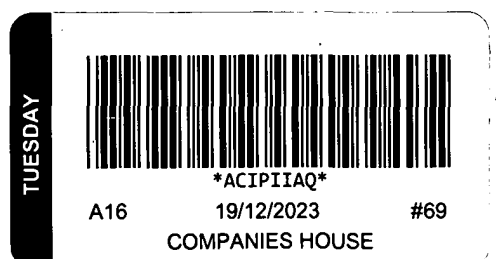


**SEI Interconnect Products (Europe) Limited**

**Annual report and financial statements**

**Registered number 03639819**

**Year ended 31 March 2023**



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## Strategic Report

The principal activity of the SEI Interconnect Products (Europe) Limited group continues to be the distribution of electronic wire and cable, semiconductors, flexible printed circuits, fine polymer products and the manufacture of cable identification systems and accessories.

The SEI Interconnect Products (Europe) Limited group is owned by Sumitomo Electric Industries (SEI), a public company registered in Japan. The SEI Interconnect Products (Europe) Limited group is responsible for the marketing the electronic wire and cable, semiconductors, flexible printed circuits and fine polymer products, manufactured by SEI group subsidiaries throughout the world to the European market.

### Review of business

Revenue for the year was € 80,531,850, an increase of 22.70% compared with the previous year's figure of € 65,631,600. Although turnover last year was positive compared with previous years under COVID, the turnover for the year under review was expected to show a reasonable improvement due to the markets serviced by SEI Interconnect Products (Europe) Limited service fully recovering from their stagnation during the COVID years and a number of larger projects which had been worked on for a number of years coming to fruition. Having said the above, the level of the 'bounce back' of all markets exceeded expectations to generate a record turnover for our business, Semiconductor and Flexible Printed Circuit business in particular having a very positive year and exceeding initial expectations. As can be seen from the above, turnover levels in the year under review achieved record levels, however, going forward it is anticipated trading conditions will not be as positive with a lower level of turnover anticipated in the coming year. The company are preparing for these difficult trading conditions by taking all measures available to them to reduce any impact this may have on the business.

The year under review shows a profit before tax € 1,621,505 (2.00% of sales) compared with a profit of € 596,241 (0.9% of sales) for the year ended 31<sup>st</sup> March 2022. The good improvement in the level of business, shown by the increased sales levels of 22.70% over the previous year have generated a much-improved result at the gross margin level (margin percentages remaining roughly in line with the previous year), which given reasonably 'fixed' operating expenses has allowed expenses to be covered as in previous years with additional turnover generated allowing the company to generate much improved profit levels. Although costs have been well controlled these are now showing increases due to the increased levels of business. Although the COVID Pandemic has substantially passed, it is important that the company benefits from the harsh lessons learnt from the pandemic to prepare itself for any future such occurrences. It is anticipated that the company will face some difficult trading conditions in the coming year which are likely to affect profitability with this not being at the year under review levels. The group will continue to focus on cost control in order to ensure that the company is operating as effectively as possible to mitigate any difficult trading conditions going forward.

Net current assets were € 4,103,929 compared to € 3,774,679 for the year ended 31<sup>st</sup> March 2022. This shows an increase in the value of net current of € 329,250 over the previous year. The increase in the balance shown is a result of the much-improved business levels offset by a proactive approach to reducing working capital levels with all areas of working capital benefitting from this approach. It should be noted that accounts payable balance has reduced out of proportion with that of accounts receivable due to goods previously held in stock at last year end due to longer lead times being reduced during the year as more capacity becomes available.

### COVID-19

The Company is fully aware of and appreciates the impact COVID-19 has had not only the Global markets but also that of the European market in which the company operates.

While the company appreciates the impact of COVID-19 on the year under reviews business is extremely limited and its effects on business going forward negligible the company fully understands and acknowledges the issues that COVID-19 caused and the need 'learn the lessons' associated with such difficult times to make the company more flexible and stronger going forward.

## Strategic Report (continued)

### COVID-19 (Continued)

One of the important lessons learnt from COVID is that the company needs to understand the importance of diversification of its product base and will continue to work on the extension of this portfolio of products from the Sumitomo Electric Industries – Electronics Division product range. Marketing activities to incorporate further products from the Sumitomo Electric Industries portfolio into its European business and establishing these in what it considers to be industry sectors with potential future sustainable growth, i.e. automotive, rail and medical are key to the future evolution of the business. It is the nature of these industry sectors however, that the results of marketing activities will not see positive results in respect of actual sales for a number of years.

One of the main ‘take aways’ from COVID-19 was safety. The Sumitomo Group have always been active in striving towards ‘safety excellence’ with the extra safety precautions that were implemented during COVID to remain in place going forward to ensure staff are kept as safe as possible inside and outside the workplace.

There has been no real change to the Groups plans for the coming year which continues to be to strengthen the company’s existing business by developing this with existing and targeted customers’ as well introducing new products and working on long term projects in key business sectors. As mentioned, COVID has highlighted the necessity to establish and maintain a well-balanced portfolio of products and customers across all our businesses to provide a strong base for future development, continued growth and the ability to remain profitable throughout difficult situations.

### Principle risks and uncertainties

The directors believe the other significant financial risks facing the group are foreign exchange risk and the potential risk of bad debts.

#### Foreign currency risk

In order to develop the business sales are made in non-base currencies such as Usd, Stg and Yen. Where it is possible the group will try to optimise natural hedging by the purchase of product for such business in the currency of sale. Where it is not possible to eliminate exposure under this method monthly forward currency contracts are taken out where appropriate to reduce exchange rate fluctuations.

#### Credit risk

With the difficult financial situation experienced during COVID and especially now as the Economies in which the company operates are coming out of the recession it is appreciated that more than the usual number of companies will now be facing financial difficulties with the company taking all necessary measures to make sure we mitigate any effects of increased risk of bad debt. The group rigorously check the financial strength of any new customers as well as regularly monitoring the financial wellbeing of the existing customer base. Strong internal procedures exist to monitor the recoverability of debt in accordance with its terms.

Credit risk insurance is in place to cover any possibility of a failure to collect a large debt and with the level of insurance, recently upgraded to cover all debts over €1k. The European market, during and post COVID is currently facing challenging trading conditions with the Directors are fully aware of the high level of company failures and have taken every measure to prevent failures affecting the group financial position.

#### Liquidity and cash flow

The SEI Interconnect Products (Europe) Limited Group has the security of being a wholly owned subsidiary of Sumitomo Electric Industries Ltd, a public company registered in Japan. The holding company plays a very important role in the development of the business by working with European management and continually monitoring all aspects of the company’s activities including its financial position and provides adequate funding when required to cover its needs.

## Strategic Report (continued)

### Section 172 Statement

The directors, when making decisions will always act in good faith and in a manner that is in the interest of the overall success of the company and for the benefit of its members as a whole and the stakeholders who interact with and are impacted by our business. This statement sets out how the directors have regard to the matters set out in Section 172 of the Companies Act 2006 whilst undertaking their roles, including, but not limited to the:

- a) likely consequences of any decisions in the long term
- b) interests of the company's employees
- c) Need to foster the company's business relationships with suppliers, customers and others.
- d) Impact of the company's operations on the community and the environment
- e) Desirability of the company maintaining a reputation for high standards of business conduct and
- f) Need to act fairly as between members of the company.

