form part of these financial statements.

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**SEMEFAB LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 OCTOBER 2022**

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**1. General information**

Semefab Limited, registered number: SC100193, presents its financial statements for the year ended 31 October 2022.

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 continued to be 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 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Semefab Holdings Limited as at 31 October 2022 and these financial statements may be obtained from Companies House.

**2.3 Exemption from preparing consolidated financial statements**

The Company is exempt from the requirement to prepare consolidated financial statements as the trade and net liabilities of the subsidiary Company are not material.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 OCTOBER 2022

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2. Accounting policies (continued)

2.4 Going concern

These financial statements have been prepared on a going concern basis as the Directors have not identified any material uncertainties related to events or conditions that may cast significant doubt about the ability of the Company to continue as a going concern.

2.5 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 2022

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2. Accounting policies (continued)

2.6 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 and loss account.

2.7 Fixed asset investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.8 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.

2.9 Debtors

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

2.10 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 2022

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2. Accounting policies (continued)

2.11 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 to/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.

2.12 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.

2.13 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.

2.14 Grants

Grants are accounted under the accruals model as permitted by FRS 102. Grants relating to expenditure on tangible fixed assets are credited to the profit and loss account 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 2022**

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**2. Accounting policies (continued)**

**2.15 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.

**2.16 Operating leases**

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

**2.17 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*.

**2.18 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 the profit and loss account 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 2022**

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**2. Accounting policies (continued)**

**2.19 Current and deferred taxation**

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

**2.20 Interest income**

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

**2.21 Borrowing costs**

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

**2.22 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 2022**

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**2. Accounting policies (continued)**

**2.23 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 and loss account 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.

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**SEMEFAB LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 OCTOBER 2022**

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**4. Turnover**

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

Analysis of turnover by country of destination:

	<b>2022</b>	<b>2021</b>
	£	£
United Kingdom	4,108,198	2,296,579
Rest of Europe	4,986,824	4,644,633
USA/Canada	4,994,706	4,655,058
Rest of World	1,424,110	1,820,477
	<u>15,513,838</u>	<u>13,416,747</u>

**5. Other operating income**

	<b>2022</b>	<b>2021</b>
	£	£
Income from research & development	772,896	954,313
Grants receivable	28,560	29,506
Miscellaneous income	129,619	105,713
	<u>931,075</u>	<u>1,089,532</u>

**6. Operating profit**

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

	<b>2022</b>	<b>2021</b>
	£	£
Research & development	679,171	351,030
Depreciation of owned tangible fixed assets	967,552	939,816
Depreciation of assets held under hire purchase	202,904	202,905
Amortisation of capital grants	(378,380)	(379,326)
Foreign currency exchange retranslation	(517,823)	32,396
	<u></u>	<u></u>

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**SEMEFAB LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 OCTOBER 2022**

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**7. Auditor's remuneration**

During the year, the Company obtained the following services from the Company's auditor:

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Fees payable to the Company's auditor for the audit of the Company's financial statements	18,775	16,200

**8. Employees**

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

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Wages and salaries	4,416,573	4,229,432
Social security costs	476,880	416,771
Cost of defined contribution pension scheme	205,403	113,360
	<u>5,098,856</u>	<u>4,759,563</u>

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

	<b>2022</b>	<b>2021</b>
	<b>No.</b>	<b>No.</b>
Production	122	114
Administration	9	8
	<u>131</u>	<u>122</u>

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**SEMEFAB LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 OCTOBER 2022**

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**9. Directors' remuneration**

	2022 £	2021 £
Directors' emoluments	193,685	161,392
Company contributions to defined contribution pension schemes	80,029	3,202
	<u>273,714</u>	<u>164,594</u>

During the year retirement benefits were accruing to 3 Director (2021 - 1) in respect of defined contribution pension schemes.

The highest paid Director received remuneration excluding pension of £115,768 during the year.

