

Hicks (1) Limited

Registered number: 06649310

Annual report and financial statements

For the year ended 31 October 2019



HICKS (1) LIMITED

COMPANY INFORMATION

Director K G Persin

Registered number 06649310

Registered office Unit 2
Bruntingthorpe Industrial Estate
Lutterworth
Leicestershire
LE17 5QZ

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

HICKS (1) LIMITED

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HICKS (1) LIMITED

GROUP STRATEGIC REPORT FOR THE YEAR ENDED 31 OCTOBER 2019

Principal activity

The principal activity of the Group during the year continued to be the design and manufacture of application specified integrated circuits, discrete semi-conductor devices and foundry processing for the MEM's industry, and research into assembly processes for high power semiconductors.

Hicks (1) Limited remains a dormant holding Company.

Business review

2019 has been a year of consolidation against a backdrop of losing light sensor business in China due to design out in favour of a software approach, weak JFET sales due to strong competition from Chinese manufacturers and weaker market due to America first policy and loss of low pressure sensor business related to the health scare associated with e-cigarette vaping. As a result of these factors, the Group has concentrated on new developments in gas flow sensing, pressure sensors and thermopiles, working hard to save on costs, direct labour and high efficiencies.

As a result Sales reduced by 18% on FY18 to £9.9M but we were able to turn a small net profit margin of 1.6% and increased retained earnings by £162k.

We intend to continue our endeavours on new developments in pressure, gas flow and gas type concentration sensors and also NDIR gas sensing which use thermopiles as sensing elements. A separate strand of our future strategy is the development and manufacture of Power Semiconductor devices – SiC Schottky Diodes and TCIGBT devices which will serve the electrification and climate change agenda and form a cornerstone of our future plans alongside MEMS sensor developments and expansion.

To date we have seen no adverse affects from Brexit, nor do we expect to see much because of the 80% plus export profile that we currently enjoy with many customers being sole sourced.

Post year end we became aware of COVID-19 in early FY20. Fortunately, the main trading company, Semefab Limited has been deemed as an essential services provider due to our thermopile capability for non contact people temperature measurement and due to the use of our low pressure sensors in respirators, ventilators and manometers for medical applications. Our precision analogue integrated circuits are also used in medical equipment and instrumentation including MRI, CT and X-Ray scanners.

During COVID-19 period the Group has worked as normally as possible – approximately 20% of the work force have either been shielding or home working. Of the 80% balance we have adopted social distancing measures quite successfully, and those people working in clean rooms (approx 60%) have the added protection against the virus due to wearing of PPE as a matter of course and due to Hepa air filtration at ISO4644 Class 4 and 5 which will block the virus.

Whilst the upsurge in demand of COVID-19 related products is a 'bubble' we believe the benefit in terms of sales will ensure a reasonable financial performance by year end FY20. There does remain considerable uncertainty in terms of the recessive consequences and general economic outlook post the COVID-19 pandemic making forecasting during second half of 2020 and into 2021 difficult.

HICKS (1) LIMITED

GROUP STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 OCTOBER 2019

Principal risks and uncertainties

A key risk beginning to resurface again is price inflation of raw materials and of electricity in particular. Substantial spare capacity exists within the group, the main barrier to utilisation being extended development and product qualification timescales. In mitigation the group are exploring a renewable energy strategy and are deploying additional development engineering staff. Work is in hand to develop and manufacture power switching CIGBT semiconductors and we are exploring the use of SiC and GaN substrates for enhanced efficiency power switching and control in electric vehicle charging and smart grid applications as a means to filling spare capacity and creating major growth into the future.

Financial risk management objectives and policies

The Group makes little use of financial instruments other than operational bank accounts and loans. The Director believes the Group'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 Group.

Research and development

The main focus of research and development continues to be in new technology areas such as MEM's, ASIC, JFET products and state of the art power switch semiconductor devices. The markets served are based in medical, industrial, automotive and energy saving applications.

This report was approved by the director:



K G Persin
Director

Date: 31 July 2020

HICKS (1) LIMITED

DIRECTOR'S REPORT FOR THE YEAR ENDED 31 OCTOBER 2019

The Director presents his report and the financial statements for the year ended 31 October 2019.