In discharging their duties under S172 the directors pay special attention to the above as well as any other factors that are relevant to the decision-making process. The Board fully understands that every decision made will not result in a positive outcome for all relevant stakeholders but strives to ensure that all decisions made are consistent, in line with our strategic direction and with the desire to promote the long-term success of the company.

- **Employees:** The company focuses on people and understands that true success is only achievable through a fully engaged and motivated workforce. It is believed that employees will influence the direction of the business and by supporting and developing their initiatives employees will feel valued through their contribution to the business. Employees are provided with the platform to express their voice, while the company provides regular updates to keep the staff informed of matters of importance.
- **Suppliers, customers and others:** The directors fully understand and acknowledge that the delivering of a reliable service, being responsive to changing customer behaviour and the developing of next generation products underpin the continued success of the business. The engaging with customers in its many forms, the receipt of customer feedback etc allows us to understand our customers view of our business to enable us to modify our behaviours and strengthen our performance to provide the high-quality service our customers should expect. The building of long-term sustainable relationships with suppliers is essential for the accessing of products for the needs of our customers which allows for the smooth running of our business.

**Community and environment:** The directors recognise the environmental impact of the company's operations and feel it is important to establish and promote green behaviours, i.e., the promoting of the use of electric/hybrid cars, installing charging points on site etc. The company also considers travel between sites and always considers the use of video facilities where possible. The company and employees are always willing to engage with local communities and charities to successfully support any initiatives.

- **High standards of business conduct:** The directors' intention is to ensure that the company operates in an ethical and responsible manner. It is acknowledged that a healthy corporate culture ensures high standards of business conduct and governance which in turn supports strong business dealings with stakeholders outside the company. Our company is guided by the SEI Code of Conduct as well as the Sumitomo Spirits with its teachings being fundamental contributors to the long-term success of the company.

## Strategic Report (*continued*)

### Section 172 Statement (*continued*)

In response to the COVID pandemic the company has worked tirelessly with the key stakeholder groups to ensure safety is always the priority with the additional safety procedures put in place during COVID remaining in place going forward to improve staff safety.

By order of the board



**D Gillett**  
*Secretary*

10 Axis Court  
Mallard Way  
Riverside Business Park  
Swansea  
SA7 0AJ

18 December 2023

## **Directors' Report**

### **Dividends**

The directors intend to propose a dividend for 2023 of € 389,101 (2022: € 642,923).

### **R&D Activities**

SEI Interconnect Products (Europe) Limited are the Sumitomo Groups sales company in Europe for the Electronics division products. As such, SEI Interconnect Products (Europe) Limited do not engage in R&D activities, with this being undertaken by the Electronics divisions factories in order to establish the next generation of products for sale to the European marketplace.

### **Financial Instruments**

SEI Interconnect Products (Europe) Limited attempt to mitigate any exposure to foreign exchange in their trading activities by taking out monthly forward exchange contracts in the appropriate currencies. Forward contracts are 'settled' at the end of each month with a new monthly contract taken out to reflect updated trading situation on the date the previous contract was settled. All contracts due for settlement were settled on the 31<sup>st</sup> March 2023 with only open contracts being those taken out for settlement on 30<sup>th</sup> April 2023 on the 31<sup>st</sup> March 2023. SEI Interconnect Products (Europe) Limited have not entered into any other transactions of a financial instrument nature. The fair value of the derivatives entered into as at 31 March 2023 are immaterial, therefore no entries have been made within the financial statements to reflect them.

### **Policy and practice on payment of creditors**

Payments made to the suppliers of product are mainly to SEI group companies and have agreed payment terms. It is SEI Group policy that all payments are made in line with these payment terms. Payments for expense items are paid 30 days after end of month, with strict compliance to these terms.

### **Directors**

The directors who served throughout the year were:

Y Miyata  
S Konishi  
N Perkins (appointed 16<sup>th</sup> January 2023)

### **Overseas branches**

SEI Interconnect Products (Europe) Limited had overseas branches located in France, Germany, Italy, and Hungary throughout the year.

### **Political and charitable donations**

The company made a charitable donation of € Nil in the year (2022: € Nil).

## Directors' Report (*continued*)

### Going Concern

The Group's business activities, together with the factors likely to affect its future development, performance and position are set out in the Strategic Report on page 1.

The financial statements have been prepared on a going concern basis which the Directors consider to be appropriate for the following reasons.

The principal activity of the SEI Interconnect Products (Europe) Limited group is the distribution of electronic wire and cable, semiconductors, flexible printed circuits, fine polymer products and the manufacture of cable identification systems and accessories.

The SEI Interconnect Products (Europe) Limited group is owned by Sumitomo Electric Industries (SEI), a public company registered in Japan. The SEI Interconnect Products (Europe) Limited group is responsible for the marketing the electronic wire and cable, semiconductors, flexible printed circuits and fine polymer products, manufactured by SEI group subsidiaries throughout the world to the European market. The company's cash flows are therefore dependent on the continuation, volume, and pricing of those operations.

The Group meets its day to day working capital requirements from the group cash pooling facility, together with operational cash flows, and trading balances with the group headed by Sumitomo Electric Industries Limited.

The Directors have prepared cash flow forecasts for a period of 12 months from the date of approval of these financial statements which indicate that, taking account of reasonably possible downsides, the Group will have sufficient funds, which includes its facilities provided by its fellow subsidiary company, Sumitomo Electric Finance Limited, to meet its liabilities as they fall due during 12-month period ending on 31 December 2024, the going concern assessment period.

In preparing these forecasts, the Directors have considered a severe but plausible scenario. The key assumptions used in this scenario being no growth forecast for the going concern assessment period and trading and profitability remaining at levels achieved in the year to March 2023 and the post year end period.

These forecasts are dependent on the parent company, Sumitomo Electric Industries Ltd, continuing to provide financial support during that period in the form of access, at the existing levels, to the Group cash pooling facility, as administered by the Sumitomo group's finance company, Sumitomo Electric Finance Limited.

Sumitomo Electric Industries Limited has indicated its intention to continue to make available such funds as are needed by the company, and that it does not intend to seek repayment of the amounts currently due to the group, which at 31st March 2023 amounted to € 4,156,147, during the going concern assessment period. As with any company placing reliance on other group entities for financial support, the directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

Consequently, the directors are confident that the company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

### Disclosure of information to the auditors

The directors who held office at the date of approval of the directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the company's auditors are unaware, and each director has taken all the steps he ought to have taken as a director to make himself aware of any relevant audit information and to establish the company's auditors are aware of this information.



## Directors' Report *(continued)*

### Auditors

Pursuant to section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

### Environmental Policy

#### Energy Efficiency Actions

The company recognises the environmental impact of its operations and remains committed to promoting activities and behaviours to reduce this impact. With regards to energy generated through business mileage, the company policy states that only employees with a minimum business mileage of 10,000 miles per annum are entitled to a company car. This policy ensures that company cars are kept to a minimum, thereby reducing emissions as far as possible. The company also operates a cycle to work scheme which promotes the well-being aspect as well as the use of non-emission transport.

Smart meters have been installed to improve the monitoring of electricity and gas usage. Employees are encouraged to consider their daily activities in terms of the environmental policy and adopt a system of continuous review and improvement in line with the company's objectives. A target has also been set to replace existing lights with LED to further improve energy efficiency.