The value of the Company's contributions paid to a defined contribution pension scheme in respect of the highest paid Director amounted to £3,229 during the year.

**10. Interest receivable**

	2022 £	2021 £
Other interest receivable	<u>8,416</u>	<u>8,070</u>

**11. Interest payable and similar expenses**

	2022 £	2021 £
Loan interest	53,803	49,685
Interest payable to group undertaking	19,315	18,553
Hire purchase interest	33,308	32,790
	<u>106,426</u>	<u>101,028</u>

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**SEMEFAB LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 OCTOBER 2022**

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**12. Taxation**

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
<b>Corporation tax</b>		
Current tax on profits for the year	328,940	60,743
Adjustments in respect of previous periods	(73,933)	-
<b>Total current tax</b>	<u>255,007</u>	<u>60,743</u>
<b>Deferred tax</b>		
Origination and reversal of timing differences (note 22)	55,400	475,699
<b>Total deferred tax</b>	<u>55,400</u>	<u>475,699</u>
<b>Taxation on profit on ordinary activities</b>	<u>310,407</u>	<u>536,442</u>

**Factors affecting tax charge for the year**

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

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Profit on ordinary activities before tax	<u>2,425,656</u>	<u>1,530,066</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 19% (2021 - 19%)	460,875	290,713
<b>Effects of:</b>		
Expenses not deductible for tax purposes	2,556	2,083
Difference between capital allowances and depreciation	1,226	26,113
Adjustments to deferred tax charge in respect of prior periods	-	(132,926)
Adjustments to tax charge in respect of prior periods	(73,933)	-
Remeasurement of deferred tax for changes in tax rates	34,522	350,459
Movement in deferred tax not recognised	(114,839)	-
<b>Total tax charge for the year</b>	<u>310,407</u>	<u>536,442</u>

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**SEMEFAB LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 OCTOBER 2022**

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**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 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 £
<b>Cost</b>			
At 1 November 2021	6,251,776	17,105,051	23,356,827
Additions	-	1,050,023	1,050,023
At 31 October 2022	<u>6,251,776</u>	<u>18,155,074</u>	<u>24,406,850</u>
<b>Depreciation</b>			
At 1 November 2021	2,849,675	13,324,092	16,173,767
Charge for the year	233,332	937,124	1,170,456
At 31 October 2022	<u>3,083,007</u>	<u>14,261,216</u>	<u>17,344,223</u>
<b>Net book value</b>			
At 31 October 2022	<u>3,168,769</u>	<u>3,893,858</u>	<u>7,062,627</u>
At 31 October 2021	<u>3,402,101</u>	<u>3,780,959</u>	<u>7,183,060</u>

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

	2022 £	2021 £
Plant & machinery	1,165,032	1,367,937
	<u>1,165,032</u>	<u>1,367,937</u>

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**SEMEFAB LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 OCTOBER 2022**

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**14. Fixed asset investments**

	<b>Investments in subsidiary companies £</b>
<b>Cost</b>	
Additions	52
At 31 October 2022	<u>52</u>

**Subsidiary undertaking**

The following was a subsidiary undertaking of the Company:

<b>Name</b>	<b>Registered office</b>	<b>Class of shares</b>	<b>Holding</b>
Queensland Semiconductor Technologies PTY Ltd	Laszlo Grace, Unit 6, 100 Flinders Parade, North Lakes, QLD 4509, Australia	Ordinary	52%

The aggregate of the share capital and reserves as at 31 October 2022 and the profit or loss for the year ended on that date for the subsidiary undertaking were as follows:

<b>Name</b>	<b>Aggregate of share capital and reserves £</b>	<b>Profit/(Loss) £</b>
Queensland Semiconductor Technologies PTY Ltd	(92,206)	(44,639)

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**SEMEFAB LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 OCTOBER 2022**

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**15. Stocks**

	2022 £	2021 £
Raw materials	484,843	493,853
Work in progress	1,025,755	1,277,268
	<u>1,510,598</u>	<u>1,771,121</u>

**16. Debtors**

	2022 £	2021 £
<b>Due after more than one year</b>		
Loan note (note 28)	350,000	350,000
	<u>350,000</u>	<u>350,000</u>

The loan note attracts interest at 3% per annum and is due to be repaid in 2025.