Director's responsibilities statement

The Director is responsible for preparing the Group strategic report, the Director's report and the consolidated financial statements in accordance with applicable law and regulations.

Company law requires the Director to prepare financial statements for each financial year. Under that law the Director has 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 Director must not approve the financial statements unless he is satisfied that they give a true and fair view of the state of affairs of the Company and the Group and of the profit or loss of the Group for that period.

In preparing these financial statements, the Director is required to:

- select suitable accounting policies for the Group'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 group will continue in business.

The Director is 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 the Group and to enable him to ensure that the financial statements comply with the Companies Act 2006. He is also responsible for safeguarding the assets of the Company and the Group 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 and minority interests, amounted to £20,988 (2018 - £487,104).

The Director has not proposed a dividend for the year ended 31 October 2019.

Director

The Director who served during the year was:

K G Persin

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 are required to be disclosed in the Director's report have been omitted as they are included in the Group strategic report on page 1.

HICKS (1) LIMITED

**DIRECTOR'S REPORT (CONTINUED)
FOR THE YEAR ENDED 31 OCTOBER 2019**

Disclosure of information to auditor

The Director at the time when this Director's report is approved has confirmed that:

- so far as he is aware, there is no relevant audit information of which the Company and the Group's auditor is unaware, and
- he 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 and the Group's auditor is aware of that information.

Post balance sheet events

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

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 director:



K G Persin
Director

Date: 31 July 2020

HICKS (1) LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HICKS (1) LIMITED

Opinion

We have audited the financial statements of Hicks (1) Limited (the 'Company') for the year ended 31 October 2019 which comprise the Consolidated profit and loss account, the Consolidated and Company balance sheets, the Consolidated and Company statement of changes in equity, the Consolidated statement of cash flows 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 Group and Company's affairs as at 31 October 2019 and of the Group's 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.

Emphasis of matter – Impact of the outbreak of COVID-19 on the financial statements

In forming our opinion on the Group financial statements, which is not modified, we draw your attention to the Director's view on the impact of the COVID-19 as disclosed on page 1, and the consideration in the going concern basis of preparation on page 14 and non-adjusting post balance sheet events on page 35.

Since the balance sheet date there has been a global pandemic from the outbreak of COVID-19. The potential impact of COVID-19 became significant in March 2020 and is causing widespread disruption to normal patterns of business activity across the world, including the UK.

The full impact following the recent emergence of the COVID-19 is still unknown. It is therefore not currently possible to evaluate all the potential implications to the Group and Company's trade, customers, suppliers and the wider economy.

HICKS (1) LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HICKS (1) LIMITED

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Director's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the director has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Group's or the parent Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The Director is responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditor's Report thereon. 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.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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 Group Strategic Report and the Director's Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Group Strategic Report and the Director's 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 Group and the parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Group Strategic Report or the Director's 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 Director's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

HICKS (1) LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HICKS (1) LIMITED

Responsibilities of the Director

As explained more fully in the Director's responsibilities statement set out on page 3, the Director is 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 Director determines 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 to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

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 (Senior Statutory Auditor)
for and on behalf of:

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

31 July 2020

HICKS (1) LIMITED

**CONSOLIDATED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 OCTOBER 2019**

	Note	2019 £	2018 £
Turnover	4	9,930,364	12,162,590
Cost of sales		(6,314,377)	(8,022,132)
Gross profit		<u>3,615,987</u>	<u>4,140,458</u>
Administrative expenses		(3,948,877)	(4,085,322)
Other operating income	5	<u>450,685</u>	<u>435,103</u>
Operating profit	6	<u>117,795</u>	<u>490,239</u>
Interest receivable and similar income	9	3,696	2,651
Interest payable and expenses	10	<u>(84,041)</u>	<u>(72,635)</u>
Profit before taxation		<u>37,450</u>	<u>420,255</u>
Tax on profit	11	<u>48,237</u>	<u>450,856</u>
Profit for the year		<u><u>85,687</u></u>	<u><u>871,111</u></u>
Profit for the year attributable to:			
Non-controlling interests		64,699	384,007
Owners of the parent Company		<u>20,988</u>	<u>487,104</u>
		<u><u>85,687</u></u>	<u><u>871,111</u></u>

There was no other comprehensive income for 2019 (2018: £Nil).

The notes on pages 14 to 35 form part of these financial statements.