### Streamlined Energy and Carbon Reporting

	2023	2022*
<b>Energy Use from UK Operations</b>		
Combustion of Natural Gas	130,755	13,339
Electricity Consumed	57,250	44,997
Combustion of fuel in company vehicles	37,027	27,703
<b>Total kWh Scope 1 + Scope 2 Activities</b>	<b>225,032</b>	<b>86,039</b>
<b>Greenhouse Gas Emissions</b>		
Scope 1 Activities	8,977	6,815
Scope 2 Activities	35,774	11,997
<b>Total CO<sub>2</sub> emissions</b>	<b>44,751</b>	<b>18,812</b>
<b>Intensity Ratio (Scopes 1 &amp; 2)</b>		
<b>Emissions per €'000 of turnover</b>	<b>11.38</b>	<b>3.32</b>

\*2022 was reported incorrectly due to a meter reading error at SEI Identification Solutions Ltd relating to the combustion of natural gas. Therefore the overall figures above are not directly compatible.

## Directors' Report (*continued*)

### Intensity Metric

We have chosen the turnover of the UK based operations during the year as this allows comparable measurement of our principal activities.

### Methodology

A market-based calculation of CO2 equivalent emissions was made using energy data collected from energy suppliers. Energy and carbon from transport were modelled using an average UK vehicle. Emissions factors used were 2023 UK Government conversion factors for company reporting.

By order of the Board



**D Gillett**

*Secretary*

10 Axis Court  
Mallard Way  
Riverside Business Park  
Swansea  
SA7 0AJ

18 December 2023

## **Statement of directors' responsibilities in respect of the Strategic Report, the Directors' Report and the financial statements**

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 they have elected to prepare the group and parent company financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), including FRS102 *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 group and the parent company and of their profit or loss for that year. In preparing each of the group and parent company financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the group and parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the parent company's transactions and disclose with reasonable accuracy at any time the financial position of the parent company and enable them to ensure that its financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the group and to prevent and detect fraud and other irregularities.

## **Independent Auditor's Report to the Members of SEI Interconnect Products (Europe) Limited**

### **Opinion**

We have audited the financial statements of SEI Interconnect Products (Europe) Limited ("the Company") for the year ended 31 March 2023 which comprise the Consolidated Profit and Loss Account and Other Comprehensive Income, Consolidated Balance Sheet, Company Balance Sheet, Consolidated Statement of Changes in Equity, Company Statement of Changes in Equity and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the parent Company's affairs as at 31 March 2023 and of the Group's profit for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*; 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 are described below. We have fulfilled our ethical responsibilities under, and are independent of the Group in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

### **Going concern**

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the Group or the Company or to cease their operations, and as they have concluded that the Group and the Company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over their ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

In our evaluation of the directors' conclusions, we considered the inherent risks to the Group's business model and analysed how those risks might affect the Group and Company's financial resources or ability to continue operations over the going concern period.

Our conclusions based on this work:

- we consider that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- we have not identified and concur with the directors' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the Group or the Company's ability to continue as a going concern for the going concern period.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the Group or the Company will continue in operation.

## **Independent Auditor's Report to the Members of SEI Interconnect Products (Europe) Limited *(continued)***

### **Fraud and breaches of laws and regulations – ability to detect**

#### *Identifying and responding to risks of material misstatement due to fraud*

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- Enquiring of directors as to the Group's high-level policies and procedures to prevent and detect, as well as whether they have knowledge of any actual, suspected or alleged fraud.
- Reading Board minutes.
- Using analytical procedures to identify any unusual or unexpected relationships.

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.

As required by auditing standards, we perform procedures to address the risk of management override of controls, in particular the risk that Group and component management may be in a position to make inappropriate accounting entries. On this audit we do not believe there is a fraud risk related to revenue recognition because revenue is high volume, low value with no complexity in terms of recognition and therefore limited opportunity to manipulate it.

We did not identify any additional fraud risks.

We performed procedures including:

- Identifying journal entries to test based on risk criteria and comparing the identified entries to supporting documentation. These included journals posted to unusual account combinations.

#### *Identifying and responding to risks of material misstatement related to compliance with laws and regulations*

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience and through discussion with the directors and other management (as required by auditing standards) and discussed with the directors and other management the policies and procedures regarding compliance with laws and regulations.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the Group is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies legislation), distributable profits legislation and taxation legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly, the Group is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. We identified the following areas as those most likely to have such an effect: health and safety, and employment law, recognising the nature of the Group's activities. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the directors and other management and inspection of regulatory and legal correspondence, if any. Therefore, if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

## **Independent Auditor's Report to the Members of SEI Interconnect Products (Europe) Limited *(continued)***

### *Context of the ability of the audit to detect fraud or breaches of law or regulation*

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

### **Strategic report and directors' report**

The directors are responsible for the strategic report and the directors' report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon.

Our responsibility is to read the strategic report and the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the strategic report and the directors' report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

### **Matters on which we are required to report by exception**

Under the Companies Act 2006, we are required to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent Company 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.

## **Independent Auditor's Report to the Members of SEI Interconnect Products (Europe) Limited (continued)**

### **Directors' responsibilities**

As explained more fully in their statement set out on page 9, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Group and parent 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 they either intend to liquidate the Group or the parent Company or to cease operations, or have no realistic alternative but to do so.

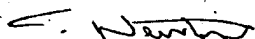
### **Auditor's responsibilities**

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities).

### **The purpose of our audit work and to whom we owe our responsibilities**

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.



**Chris Newton (Senior Statutory Auditor)**  
**for and on behalf of KPMG LLP, Statutory Auditor**  
*Chartered Accountants*  
3 Assembly Square  
Britannia Quay  
Cardiff  
CF10 4AX

18 December 2023

**Consolidated Profit and Loss Account and Other Comprehensive Income**  
*for the year ended 31 March 2023*

	Note	2023 €	2022 €
Turnover	2	80,531,850	65,631,600
Cost of sales		(72,238,104)	(58,749,074)
<b>Gross profit</b>		<b>8,293,746</b>	<b>6,882,526</b>
Administrative expenses		(6,696,121)	(6,288,471)
Other operating income		54,011	139,861
<b>Group operating profit</b>		<b>1,651,636</b>	<b>733,916</b>
Share of operating profit in associates		112,252	78,313
<b>Total operating profit</b>		<b>1,763,888</b>	<b>812,229</b>
Interest receivable and similar income	6	24,016	10,608
Interest payable and similar expenses	7	(166,399)	(226,596)
<b>Profit before taxation</b>	2-7	<b>1,621,505</b>	<b>596,241</b>
Tax on profit	8	(865,946)	(498,015)
<b>Profit after taxation</b>		<b>755,559</b>	<b>98,226</b>
<b>Other comprehensive income</b>			
Foreign exchange differences on translation of subsidiary undertaking		(46,040)	14,218
<b>Total comprehensive income for the year</b>		<b>709,519</b>	<b>112,444</b>

The notes on pages 20 to 37 form an integral part of these financial statements.