	2022 £	2021 £
<b>Due within one year</b>		
Trade debtors	2,845,227	1,712,902
EBT debtor (note 28)	36,309	36,309
Other debtors	4,606	76,178
Prepayments and accrued income	175,969	146,461
	<u>3,062,111</u>	<u>1,971,850</u>

The EBT debtor attracts interest at 5% per annum and is repayable on demand.

**17. Cash and cash equivalents**

	2022 £	2021 £
Cash at bank	4,568,863	4,241,176
EBT cash	2,470	2,470
	<u>4,571,333</u>	<u>4,243,646</u>

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**SEMEFAB LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 OCTOBER 2022**

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**18. Creditors: amounts falling due within one year**

	<b>2022</b>	<b>2021</b>
	£	£
Trade creditors	1,301,017	906,652
Corporation tax	328,940	60,743
Other taxation and social security	241,650	114,454
Obligations under hire purchase contracts (note 21)	247,262	303,470
Accruals and deferred income	861,607	1,246,452
	<u>2,980,476</u>	<u>2,631,771</u>

**19. Creditors: amounts falling due after more than one year**

	<b>2022</b>	<b>2021</b>
	£	£
Other loans (note 20)	1,600,000	1,600,000
Obligations under hire purchase contracts (note 21)	99,461	346,723
Amounts owed to group undertakings	500,000	810,000
	<u>2,199,461</u>	<u>2,756,723</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% per annum 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 (2021 - £1,600,000) are repayable in full or in part at any time up to 2027, at the Company's discretion, are unsecured and bears interest at 3% per annum over the UK base rate.

**20. Other loans**

Analysis of the maturity of loans is given below:

	<b>2022</b>	<b>2021</b>
	£	£
Other loans falling due within 2-5 years	600,000	-
Other loans falling due after 5 years	1,000,000	1,600,000
	<u>1,600,000</u>	<u>1,600,000</u>

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**SEMEFAB LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 OCTOBER 2022**

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**21. Hire purchase**

Minimum lease payments under hire purchase fall due as follows:

	2022 £	2021 £
Amounts falling due within one year	247,262	303,470
Amounts falling due within 2-5 years	99,461	346,723
	<u>346,723</u>	<u>650,193</u>

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

**22. Deferred taxation**

	2022 £	2021 £
Balance bought forward	(1,460,248)	(984,549)
Debited to profit or loss	(55,400)	(475,699)
<b>Balance carried forward</b>	<u>(1,515,648)</u>	<u>(1,460,248)</u>

The provision for deferred taxation is made up as follows:

	2022 £	2021 £
Accelerated capital allowances	(594,104)	(538,704)
Rolled over capital gains	(921,544)	(921,544)
	<u>(1,515,648)</u>	<u>(1,460,248)</u>

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**SEMEFAB LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 OCTOBER 2022**

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**23. Deferred income**

## Capital grants

	2022 £	2021 £
<b>Received and receivable:</b>		
Balance brought forward	7,487,502	7,487,502
Additions	-	-
<b>Balance carried forward</b>	<u>7,487,502</u>	<u>7,487,502</u>
	2022 £	2021 £
<b>Amortisation</b>		
Balance bought forward	6,623,298	6,243,972
Credit to the profit and loss account during the year	378,380	379,326
<b>Balance carried forward</b>	<u>7,001,678</u>	<u>6,623,298</u>
	2022 £	2021 £
<b>Net book value</b>		
At 31 October	<u>485,823</u>	<u>864,204</u>

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**SEMEFAB LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 OCTOBER 2022**

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**24. Share capital**

	2022 £	2021 £
<b>Allotted, called up and fully paid</b>		
300 (2021 - 314) A ordinary shares of £1.00 each	300	314
450 (2021 - 600) B ordinary shares of £1.00 each	450	600
1,000,000 (2021 - 1,000,000) C ordinary shares of £1.00 each	1,000,000	1,000,000
	<u>1,000,750</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.