HICKS (1) LIMITED
REGISTERED NUMBER: 06649310

**CONSOLIDATED BALANCE SHEET
AS AT 31 OCTOBER 2019**

	Note	2019 £	2018 £
Fixed assets			
Tangible assets	14	8,986,349	9,787,144
		<u>8,986,349</u>	<u>9,787,144</u>
Current assets			
Stocks	16	1,932,045	1,195,614
Debtors	17	2,746,091	1,856,112
Cash at bank and in hand	18	1,694,413	2,658,902
		<u>6,372,549</u>	<u>5,710,628</u>
Creditors: Amounts falling due within one year	19	(3,067,560)	(3,367,668)
Net current assets		<u>3,304,989</u>	<u>2,342,960</u>
Total assets less current liabilities		<u>12,291,338</u>	<u>12,130,104</u>
Creditors: Amounts falling due after more than one year	20	(2,739,904)	(2,066,106)
Provisions for liabilities			
Deferred taxation	24	(751,572)	(777,968)
Deferred Income		<u>(1,622,855)</u>	<u>(2,194,710)</u>
		<u>(2,374,427)</u>	<u>(2,972,678)</u>
Net assets		<u><u>7,177,007</u></u>	<u><u>7,091,320</u></u>
Capital and reserves			
Called up share capital	26	2	2
Share premium account	27	2,705,875	2,705,875
Profit and loss account	27	1,800,427	1,779,439
Equity attributable to owners of the parent Company		<u>4,506,304</u>	<u>4,485,316</u>
Non-controlling interests		<u>2,670,703</u>	<u>2,606,004</u>
		<u><u>7,177,007</u></u>	<u><u>7,091,320</u></u>

The financial statements were approved and authorised for issue by the director:

K G Persin
Director



Date: 31 July 2020

The notes on pages 14 to 35 form part of these financial statements.

HICKS (1) LIMITED
REGISTERED NUMBER: 06649310

COMPANY BALANCE SHEET
AS AT 31 OCTOBER 2019

	Note	2019 £	2018 £
Fixed assets			
Investments	15	2,705,976	2,705,976
		<u>2,705,976</u>	<u>2,705,976</u>
Current assets			
Debtors	17	110,940	110,940
		<u>110,940</u>	<u>110,940</u>
Total assets less current liabilities		2,816,916	2,816,916
Net assets		<u>2,816,916</u>	<u>2,816,916</u>
Capital and reserves			
Called up share capital	26	2	2
Share premium account	27	2,705,875	2,705,875
Profit and loss account	27	111,039	111,039
		<u>2,816,916</u>	<u>2,816,916</u>

The financial statements were approved and authorised for issue by the director:

K G Persin
 Director



Date: 31 July 2020

The notes on pages 14 to 35 form part of these financial statements.

HICKS (1) LIMITED

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 OCTOBER 2019**

	Called up share capital £	Share premium account £	Profit and loss account £	Equity attributable to owners of the parent company £	Non- controlling interests £	Total equity £
At 1 November 2017	2	2,705,875	1,292,335	3,998,212	2,221,997	6,220,209
Comprehensive income for the year						
Profit for the year	-	-	487,104	487,104	384,007	871,111
At 1 November 2018	2	2,705,875	1,779,439	4,485,316	2,606,004	7,091,320
Comprehensive income for the year						
Profit for the year	-	-	20,988	20,988	64,699	85,687
At 31 October 2019	2	2,705,875	1,800,427	4,506,304	2,670,703	7,177,007

The notes on pages 14 to 35 form part of these financial statements.

HICKS (1) LIMITED

**COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 OCTOBER 2019**

	Called up share capital	Share premium account	Profit and loss account	Total equity
	£	£	£	£
At 1 November 2017	2	2,705,875	111,039	2,816,916
Comprehensive income for the year				
Profit for the year	-	-	-	-
At 1 November 2018	2	2,705,875	111,039	2,816,916
Comprehensive income for the year				
Profit for the year	-	-	-	-
At 31 October 2019	2	2,705,875	111,039	2,816,916

The notes on pages 14 to 35 form part of these financial statements.