**Consolidated Balance Sheet**  
**at 31 March 2023**

	Note	2023 €	2023 €	2022 €	2022 €
<b>Fixed assets</b>					
Intangible assets					
Goodwill	9		1,787,556		2,205,919
Tangible assets	10		482,434		362,413
Investments	11				
Investments in associates		330,159		294,491	
Other investments		38,000		38,000	
			<u>368,159</u>		<u>332,491</u>
			<u>2,638,149</u>		<u>2,900,823</u>
<b>Current assets</b>					
Stocks	12	5,802,951		7,470,288	
Debtors	13	14,030,959		14,225,690	
Cash at bank and in hand		1,151,915		1,533,699	
		<u>20,985,825</u>		<u>23,229,677</u>	
<b>Creditors: amounts falling due within one year</b>	14	<u>(16,881,896)</u>		<u>(19,454,998)</u>	
<b>Net current assets</b>			<u>4,103,929</u>		<u>3,774,679</u>
<b>Creditors: amounts falling due after one year</b>			<u>-</u>		<u>-</u>
<b>Net assets</b>			<u>6,742,078</u>		<u>6,675,502</u>
<b>Capital and reserves</b>					
Called up share capital	16		4,215,900		4,215,900
Profit and loss account			<u>2,526,178</u>		<u>2,459,602</u>
<b>Shareholders' funds</b>			<u>6,742,078</u>		<u>6,675,502</u>

The notes on pages 19 to 38 form an integral part of these financial statements.

These financial statements were approved by the board of directors on 18th December 2023 and were signed on its behalf by:



**N Perkins**  
Director

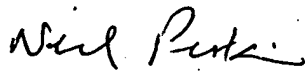
Company registered number: 03639819

**Company Balance Sheet**  
*at 31 March 2023*

	Note	2023 €	2023 €	2022 €	2022 €
<b>Fixed assets</b>					
Intangible assets					
Goodwill	9		542,369		667,532
Tangible assets	10		75,922		126,351
Investments	11		5,742,186		5,742,186
			<u>6,360,477</u>		<u>6,536,069</u>
<b>Current assets</b>					
Stocks	12	3,956,037		6,039,468	
Debtors	13	14,051,605		14,270,493	
Cash at bank and in hand		903,358		1,416,137	
		<u>18,911,000</u>		<u>21,726,098</u>	
<b>Creditors: amounts falling due within one year</b>	14	<u>(15,316,693)</u>		<u>(18,529,108)</u>	
<b>Net current assets</b>			<u>3,594,307</u>		<u>3,196,990</u>
<b>Total assets less current liabilities being net assets</b>			<u>9,954,784</u>		<u>9,733,059</u>
<b>Capital and reserves</b>					
Called up share capital	16		4,215,900		4,215,900
Profit and loss account			5,738,884		5,517,159
<b>Shareholders' funds</b>			<u>9,954,784</u>		<u>9,733,059</u>

The notes on pages 19 to 38 form an integral part of these financial statements.

These financial statements were approved by the board of directors on 18th December 2023 and were signed on its behalf by:



**N Perkins**  
Director

Company registered number: 03639819

**Consolidated Statement of Changes in Equity**  
*for the year ended 31 March 2023*

	Called up share capital	Profit and loss account	Total equity
	€	€	€
Balance at 1 April 2021	4,215,900	2,894,309	7,110,209
<b>Total comprehensive income for financial year</b>			
Loss for the year	-	98,226	98,226
Other comprehensive income:			
Foreign exchange differences on translation of subsidiary undertakings	-	14,218	14,218
<b>Total comprehensive income for the year</b>		112,444	112,444
<b>Transactions with owners, recorded directly in equity</b>			
Dividends	-	(547,151)	(547,151)
<b>Balance at 31 March 2022</b>	<b>4,215,900</b>	<b>2,459,602</b>	<b>6,675,502</b>
Balance at 1 April 2022	4,215,900	2,459,602	6,675,502
<b>Total comprehensive income for financial year</b>			
Profit for the year	-	755,559	755,559
Other comprehensive income:			
Foreign exchange differences on translation of subsidiary undertakings	-	(46,040)	(46,040)
<b>Total comprehensive income for the year</b>		709,519	709,519
<b>Transactions with owners, recorded directly in equity</b>			
Dividends	-	(642,943)	(642,943)
<b>Balance at 31 March 2023</b>	<b>4,215,900</b>	<b>2,526,178</b>	<b>6,742,078</b>

The notes on pages 20 to 37 form an integral part of these financial statements.

**Company Statement of Changes in Equity**  
*for the year ended 31 March 2023*

	Called up share capital	Profit and loss account	Total equity
	€	€	€
Balance at 1 April 2021	4,215,900	5,431,749	9,647,649
<b>Total comprehensive income for financial year</b>			
Profit for year	-	632,561	632,561
Dividends	-	(547,151)	(547,151)
<b>Balance at 31 March 2022</b>	<b>4,215,900</b>	<b>5,517,159</b>	<b>9,733,059</b>
Balance at 1 April 2022	4,215,900	5,517,159	9,733,059
<b>Total comprehensive income for financial year</b>			
Profit for year	-	864,668	864,668
Dividends	-	(642,943)	(642,943)
<b>Balance at 31 March 2023</b>	<b>4,215,900</b>	<b>5,738,884</b>	<b>9,954,784</b>

The notes on pages 20 to 37 form an integral part of these financial statements.

## Consolidated Cash Flow Statement for the year ended 31 March 2023

	Notes	2023 €	2022 €
<b>Cash flows from operating activities</b>			
Profit for the Year		755,559	98,226
<i>Adjustments for:</i>			
Depreciation of property, plant and equipment (PPE)	10	152,734	198,304
Share of profit in associates		(112,252)	(78,313)
Amortisation of intangible assets	9	418,363	418,363
Taxation	8	865,946	498,015
		<u>2,080,350</u>	<u>1,134,595</u>
Interest income	6	(24,016)	(10,608)
Interest Expense	7	166,399	226,596
(Increase)/decrease in trade and other receivables		(19,513)	(885,047)
(Increase)/decrease in inventories		1,667,337	(3,856,537)
(Decrease)/increase in trade and other payables		(1,245,314)	1,328,147
		<u>544,893</u>	<u>(3,197,449)</u>
Interest paid	7	(75,902)	(17,834)
Income taxes paid		(287,109)	(365,775)
		<u>(363,011)</u>	<u>(383,609)</u>
<b>Net cash from operating activities</b>		<u>2,262,232</u>	<u>(2,446,463)</u>
<b>Cash flows from investing activities</b>			
Dividends received from associates	11	28,960	29,403
Interest income received	6	24,016	10,608
Acquisition of PPE	10	(281,007)	(81,523)
<b>Net cash from Investment Activities</b>		<u>(228,031)</u>	<u>(41,512)</u>
<b>Cash flows from financing activities</b>			
Dividends paid		(642,943)	(547,151)
Loan repayments		(1,773,042)	
Loan drawdowns			3,757,896
<b>Net cash from financing activities</b>		<u>(2,415,985)</u>	<u>3,210,745</u>
<b>Net (decrease)/increase in cash and cash equivalents</b>		<u>(381,784)</u>	<u>722,770</u>
<b>Cash and cash equivalents at April 1<sup>st</sup></b>		<u>1,533,699</u>	<u>810,929</u>
<b>Cash and cash equivalents at March 31<sup>st</sup></b>		<u>1,151,915</u>	<u>1,533,699</u>

During the year, the directors identified that in previous years, the Company had incorrectly taken the FRS 102 exemption which allows qualifying entities which meet certain requirements to be exempt from preparing a cash flow statement. Given that the entity chooses to not take the exemption from consolidation it is not exempt from preparing a cash flow statement, the Company has presented in its accounts, the cash flow statement for the current year and for the year ended 31 March 2022.