During the year, 14 A Ordinary Shares and 150 B Ordinary Shares were purchased by the Company and cancelled on the same day.

**25. 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.

**26. Capital commitments**

At 31 October 2022 the Company had capital commitments as follows:

	2022 £	2021 £
Contracted for but not provided in these financial statements	<u>500,036</u>	<u>-</u>

**27. 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 £205,403 (2021 - £113,360). There were accrued pension contributions of £Nil (2021 - £Nil) included within creditors at the year end.

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**SEMEFAB LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 OCTOBER 2022**

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**28. Related party transactions**

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

a) Fellow group undertaking, Hicks (2) Limited:

	2022 £	2021 £
Interest payable	19,315	18,553
Management fees payable	36,000	36,000
Creditors: due after more than one year	-	810,000
	<u>          </u>	<u>          </u>

Semefab Limited purchased back 150 Ordinary B shares from Hicks (2) Limited on 23 August 2022 for a consideration of £500,000. The shares were then cancelled.

b) Semefab Holdings Limited, the parent undertaking:

	2022 £	2021 £
Creditors: due after more than one year	500,000	-
	<u>          </u>	<u>          </u>

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

	2022 £	2021 £
Interest payable	23,803	19,685
Creditors: due after more than one year	600,000	600,000
	<u>623,803</u>	<u>619,685</u>

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

	2022 £	2021 £
Interest payable	30,000	30,000
Creditors: due after more than one year	1,000,000	1,000,000
	<u>1,030,000</u>	<u>1,030,000</u>

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**SEMEFAB LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 OCTOBER 2022**

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**28. Related party transactions (continued)**

e) Detector and Sensor Technologies (Holdings) Limited, a Company in which A D L James is a Director:

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Debtors: due after 1 year	350,000	350,000
Interest received	6,499	9,687
	<u>356,499</u>	<u>359,687</u>

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

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Consultancy fees payable	155,289	95,753
Creditors: due within 1 year	16,264	465,943
	<u>171,553</u>	<u>561,696</u>

g) Profusion Ltd, a Company in which K G Persin, is also a Director:

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Sales	164,560	164,284
Debtors: due within 1 year	-	42,791
	<u>164,560</u>	<u>207,075</u>

h) Detector and Sensor Technologies Limited, a Company in which A D L James is a Director:

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Sales	936,969	564,589
Purchases	52,500	-
Debtors: due within 1 year	48,560	207,477
	<u>1,038,029</u>	<u>772,066</u>

Semefab Limited purchased back 14 Ordinary A shares from Detector and Sensor Technologies Limited on 23 August 2022 for a consideration of £46,667. The shares were then cancelled.

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**SEMEFAB LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 OCTOBER 2022**

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**28. Related party transactions (continued)**

i) The EBT debtor (note 16) represents amounts due from A D L James, a Director of the Company:

	2022	2021
	£	£
Debtors: due within 1 year	36,309	36,309

The Directors are considered to be key management personnel of the Company.

During the year the Company incurred expenditure totalling £28,000 (2021 - £Nil) relating to consultancy services from direct family members of the ultimate controlling party.

**29. Immediate and ultimate parent undertaking and ultimate controlling party**

The Company's immediate and ultimate parent undertaking is Semefab Holdings Limited, which is registered in England and Wales. The largest and smallest group in which the financial statements of Semefab Limited are consolidated is that headed by Semefab Holdings Limited. The financial statements of Semefab Holdings Limited can be obtained from Companies House.

S R Sverdlhoff is considered to be the ultimate controlling party, by virtue of his controlling interest in the issued equity share capital of Semefab Holdings Limited, the ultimate parent undertaking.