HICKS (1) LIMITED

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 OCTOBER 2019**

	2019 £	2018 £
Cash flows from operating activities		
Profit for the financial year	85,687	871,111
Adjustments for:		
Depreciation of tangible assets	1,295,582	1,176,750
Amortisation of capital grants	(571,855)	(560,408)
Interest paid	84,041	72,635
Interest received	(3,696)	(2,651)
Taxation credit	(48,237)	(450,856)
Increase in stocks	(736,431)	(183,576)
(Increase)/decrease in debtors	(888,095)	185,145
(Decrease)/increase in creditors	(547,374)	186,836
Corporation tax received	19,961	-
Net cash (used in)/generated from operating activities	(1,310,417)	1,294,986
Cash flows from investing activities		
Purchase of tangible fixed assets	(494,787)	(1,490,541)
Grants received	-	90,000
Interest received	3,696	2,651
Net cash used in investing activities	(491,091)	(1,397,890)
Cash flows from financing activities		
Repayment of other loans	(100,000)	(100,000)
Repayment of capital element of hire purchase	(215,251)	(67,449)
Proceeds from sale and leaseback transactions	1,236,311	-
Interest paid	(84,041)	(72,635)
Net cash generated from/(used in) financing activities	837,019	(240,084)
Net decrease in cash and cash equivalents	(964,489)	(342,988)
Cash and cash equivalents at beginning of year	2,658,902	3,001,890
Cash and cash equivalents at the end of year	1,694,413	2,658,902
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	1,694,413	2,658,902

The notes on pages 14 to 35 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2019**

1. General information

Hicks (1) Limited is a private company limited by shares and is registered in England. The registered office of the Company is Unit 2, Bruntingthorpe Industrial Estate, Lutterworth, Leicestershire, LE17 5QZ. The principal activity of the Group during the year continued to be the design and manufacture of application specified integrated circuits, discrete semi-conductor devices and foundry processing for the MEM's industry, and research into assembly processes for high power semiconductors. The principal activity of the Company during the year continued to be that of a holding company.

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 critical accounting estimates. It also requires management to exercise judgement in applying the Group's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Basis of consolidation

The consolidated financial statements present the results of the Company and its own subsidiaries ("the Group") as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the balance sheet, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the Consolidated profit and loss account from the date on which control is obtained. They are deconsolidated from the date control ceases.

2.3 Going concern

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2019**

2. Accounting policies (continued)

2.4 Turnover

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the Group 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 Group has transferred the significant risks and rewards of ownership to the buyer;
- the Group 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 Group 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 Group will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

2.5 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2019**

2. Accounting policies (continued)

2.5 Tangible fixed assets (continued)

Depreciation is provided on the following annual basis:

Freehold land and 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.

2.6 Investment property

Investment property is carried at fair value determined annually and derived from the current market rents and investment property yields for comparable real estate, adjusted if necessary for any difference in the nature, location or condition of the specific asset. No depreciation is provided. Changes in fair value are recognised in the Consolidated profit and loss account.

2.7 Investments

Investments in subsidiary undertakings 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 profit or loss.

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 2019**

2. Accounting policies (continued)

2.11 Financial instruments

The Group only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties and loans from related parties.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Consolidated profit and loss account.

2.12 Creditors

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

2.13 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 Consolidated profit and loss account so as to produce a constant periodic rate or charge on the net obligation outstanding in each period.

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 Consolidated 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 Consolidated profit and loss account in the same period as the related expenditure.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2019**

2. Accounting policies (continued)

2.15 Foreign currency translation

Presentation currency

The Group's 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 Consolidated profit and loss account within administration expenses.

2.16 Operating leases

Rentals paid under operating leases are charged to the Consolidated 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 Group operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. Once the contributions have been paid the Group has no further payment obligations.

The contributions are recognised as an expense in the Consolidated 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 Group in independently administered funds.

2.19 Interest income

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2019**

2. Accounting policies (continued)

2.20 Borrowing costs

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

2.21 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Consolidated 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 and the Group operate and generate 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 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.

2.22 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.

2.23 Employee benefit trust ("EBT")

The Group 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 UITF 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 Group 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 the Consolidated profit and loss account in the period to which it relates.

Where the Group determines payments to a trust on the basis of employee's past services to the business and the Group can obtain no future economic benefit from these contributions, such contributions payable by the Group to the trust are charged to the Consolidated profit and loss account in the period to which they relate.