## Notes

*(forming part of the financial statements)*

### 1 Accounting policies

SEI Interconnect Products (Europe) Limited is a company limited by shares and incorporated and domiciled in England & Wales in the UK.

These financial statements were prepared in accordance with Financial Reporting Standard 102 the Financial Reporting Standard applicable in the UK and Republic of Ireland ('FRS 102'). The presentation currency of these financial statements is Euro.

The Company's ultimate parent undertaking, Sumitomo Electric Industries Ltd, includes the Company in its consolidated financial statements. The consolidated financial statements of Sumitomo Electric Industries Ltd are available to the public and may be obtained from Sumitomo Electric Industries Ltd, 4-5-33, Kitahama, Chuo-ku, Osaka, Japan. In these financial statements, the company is considered to be a qualifying entity for the purpose of this FRS and has applied the exemptions available under FRS 102 in respect of the following disclosures:

- Reconciliation of the number of shares outstanding from the beginning to end of the period;
- Cash Flow Statement and related notes; and
- Key Management Personnel compensation.

As the consolidated statements of Sumitomo Electric Industries include the relevant disclosures, the Company has also taken the exemptions under FRS 102 available in respect of the following disclosures:

- The disclosures required by FRS 102.11 Basic Financial Instruments and FRS 102.12 Other Financial Instruments in respect of financial instruments not falling within the fair value accounting rules of Paragraph 36(4) of schedule 1.

The accounting policies set out below have, unless otherwise been stated, then applied consistently to all periods presented in these financial statements.

Under Section 408 of the Companies Act 2006 the Company is exempt from the requirement to present its own profit and loss account.

#### 1.1 Measurement Convention

The financial statements are prepared on the historic cost basis.

## Notes (continued)

### 1.2 Going Concern

The Group's business activities, together with the factors likely to affect its future development, performance and position are set out in the Strategic Report on page 1.

The financial statements have been prepared on a going concern basis which the Directors consider to be appropriate for the following reasons. The principal activity of the SEI Interconnect Products (Europe) Limited group is the distribution of electronic wire and cable, semiconductors, flexible printed circuits, fine polymer products and the manufacture of cable identification systems and accessories.

The SEI Interconnect Products (Europe) Limited group is owned by Sumitomo Electric Industries (SEI), a public company registered in Japan. The SEI Interconnect Products (Europe) Limited group is responsible for the marketing the electronic wire and cable, semiconductors, flexible printed circuits and fine polymer products, manufactured by SEI group subsidiaries throughout the world to the European market. The company's cash flows are therefore dependent on the continuation, volume, and pricing of those operations. The Group meets its day to day working capital requirements from the group cash pooling facility, together with operational cash flows, and trading balances with the group headed by Sumitomo Electric Industries Limited.

The Directors have prepared cash flow forecasts for a period of 12 months from the date of approval of these financial statements which indicate that, taking account of reasonably possible downsides, the Group will have sufficient funds, which includes its facilities provided by its fellow subsidiary company, Sumitomo Electric Finance Limited, to meet its liabilities as they fall due during 12-month period ending on 31 December 2024, the going concern assessment period.

In preparing these forecasts, the Directors have considered a severe but plausible scenario. The key assumptions used in this scenario being no growth forecast for the going concern assessment period and trading and profitability remaining at levels achieved in the year to March 2023 and the post year end period.

These forecasts are dependent on the parent company, Sumitomo Electric Industries Ltd, continuing to provide financial support during that period in the form of access, at the existing levels, to the Group cash pooling facility, as administered by the Sumitomo group's finance company, Sumitomo Electric Finance Limited.

Sumitomo Electric Industries Limited has indicated its intention to continue to make available such funds as are needed by the company, and that it does not intend to seek repayment of the amounts currently due to the group, which at 31st March 2023 amounted to € 4,156,147, during the going concern assessment period. As with any company placing reliance on other group entities for financial support, the directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

Consequently, the directors are confident that the company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

### 1.3 Basis of Consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiary undertakings made up to 31st March 2023. A subsidiary is an entity that is controlled by the parent. The results of subsidiary undertakings are included in the consolidated profit and loss account from the date that control commences until the date that control ceases. Control is established when the Company has the power to govern the operating and financial policies of an entity so as to obtain benefits from its activities. In assessing control, the Group takes into consideration potential voting rights that are currently exercisable.

An associate is an entity in which the Group has significant influence, but not control, over the operating and financial policies of the entity. Significant influence is presumed to exist when the investors hold between 20% and 50% of the equity voting rights.

The Group's share of the profits less losses of associates is included in the consolidated profit and loss account and its interest in their net assets is recorded on the balance sheet using the equity method.

## Notes (continued)

### 1 Accounting policies (continued)

#### 1.4 Foreign Currencies

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated using the rate of exchange ruling at the balance sheet date and the gains or losses on translation are included in the profit and loss account.

The assets and the liabilities of non-Euro subsidiary undertakings and associated undertakings are translated at the closing exchange rates. The revenues and expenses of such undertakings are consolidated at the average rates of exchange during the year. Gains and losses arising on these translations are taken to profit and loss, except on consolidation where they are taken to other comprehensive income, net of exchange differences arising on related foreign currency borrowings (see note 1.6).

In the group consolidation accounts only, exchange differences arising on the retranslation of foreign currency borrowing used to finance or provide a hedge against equity investments in foreign enterprises are taken to the Statement of changes in equity.

#### 1.5 Basic financial instruments

##### *Trade and other debtors/creditors*

Trade and other debtors are recognised initially at transaction price less attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost less any impairment losses in the case of trade debtors.

##### *Interest-bearing borrowings classified as basic financial instruments*

Interest-bearing borrowings are recognised initially at the present value of future payments discounted at a market rate of interest. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method, less any impairment losses.

##### *Investments in preference and ordinary shares*

Investments in equity instruments are measured initially at fair value, which is normally the transaction price. Transaction costs are excluded if the investments are subsequently measured at fair value through profit and loss. Subsequent to initial recognition investments that can be measured reliably are measured at fair value with changes recognised in profit or loss. Other investments are measured at cost less impairment in profit or loss.

In the parent financial statements, investments in subsidiaries and associates are carried at cost less impairment.

##### *Cash and cash equivalents*

Cash and cash equivalents comprise cash balance at the bank and cash in hand.

#### 1.6 Other financial instruments

Other financial instruments not meeting the definition of Basic Financial Instruments are recognised initially at fair value. Subsequent to initial recognition other financial instruments are measured at fair value with changes recognised in profit or loss except for hedging instruments in a designated hedging relationship which are recognised as set out below.

##### *Derivative financial instruments*

Derivative financial instruments are recognised at fair value. The gain or loss on the re-measurement to fair value is recognised immediately in the profit and loss.



## Notes (continued)

### 1 Accounting policies (continued)

#### 1.6 Other financial instruments (continued)

Cumulative exchange differences recognised in other comprehensive income relating to a hedge of a net investment in a foreign operation shall not be reclassified to profit or loss on disposal or partial disposal of that foreign operation.

#### 1.7 Tangible Fixed Assets

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses.

The company assesses at each reporting date whether tangible fixed assets are impaired.

Depreciation of tangible fixed assets is charged to the profit and loss account on a straight-line basis over their estimated useful economic lives as follows:

Plant & machinery	5 to 7 years
Fixtures & fittings	3 to 5 years
Motor vehicles	4 to 5 years

Depreciation methods, useful lives and residual values are reviewed if there is any significant change since the last annual reporting date in the pattern by which the company expects to consume an asset's future economic benefit.

#### 1.8 Business Combinations

On the acquisition of a business, including an interest in an associated undertaking, fair values are attributed to the Company's share of separable assets and liabilities acquired. Where the costs of acquisition exceed the values attributable to such assets and liabilities, the difference is treated as purchased goodwill and capitalised within fixed assets.

The profit or loss on the disposal of a previously acquired business includes the attributable amount of any purchased goodwill relating to that business.

#### 1.9 Intangible Assets

##### Goodwill

Goodwill is stated at cost less any accumulated amortisation and accumulated impairment loss. Goodwill is allocated to cash-generating units or group of cash-generating units that are expected to benefit from the synergies of the business combination from which it arose.

##### Amortisation

Amortisation is charged to the profit and loss on a straight-line basis over the estimated useful lives of the intangible asset. Intangible assets are amortised from the date they are available for use. The estimated useful lives are:

Goodwill	15 years
----------	----------

Goodwill is amortised on a straight-line basis over its useful life. Goodwill has no residual value. The finite useful life is estimated to be 15 years as acquisitions prior to these have been amortised over their expected useful lives of 15 to 20 years with the company still benefiting from the cash flows of the acquisitions.

#### 1.10 Stocks

Stocks are valued at the lower of cost or net realisable value. Cost is determined on a 'first in first out' basis. Net realisable value is the price at which stocks can be sold in the normal course of business after allowing for the cost of realisation and, where appropriate, the cost of conversion from their existing state to a finished condition.

**Notes (continued)**

**1 Accounting policies (continued)**

**1.11 Pensions**

Retirement benefits to employees are funded by the company and employees. Defined contributions are made to individual pension funds which are financially separate from the company and these are charged to the profit and loss account as incurred.

**1.12 Provisions**

A provision is recognised in the balance sheet when the entity has a present legal or constructive obligation as a result of a past event, that can be reliably measured and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are recognised at the best estimate of the amount required to settle the obligation at the reporting date.

**1.13 Expenditure**

*Operating Leases*

Payments made under operating leases are recognised in the profit and loss account on a straight-line over the term of the lease.

*Finance Leases*

Minimum lease payments are apportioned between the finance charge and the reduction of the outstanding liability using a rate implicit in the lease. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

**1.14 Taxation**

Tax on the profit and loss for the year comprises current and deferred tax. Tax is recognised directly in the profit and loss account.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year using tax rates enacted or substantively enacted at the balance sheet date, and any adjustments to tax payable in respect of previous years.

Deferred tax is provided on timing differences which arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements. Deferred tax is not recognised on permanent differences arising because certain types of income or expense are non-taxable or are disallowable for tax or because certain changes are greater or smaller than the corresponding income or expense.

Deferred tax is measured at the tax rate that is expected to apply to the reversal of the related differences, using tax rates enacted or substantially enacted at the balance sheet date. Deferred tax balances are not discounted.

Deferred tax assets are recognised as recoverable to the extent that, on the basis of all available evidence, it can be regarded as more likely than not there will be suitable taxable profits from which the future reversal of underlying timing differences can be deducted.

**1.15 Turnover**

Turnover represents the amounts (excluding any value added tax) derived from the provision of goods and services to customers. Income is recognised when the risk of ownership passes to the customer, i.e. when goods or services are delivered to the customer.

**1.16 Related Party Transactions**

The company has taken advantage of the exemption under Financial Reporting Standard 102 Section 33.1A from the requirement to disclose transactions entered into between two more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member.

## Notes (continued)

### 2 Analysis of turnover

All turnover is derived from one class of business. Turnover is split geographically as follows:

	Year ended 31 March 2023 €	Year ended 31 March 2022 €
Europe	71,703,804	57,964,339
South America	-	572
North America	675,551	621,175
Asia	556,204	343,856
Africa	7,596,291	6,701,658
	<u>80,531,850</u>	<u>65,631,600</u>

### 3 Notes to the profit and loss account

	2023 €	2022 €
<i>(Loss)/Profit before taxation is stated after charging/(crediting)</i>		
Amounts receivable by the auditors and their associates in respect of:		
- audit of these financial statements	81,822	77,280
- audit of the financial statements of subsidiaries of the Company	34,749	27,220
- tax compliance	48,927	54,107
- other tax advisory services	15,745	8,700
- all other services	-	18,131
Depreciation	152,734	198,304
Amortisation of goodwill	418,363	418,363
Operating lease rentals		
- Land and buildings	329,795	330,649
- other	50,161	50,304
	<u></u>	<u></u>

### 4 Remuneration of directors

	2023 €	2022 €
Directors' emoluments	<u>159,956</u>	<u>129,823</u>

There were no company pension contributions (2021: *€nil*) made to purchase scheme on behalf of the directors.

## Notes (continued)

### 5 Staff numbers and costs

The average number of persons employed by the Group (including directors) during the period was as follows:

	Number of employees	
	2023	2022
Distribution/office staff	64	63
Manufacturing	22	24
	<u>86</u>	<u>87</u>

	2023 €	2022 €
Wages and salaries	4,486,910	4,242,648
Social security costs	583,765	607,991
Other pension costs (note 19)	131,603	104,859
	<u>5,202,278</u>	<u>4,955,498</u>

### 6 Interest receivable and similar income

	2023 €	2022 €
On bank accounts	24,016	10,608
	<u>24,016</u>	<u>10,608</u>

### 7 Interest payable and similar expenses

	2023 €	2022 €
On loans from group companies	75,902	17,834
Net exchange loss	90,497	208,762
	<u>166,399</u>	<u>226,596</u>

## Notes (continued)

### 8 Taxation

#### Analysis of charge in period

	2023	2022
	€	€
<b>UK corporation tax</b>		
Current tax on income for the period	337,070	251,095
Double tax relief	(337,070)	(251,095)
Adjustments in respect of prior periods	-	15,775
		15,775
<b>Foreign tax</b>		
Current tax on income for the period	827,915	523,783
Adjustments in respect of prior periods	21,737	16,319
Share of associate's current tax	-	(48,213)
	849,652	491,889
Total current tax	849,652	507,664
<b>Deferred tax (see note 15)</b>		
Origination/reversal of timing differences	16,294	(4,817)
Prior year adjustments	-	(4,832)
Total deferred tax movement	16,294	(9,649)
Tax on profit	865,946	498,015

#### Factors affecting the tax charge for the current period

The tax assessed for the year is higher (2022: higher) than the standard rate of corporation tax in the UK of 19% (2022: 19%). The differences are explained below:

	2023	2022
	€	€
Profit/(loss) before tax	1,621,505	596,241
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2022: 19%)	308,086	113,286
<b>Effects of</b>		
Expenses not allowable for tax purposes	58,153	85,581
Non taxable income	(5,502)	(5,586)
Unrecognised deferred tax assets/(liabilities)	15,142	94,302
Changes in tax rates and laws	276	(23,788)
Different tax rates applied in overseas tax jurisdictions	489,791	271,490
Adjustment in respect of prior periods	-	(37,270)
Total tax charge for the period	865,946	498,015

## Notes (continued)

### 8 Taxation (continued)

#### *Factors that may affect future current and total tax charges*

The deferred tax asset recognised by the Group at 31 March 2023 of €69,533 (2022: €85,827) relates to timing differences primarily consisting of tax losses carried forward and accelerated depreciation. These are recognised to the extent that the realisation of the related tax benefit through future taxable profits from the same trade is probable.