HICKS (1) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2019

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

In the preparation of the financial statements, the Director is required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. In preparing these financial statements, management have made the following judgements:

Determine whether leases entered into by the Group, either as a lessor, or lessee, are operating or finance leases. These decisions depend on an assessment of whether the risks and rewards of ownership have been transferred from the lessor the lessee on a lease by lease basis.

Determine whether there are indicators of impairment of the Group's tangible assets. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset.

Determine the fair value of investment property based on the last valuation reviewed and local market conditions.

Key sources of estimation uncertainty are:

(a) Tangible fixed assets

Tangible fixed assets are depreciated over their useful lives taking into account residual values where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation and maintenance programmes are taken into account. Residual value assessments consider such issues such as future market conditions, the remaining life of the assets and projected disposal values.

(b) Stock provision

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

(c) Going concern

The director's assessment of going concern is outlined in account policy 2.3.

4. Turnover

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

An analysis of turnover by country of destination:

	2019 £	2018 £
United Kingdom	1,919,392	1,539,946
Rest of Europe	3,809,681	4,620,126
USA	2,352,865	2,477,866
Rest of world	1,848,426	3,524,652
	<u>9,930,364</u>	<u>12,162,590</u>

HICKS (1) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2019**

5. Other operating income

	2019	2018
	£	£
Income from research & development	322,746	321,705
Grants receivable	42,178	18,482
Miscellaneous income	85,761	94,916
	<u>450,685</u>	<u>435,103</u>

6. Operating profit

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

	2019	2018
	£	£
Research & development	280,595	358,015
Depreciation of owned tangible fixed assets	1,122,902	1,129,290
Depreciation of assets held under hire purchase	172,680	47,460
Amortisation of capital grants	(571,855)	(560,408)
Foreign exchange retranslation	(50,161)	(35,972)
Operating lease payments	6,055	1,895
	<u> </u>	<u> </u>

7. Auditor's remuneration

	2019	2018
	£	£
Fees payable to the Group's auditor for the audit of the Group's annual financial statements	<u>15,225</u>	<u>14,775</u>
Fees payable to the Group's auditor in respect of:		
All other services	<u>14,100</u>	<u>14,100</u>

HICKS (1) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2019**

8. Employees

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

	Group 2019 £	Group 2018 £	Company 2019 £	Company 2018 £
Wages and salaries	3,370,856	3,718,231	-	-
Social security costs	315,606	362,504	-	-
Cost of defined contribution scheme	104,713	102,432	-	-
	<u>3,791,175</u>	<u>4,183,167</u>	<u>-</u>	<u>-</u>

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

	2019 No.	2018 No.
Production	103	109
Administrative and finance	9	9
	<u>112</u>	<u>118</u>

The Company has no employees other than the Directors, who did not receive any remuneration (2018 - £Nil).

9. Interest receivable

	2019 £	2018 £
Other interest receivable	3,696	2,651
	<u>3,696</u>	<u>2,651</u>

10. Interest payable and similar expenses

	2019 £	2018 £
Loan interest	60,123	62,632
Hire purchase interest	23,918	10,003
	<u>84,041</u>	<u>72,635</u>

HICKS (1) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2019**

11. Taxation

	2019 £	2018 £
Corporation tax		
Current tax on profits for the year	-	391
Adjustments in respect of previous periods	(21,841)	(19,961)
	<u>(21,841)</u>	<u>(19,570)</u>
Total current tax	<u>(21,841)</u>	<u>(19,570)</u>
Deferred tax		
Origination and reversal of timing differences	(26,396)	(431,286)
Total deferred tax	<u>(26,396)</u>	<u>(431,286)</u>
Taxation on profit on ordinary activities	<u>(48,237)</u>	<u>(450,856)</u>

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2018 - lower than) the expected standard rate of corporation tax in the UK of 19% (2018 - 19%). The differences are explained below:

	2019 £	2018 £
Profit on ordinary activities before tax	<u>37,450</u>	<u>420,255</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 19% (2018 - 19%)	7,116	79,848
Effects of:		
Expenses not deductible for tax purposes	482	1,434
Capital allowances in excess of depreciation/amortisation	(40,698)	(405,557)
Creation of tax losses	14,450	23,699
Adjustments in respect of previous periods	(391)	(19,961)
Other timing differences	(7,746)	-
Research & development tax credit	(21,450)	(130,319)
Total tax charge for the year	<u>(48,237)</u>	<u>(450,856)</u>

HICKS (1) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2019**

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

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

The Group has trading losses of approximately £2,942,502 (2018 - £1,953,645) available to utilise against future trading profits.

12. Parent company profit for the year

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Profit and loss account in these financial statements. The profit after tax of the parent Company for the year was £Nil (2018 - £Nil).

13. Intangible assets**Group and Company**

	Goodwill £
Cost	
At 1 November 2018 and 31 October 2019	1,904,183
Amortisation	
At 1 November 2018 and 31 October 2019	1,904,183
Net book value	
At 31 October 2019	-
At 31 October 2018	-

HICKS (1) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2019**

14. Tangible fixed assets**Group**

	Freehold property £	Plant & machinery £	Total £
Cost			
At 1 November 2018	6,543,883	16,015,476	22,559,359
Additions	-	494,787	494,787
At 31 October 2019	<u>6,543,883</u>	<u>16,510,263</u>	<u>23,054,146</u>
Depreciation			
At 1 November 2018	2,246,043	10,526,172	12,772,215
Charge for the year	250,071	1,045,511	1,295,582
At 31 October 2019	<u>2,496,114</u>	<u>11,571,683</u>	<u>14,067,797</u>
Net book value			
At 31 October 2019	<u>4,047,769</u>	<u>4,938,580</u>	<u>8,986,349</u>
At 31 October 2018	<u>4,297,840</u>	<u>5,489,304</u>	<u>9,787,144</u>

Included in the net book value of freehold property at 31 October 2019 is an investment property with an open market value of £145,526 (2018 - £145,526).

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

	2019 £	2018 £
Plant & machinery	<u>1,773,747</u>	<u>419,235</u>
	<u>1,773,747</u>	<u>419,235</u>

HICKS (1) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2019**

15. Fixed asset investments**Company**

	Investments in subsidiary undertakings £
Cost	
At 1 November 2018 and 31 October 2019	<u>2,705,976</u>
Net book value	
At 31 October 2019	<u>2,705,976</u>
At 31 October 2018	<u>2,705,976</u>

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Class of shares	Holding
Hicks (2) Limited	Ordinary	100%
Hicks (3) Limited	Ordinary	100%
Semefab Limited (held by Hicks (2) Limited)	Ordinary	60%

16. Stocks

	Group 2019 £	Group 2018 £	Company 2019 £	Company 2018 £
Raw materials	669,015	391,013	-	-
Work in progress	<u>1,263,030</u>	<u>804,601</u>	<u>-</u>	<u>-</u>
	<u>1,932,045</u>	<u>1,195,614</u>	<u>-</u>	<u>-</u>

Stock recognised as an expense in the year amounted to £715,021 (2018 - £501,443).

HICKS (1) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2019**

17. Debtors

	Group 2019 £	Group 2018 £	Company 2019 £	Company 2018 £
Trade debtors	1,285,076	1,362,338	-	-
Amounts owed by Group undertakings	-	-	110,938	110,938
Other debtors	1,154,626	219,829	2	2
Prepayments and accrued income	306,389	273,945	-	-
	<u>2,746,091</u>	<u>1,856,112</u>	<u>110,940</u>	<u>110,940</u>

18. Cash and cash equivalents

	Group 2019 £	Group 2018 £	Company 2019 £	Company 2018 £
Cash at bank	1,694,413	2,658,902	-	-
	<u>1,694,413</u>	<u>2,658,902</u>	<u>-</u>	<u>-</u>

19. Creditors: Amounts falling due within one year

	Group 2019 £	Group 2018 £	Company 2019 £	Company 2018 £
Trade creditors	1,019,577	1,475,892	-	-
Other taxation and social security	84,747	99,951	-	-
Obligations under hire purchase contracts (note 22)	314,711	67,449	-	-
Other creditors	663,760	679,553	-	-
Accruals and deferred income	984,765	1,044,823	-	-
	<u>3,067,560</u>	<u>3,367,668</u>	<u>-</u>	<u>-</u>