There are unused trading losses at 31 March 2023 of approximately €1,297,000 (2022: €1,069,000). A deferred tax asset of approximately €264,000 (2022: €249,000) has not been recognised in respect of these tax losses due to uncertainty in respect of their recoverability.

In the March 2021 Budget it was announced that the main rate of corporation tax will increase to 25% from 1 April 2023 onwards, and this change was substantively enacted on 24 May 2021.

The deferred tax assets and liabilities at 31 March 2023 have been calculated based on the rate of 25% (2022: 25%) substantively enacted at the balance sheet date.

### 9 Intangible fixed assets

Group	Goodwill €
<i>Cost</i>	
At beginning of year	6,763,243
At end of year	6,763,243
<i>Amortisation and impairment</i>	
At beginning of year	4,557,324
Charged in year	418,363
At end of year	4,975,687
<i>Net book value</i>	
At 31 March 2023	1,787,556
At 31 March 2022	2,205,919

## Notes (continued)

### 9 Intangible fixed assets (continued)

Company	Goodwill €
<i>Cost</i>	
At beginning of year	2,365,233
At end of year	2,365,233
<i>Amortisation and impairment</i>	
At beginning of year	1,697,701
Charged in year	125,163
At end of year	1,822,864
<i>Net book value</i>	
At 31 March 2023	542,369
At 31 March 2022	667,532

The directors consider each acquisition separately for the purpose of determining the amortisation period of any goodwill that arises. The following sets out the periods over which goodwill is amortised based on the estimated useful life of the goodwill:

#### Group only

- Goodwill arising on purchase of Heinrich Thulesius GmbH & Co. KG by the SEI Interconnect Products (Europe) Limited (German branch) in 2013 is amortised over 15 years.
- Goodwill arising on purchase of SEI Identification Solutions Limited (formally Siegrist - Orel Limited) by SEI Interconnect Products (Europe) Limited in 2013 is amortised over 15 years.

#### Group and Company

- Goodwill arising on purchase of the Sumitomo Electric Schrupft Produkte GmbH sales business by the SEI Interconnect Products (Europe) Limited (German branch) in 2013 is amortised over 15 years.
- Goodwill arising on purchase of the flat flexible cable business from SEI Interconnect Products (UK) Limited in 1998 was amortised over 20 years and is now fully amortised.
- Goodwill arising on purchase of the German branch from Sumitomo Electric Europe Limited in 1998 was amortised over 15 years and is now fully amortised.

## Notes (continued)

### 10 Tangible fixed assets

<i>Group</i>	<b>Motor Vehicles</b>	<b>Plant and machinery</b>	<b>Fixtures, fittings, tools and equipment</b>	<b>Total</b>
	€	€	€	€
<b>Cost</b>				
At beginning of year	351,050	773,968	1,082,377	2,207,395
Additions	-	254,318	26,689	281,007
Disposals	-	(185,319)	-	(185,319)
Foreign exchange adjustment	-	(2,747)	(1,654)	(4,401)
At end of year	351,050	840,220	1,107,412	2,298,682
<b>Depreciation</b>				
At beginning of year	230,224	636,440	978,318	1,844,982
Charge for year	51,679	45,288	55,767	152,734
On disposals	-	(185,319)	-	(185,319)
Exchange adjustment	-	2,525	1,326	3,851
At end of year	281,903	498,934	1,035,411	1,816,248
<b>Net book value</b>	<b>69,147</b>	<b>341,286</b>	<b>72,001</b>	<b>482,434</b>
<b>At 31 March 2023</b>				
At 31 March 2022	120,826	137,528	104,059	362,413

<i>Company</i>	<b>Motor Vehicles</b>	<b>Plant and Machinery</b>	<b>Fixtures, fittings, tools and equipment</b>	<b>Total</b>
	€	€	€	€
<b>Cost</b>				
At beginning of year	163,059	277,901	671,763	1,112,723
Additions	-	-	7,945	7,945
Disposals	-	-	-	-
At end of year	163,059	277,901	679,708	1,120,668
<b>Depreciation</b>				
At beginning of year	81,360	277,901	627,111	986,372
Charge for year	33,488	-	24,886	58,374
On disposals	-	-	-	-
At end of year	114,848	277,901	651,997	1,044,746
<b>Net book value</b>	<b>48,211</b>	<b>-</b>	<b>27,711</b>	<b>75,922</b>
<b>At 31 March 2023</b>				
At 31 March 2022	81,699	-	44,652	126,351



## Notes (continued)

### 11 Fixed asset investments

Group	Interests in associated undertakings €	Other investments €	Total €
<i>Cost</i>			
At beginning of year	59,129	38,000	97,129
Foreign exchange adjustment	(2,705)		(2,705)
At end of year	56,424	38,000	94,424
<i>Share of post-acquisition reserves</i>			
At beginning of year	235,362	-	235,362
Retained profits less losses	67,333	-	67,333
Dividends Paid	(28,960)	-	(28,960)
At end of year	273,735	-	273,735
<i>Net book value</i>			
At 31 March 2023	330,159	38,000	368,159
At 31 March 2022	294,491	38,000	332,491
Company	Shares in group undertakings €	Other investments €	Total €
<i>Cost</i>			
At beginning of year	5,704,186	38,000	5,742,186
At end of year	5,704,186	38,000	5,742,186
<i>Net book value</i>			
At 31 March 2023	5,704,186	38,000	5,742,186
At 31 March 2022	5,704,186	38,000	5,742,186

## Notes (continued)

### 11 Fixed asset investments (continued)

	Registered Office	Principal Activity	Class and percentage of shares held	
<b>Subsidiary undertakings</b>			<b>Group</b>	<b>Company</b>
SEI Identification Solutions Limited	Pysons Road Industrial Estate, Broadstairs, Kent, CT10 2LQ UK	Manufacture of cable identification systems and accessories	100% of Ordinary share capital	100% of Ordinary share capital
Heinrich Thulesius GmbH & Co. KG	Zum Panrepel 15, 28307 Bremen, Germany	Distribution of wire and cable	General and Limited partner	Limited partner with rights to 100% of profits
Thulesius Beteiligungsgesellschaft GmbH	Zum Panrepel 15 28307 Bremen, Germany	Holding company (general partner in Heinrich Thulesius)	100% of Ordinary share capital	100% of Ordinary share capital
<b>Associated undertakings</b>				
Silpro Extrusions Limited*	Pysons Road Industrial Estate, Broadstairs, Kent, CT10 2LQ UK	Manufacture of cable identification products, systems and accessories	50% of Ordinary share capital	-

\*shares owned by SEI Identification Solutions Limited

### Associates and joint ventures

The total of the Group's profit before taxation from interests in associates was €67,333 (2022: €78,313).