HICKS (1) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2019**

20. Creditors: Amounts falling due after more than one year

	Group 2019 £	Group 2018 £	Company 2019 £	Company 2018 £
Other loans (note 21)	1,775,000	1,875,000	-	-
Obligations under hire purchase contracts (note 22)	964,904	191,106	-	-
	<u>2,739,904</u>	<u>2,066,106</u>	<u>-</u>	<u>-</u>

21. Loans

Analysis of the maturity of loans is given below:

	Group 2019 £	Group 2018 £	Company 2019 £	Company 2018 £
Other loans falling due after 5 years	1,775,000	1,875,000	-	-
	<u>1,775,000</u>	<u>1,875,000</u>	<u>-</u>	<u>-</u>

Other loans amounting to £1,775,000 (2018 - £1,875,000) are repayable in full or in part any time up to 2027, at the Group's discretion, are unsecured and attract interest at 3% over the UK base rate.

22. Hire purchase

Minimum lease payments under hire purchase fall due as follows:

	Group 2019 £	Group 2018 £
Amounts falling due within one year	314,711	67,449
Amounts falling due within 2-5 years	964,904	191,106
	<u>1,279,615</u>	<u>258,555</u>

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

HICKS (1) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2019**

23. Financial instruments

	Group 2019 £	Group 2018 £	Company 2019 £	Company 2018 £
Financial assets				
Financial assets measured at fair value through profit or loss	1,694,413	2,658,902	-	-
Financial assets that are debt instruments measured at amortised cost	<u>2,439,702</u>	<u>1,582,167</u>	<u>110,940</u>	<u>110,940</u>
Financial liabilities				
Financial liabilities measured at amortised cost	<u>(4,733,953)</u>	<u>(4,289,510)</u>	<u>-</u>	<u>-</u>

Financial assets measured at fair value through profit or loss comprise cash at bank and in hand.

Financial assets that are debt instruments measured at amortised cost comprise trade debtors, other debtors and amounts owed to Group undertakings.

Financial liabilities measured at amortised cost comprise trade creditors, other loans, other creditors and obligations under hire purchase contracts.

HICKS (1) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2019**

24. Deferred taxation**Group**

	2019 £	2018 £
Balance brought forward	(777,968)	(1,209,254)
Credited to profit or loss	26,396	431,286
Balance carried forward	(751,572)	(777,968)

The provision for deferred taxation is made up as follows:

	Group 2019 £	Group 2018 £
Accelerated capital allowances	(388,566)	(310,014)
Rolled over capital gains	(626,650)	(626,650)
Short term timing differences	1,419	47,576
Losses carried forward	262,225	111,120
	(751,572)	(777,968)

No deferred taxation provision has been provided for in respect of the Company.

HICKS (1) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2019**

25. Deferred income**Capital grants**

	2019 £	2018 £
Received and receivable		
Balance brought forward	7,487,502	7,397,502
Additions	-	90,000
Balance carried forward	<u>7,487,502</u>	<u>7,487,502</u>
 Amortisation		
Balance brought forward	5,292,792	4,732,384
Credit to the profit and loss account during the year	571,855	560,408
Balance carried forward	<u>5,864,647</u>	<u>5,292,792</u>
	2019 £	2018 £
Net book value		
At 31 October 2019/2018	<u>1,622,855</u>	<u>2,194,710</u>

26. Share capital

	2019 £	2018 £
Allotted, called up and fully paid		
1,600,000 Ordinary shares of £0.000001 each	<u>2</u>	<u>2</u>

27. Reserves**Share premium account**

The share premium account represents the amount above the nominal value received for issued share capital, less transaction costs.

Profit & loss account

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

HICKS (1) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2019

28. Pension commitments

The Group operates a defined contribution scheme. The assets of the scheme are held separately from those of the Group in independently administered funds. The pension cost charge represents contributions payable by the Group to these funds and amounted to £104,713 (2018 - £102,432). There were accrued pension contributions of £11,194 (2018 - £11,181) included within creditors at the year end.

29. Commitments under operating leases

At 31 October 2019 the Group had future minimum lease payments under non-cancellable operating leases as follows:

	Group 2019 £	Group 2018 £
Not later than 1 year	1,106	1,895
Later than 1 year and not later than 5 years	-	1,106
	<u>1,106</u>	<u>3,001</u>

30. Related party transactions

The Company has taken advantage of the exemption conferred by FRS 102 Section 1A Appendix C.35 not to disclose transactions with other Group entities whose voting rights are 100% controlled within the Group.