### 12 Stocks

	Group		Company	
	2023 €	2022 €	2023 €	2022 €
Finished goods and goods for resale	5,375,177	7,179,678	3,910,346	5,984,707
Work in progress	55,083	54,761	45,691	54,761
Raw Materials	372,691	235,849	-	-
	<u>5,802,951</u>	<u>7,470,288</u>	<u>3,956,037</u>	<u>6,039,468</u>

### 13 Debtors

	Group		Company	
	2023 €	2022 €	2023 €	2022 €
Trade debtors	11,114,079	11,664,954	10,890,100	11,502,376
Amounts owed by group undertakings	2,023,930	1,739,466	2,023,945	1,739,466
Amounts owed by undertakings in which the Company has a participating interest	-	-	326,614	258,321
Value added tax	475,367	289,143	504,891	324,982
Other debtors	119,605	130,522	119,605	87,708
Prepayments and accrued income	228,445	187,361	116,917	152,727
Deferred Tax Asset (note 15)	69,533	85,827	69,533	85,827
Corporation Tax	-	128,417	-	119,086
	<u>14,030,959</u>	<u>14,225,690</u>	<u>14,051,605</u>	<u>14,270,493</u>

## Notes (continued)

### 14 Creditors: amounts falling due within one year

	Group		Company	
	2023 €	2022 €	2023 €	2022 €
Trade creditors	927,014	533,995	453,915	253,587
Amounts owed to group undertakings	10,400,279	11,908,038	10,852,286	12,260,072
Loan due to group undertakings	4,156,147	5,929,189	2,834,362	5,092,479
Other taxes and social security	64,415	55,616	46,021	40,296
Other creditors	9,481	83,446	8,802	29,878
Accruals and deferred income	988,945	944,714	822,510	852,796
Corporation Tax	335,615	-	298,797	-
	<u>16,881,896</u>	<u>19,454,998</u>	<u>15,316,693</u>	<u>18,529,108</u>

The loans from group undertakings within the Company and Group were made up of Euro and Usd and were subject to a varying interest rate per annum between 0.33% and 3.44% (EUR) and 0.65% and 5.3% (USD) and have no fixed repayment date. The amounts owed to group undertakings contains an amount of €4,156,147 (2022: €5,929,189) due to Sumitomo Electric Finance UK Limited relating to a cash pooling facility, and is re-payable on demand. This comprises £389,644, \$416,075.28 and €3,331,962. These cash pooling balances are subject to a varying interest rate as detailed above.

### 15 Deferred taxation

	Group €	Company €
Deferred tax (asset)/liability at 1 April 2022	(85,827)	(85,827)
(Credit)/Charge to the profit and loss account	16,294	16,294
Adjustments in respect of prior periods	-	-
Exchange rate movements	-	-
<b>Asset at 31 March 2023</b>	<u><b>(69,533)</b></u>	<u><b>(69,533)</b></u>

## Notes (continued)

### 15 Deferred taxation (continued)

The elements of deferred taxation are as follows:

Group	31 March 2023 (Asset)/liability €	31 March 2022 (Asset)/liability €
Difference between accumulated depreciation and amortisation and capital allowances	(10,710)	48,191
Tax losses	60,404	7,489
Pensions and other timing differences	19,839	30,147
	<u>69,533</u>	<u>85,827</u>
<b>Company</b>		
Difference between accumulated depreciation and amortisation and capital allowances	49,694	53,307
Tax losses	-	2,373
Pensions and other timing differences	19,839	30,147
	<u>69,533</u>	<u>85,827</u>

### 16 Share capital and reserves

	31 March 2023 £	31 March 2022 £
<i>Allotted, called up and fully paid</i>		
3,000,000 ordinary shares of £1 each	<u>3,000,000</u>	<u>3,000,000</u>

The Euro equivalent of the issued share capital at the commencement of trading amounted to €4,215,900 (2022: €4,215,900).

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company.

Within the profit and loss account reserves balance there is an amount of €258,935 relating to foreign exchange differences on the translation of subsidiary balances (2022: €212,895).

## Notes (continued)

### 17 Operating leases

Non-cancellable operating lease rentals are payable as follows:

<i>Group</i>	2023 €	2022 €
Less than one year	308,085	342,660
Between one and five years	162,841	123,210
More than five years	7,762	-
	<u>478,688</u>	<u>465,870</u>
<i>Company</i>	2023 €	2022 €
Less than one year	237,235	225,606
Between one and five years	139,712	50,825
More than five years	7,762	-
	<u>384,709</u>	<u>276,431</u>

During the year, € 379,956 (2022: €380,953) was recognised as an expense.

### 18 Pension scheme

#### *Defined contribution pension scheme*

The Group operates a defined contribution pension scheme within the UK only. The pension cost charge for the period represents contributions payable by the Group to the scheme and amounted to €131,603 (2022: €104,859).

There were no outstanding or prepaid contributions at either the beginning or end of the financial year.

## Notes (continued)

### 19 Related party disclosures

SEI Interconnect Products (Europe) Limited is a subsidiary of Sumitomo Electric Industries Ltd, a company incorporated in Japan.

The largest group in which the results of the company are consolidated is that headed by Sumitomo Electric Industries Ltd. The consolidated financial statements of Sumitomo Electric Industries Ltd are available to the public and can be obtained from Sumitomo Electric Industries Ltd, 4-5-33, Kitahama, Chuo-ku, Osaka, Japan.

During the period, the company had the following transactions with related parties which are not wholly owned.

Relationship	Transaction	31 March 2023		31 March 2022	
		Transaction Value €	Balance at due (to)/from related party €	Transaction Value €	Balance at due (to)/from related party €
Silpro Extrusions Ltd	Associate Service fee billed to associate	26,245	2,058	23,001	2,219
Silpro Extrusions Ltd	Associate Purchase of goods from associate	205,650	(12,471)	83,016	(22,564)

There were no amounts written off during the period or doubtful debts at the end in relation to related parties.

### 20 Ultimate parent company and parent undertaking of larger group

The ultimate parent Company is Sumitomo Electric Industries Ltd, a company incorporated in Japan. Copies of the group accounts are available to the public and can be obtained from Sumitomo Electric Industries Ltd, 4-5-33, Kitahama, Chuo-ku, Osaka, Japan.

### 21 Accounting estimates and judgements

#### Key sources of estimation uncertainty

There are no significant areas of estimation uncertainty that may cause material adjustment to the carrying values of assets or liabilities within the next financial year to the group or company's accounts, other than the estimates set out below.

#### Critical accounting estimates in applying the group/company's accounting policies

##### Goodwill and Investments

The group and company have considered the necessity to make any provisions against the recoverability of any investments or goodwill held at historic cost values in these financial statements and consider any such provisions are not required as the future benefits deriving from the use of these assets are in excess of their current historic cost values. The company has considered the forecast of the businesses in which it holds investments and the sensitivity of these forecasts with reference to achievement of expected sales, discount rates applied to these calculations and are satisfied any future benefits are in excess of the investments values shown.

## Notes (continued)

### 21 Accounting estimates and judgements (continued)

In the preparation of the above forecasts the company has had to make a number of assumptions on which the results are dependent. The main assumption is the estimate of future revenues, which have been based on historical data, the discussing of anticipated future business levels with customers as well as the timing of the return of key markets currently experiencing difficulties with reference to COVID 19 to previous levels. In the case of major customers confirmation of future business levels has been attained where possible and sensitivities have been applied to consider the impact of not achieving these forecasts sales volumes.

It is anticipated that the operating costs of all companies will remain at current levels, increasing with the RPI where appropriate and flexed as required for any additional business needs. The above flows have been discounted at 7%, which is the SEI Group's weighted average cost of capital adjusted as necessary to reflect any additional risk profile of the company.