An unsecured loan of £1,000,000 continues to be outstanding from Hicks (2) Limited to Semefab Limited. This loan has no fixed repayment date and bears interest at 2% above the bank base rate. Interest charged during the year amounted to £27,500 (2018 - £25,000).

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

a) Ecotec Systems Limited

In prior years, loans have been provided to Ecotec Systems Limited, a company in which S R Sverdloff, the ultimate controlling party of the Group, has an interest. The balance of £243,372 has been provided for in full in 2017.

b) Barcelona Semiconductors S.L.U

In the current and prior years, the Group incurred costs relating to subcontracted research and development services from Barcelona Semiconductors S.L.U, a company in which S R Sverdloff, the ultimate controlling party, has a controlling interest, of £93,103 (2018 - £95,677).

HICKS (1) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2019**

30. Related party transactions (continued)**c) Advanced Eco Technology Limited**

The Group entered into the following transactions during the year with Advanced Eco Technology Limited, a company in which S R Sverdloff, the ultimate controlling party, has an equity interest:

	2019 £	2018 £
Consultancy fees payable	64,309	86,400
Management fees payable	35,000	35,000
Creditor at year end	<u>626,287</u>	<u>564,940</u>

d) Profusion plc

The Group entered into the following transactions during the year with Profusion plc, a company in which K G Persin is also a Director:

	2019 £	2018 £
Sales	116,177	108,474
Debtor at year end	<u>28,714</u>	<u>16,601</u>

e) Detector and Sensor Technologies Limited

The Group entered into the following transactions during the year with Detector and Sensor Technologies, a company in which A D L James (Director of Semefab Limited, a subsidiary undertaking) is a Director:

	2019 £	2018 £
Sales	33,336	186,386
Debtor at year end	-	35,940
Purchases	66,000	-
Creditor at year end	<u>77,000</u>	<u>33,000</u>

HICKS (1) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2019

30. Related party transactions (continued)

f) DST Sensor Technologies Limited

The Group entered into the following transactions during the year with DST Sensor Technologies, a company in which A D L James (Director of Semefab Limited, a subsidiary undertaking) is a Director:

	2019 £
Sales	211,473
Debtor at year end	38,640

g) Shareholder transactions

Included within other creditors are amounts owed to S R Sverdloff, the ultimate controlling party, of £652,566 (2018 - £626,329). This is interest free and has no fixed repayment date.

The Group held unsecured loans with The Sverdloff Trust and Advanced Eco Technology Limited Pension Plan, entities in which S R Sverdloff is a beneficiary and a member respectively. The loans outstanding at 31 October 2019 amounted to £775,000 (2018 - £875,000) and £1,000,000 (2018 - £1,000,000) respectively. Interest charged in the year on these loans was £30,150 and £30,000 respectively.

Included within other debtors is £700,000 (2018 - £Nil) due from A Bruce (a shareholder of Semefab Limited). The maximum amount outstanding during the year was £700,000 (2018 - £Nil). No interest accrued on this loan. The loan account was cleared subsequent to the year end.

i) Included within other debtors is an EBT debtor balance due from A D L James (a Director of Semefab Limited) of £36,309 (2018 - £36,309) which bears interest of 5% per annum and is repayable on demand.

j) Directors' loan accounts

Included within other debtors is £234,000 (2018 - £Nil) due from A D L James (a Director of Semefab Limited). During the year advances amounting to £317,000 and repayments of £83,000 were made to and from A D L James. The maximum amount outstanding during the year was £234,000 (2018 - £Nil). No interest accrued on this loan. The loan account was cleared subsequent to the year end.

k) The Director considers the key management personnel of the Group to be the Directors of the Group Companies. Aggregate emoluments for the year amounts to £139,331 (2018 - £306,102).

31. Ultimate controlling party

S R Sverdloff is considered to be the ultimate controlling party by virtue of his controlling interest in the issued equity share capital of the Company.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2019**

32. Post balance sheet events

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

On 27 April 2020, 86 A Ordinary Shares in Semefab Limited were bought back by Semefab Limited and cancelled on the same day.