

# **Semefab Holdings Limited (Formerly Hicks (1) Limited)**

Registered number: 06649310

## **Annual report and financial statements**

**For the year ended 31 October 2022**

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**SEMEFAB HOLDINGS LIMITED**

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**COMPANY INFORMATION**

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**Director** K G Persin

**Registered number** 06649310

**Registered office** 6 Dominus Way  
Meridian Business Park  
Leicester  
Leicester  
LE19 1RP

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

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**SEMEFAB HOLDINGS LIMITED**

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

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**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.

On 9 September 2022 the Company changed its name to Semefab Holdings Limited.

The principal activity of the Company continued to be that of a holding company.

**Business review**

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

This need to prepare Fab 1 for closure has been occasioned by our largest single customer's precision analogue integrated circuit products naturally coming to their end of life, the increasing cost and difficulty of maintaining very old equipment and there being progressively fewer supplies of 4 inch silicon substrates available to us. All of the Group's customers were offered the opportunity to transition their products to 6 inch wafers or provide last time buy quantities on 4 inch. The result was an extremely busy year with record sales of £15.5M an increase of 16% on the previous year and Profit before tax of 14.2% or £2.21M. Despite large cost increases in our supply chain, - notably Gases at 67% and External Processing at 73%, we managed to improve the Gross Margin by 2.5% over 2021 to 42.7%. Worthy of note is that this was only made possible by judicious forward purchasing of Electricity that pegged our charge to almost the same as in 2021 despite massive increases in the spot rate for energy.

In consequence, Net cash flow from operating activities increased by 1.5% to £2.16M and the Group was able to spend approx. £1.1M in Capital expenditure. Total Share Capital and Reserves were increased in the year by 22% to £10.2M

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

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

In Power switching semiconductors developments are underway for a range of 650V,1200V and 1700V Silicon Carbide Schottky diodes and TCIGBT devices - the staple components in the majority of electrical power switching and conversion applications for motor drive, battery charging, traction and power control.

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

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

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**Principal risks and uncertainties**

A key risk is price inflation of raw materials and of electricity in particular. The Groups' electricity hedging strategy has safeguarded us from high prices in 2021 & 2022. Despite the impending closure of Fab 1, substantial spare capacity will still exist for some time to come, the main barrier to utilisation being extended development and product qualification timescales. In mitigation we have embarked on a strategy to reduce our carbon footprint by employing variable frequency drives on electric motors, fans and pumps to reduce energy consumption in during idle time and are focusing on eliminating waste in chemicals, consumables and particularly in high purity Nitrogen usage.

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

There remains considerable uncertainty regarding inflationary pressure in the economy, and in particular the future price of energy and possible further consequences of the Russia-Ukraine and China-Taiwan disputes. These uncertainties have made forecasting into 2023 and beyond very difficult, however the future continued growth requirement for sensors and efficient power switching semiconductors is undeniable and likely to remain strong well into the future.

**Financial risk management objectives and policies**

The 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 , sensors and state of the art power switch and conversion semi-conductor devices. The applications served are in global medical, industrial, automotive and energy saving markets.

This report was approved by the Director.



Keith Persin (Jul 14, 2023 15:50 GMT+1)

**K G Persin**  
Director

Date: Jul 14, 2023

**DIRECTOR'S REPORT  
FOR THE YEAR ENDED 31 OCTOBER 2022**

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The Director presents his report and the financial statements for the year ended 31 October 2022.

**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

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 £1,145,812 (2021 - £572,808).

Dividends of £Nil were paid during the year (2021 - £Nil).

**Director**

The Director who served during the year was:

K G Persin

**Matters covered in the Group 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.

**Going concern**

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

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

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**Economic impact of global events**

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

The Director has carried out an assessment of the potential impact of these uncertainties on the business, including the impact of mitigation measures, and have concluded that these are non-adjusting events with the greatest impact on the business expected to be from the economic ripple effect on the global economy. The Director has taken account of these potential impacts in their going concern assessment.

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

**Disclosure of information to auditor**


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.

**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 and signed on its behalf.

  
Keith Persin (Jul 14, 2023 15:50 GMT+1)

**K G Persin**  
Director

Date: Jul 14, 2023

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

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**Opinion**

We have audited the financial statements of Semefab Holdings Limited (the 'Parent Company') and its subsidiaries ('the Group') for the year ended 31 October 2022 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, the consolidated analysis of net funds and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Group's and the parent Company's affairs as at 31 October 2022 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 Group and the parent Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Conclusions relating to going concern**

In auditing the financial statements, we have concluded that the Director's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's and the parent Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Director with respect to going concern are described in the relevant sections of this report.



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

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**Other information**

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The Director is responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

**Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the 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 their 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.

**Responsibilities of 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 Director is responsible for assessing the Group's 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 the Director intends either to liquidate the Group or the parent Company or to cease operations, or has no realistic alternative but to do so.

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

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**Auditor's responsibilities for the audit of the financial statements**

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

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud.

Based on our understanding of the Group and the parent Company and their industry, we considered that non-compliance with the following laws and regulations might have a material effect on the financial statements: employment regulation, health and safety regulation and anti-money laundering regulation.

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

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

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

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

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

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

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

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

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

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

**Use of the audit report**

This report is made solely to the Company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the company's members as a body for our audit work, for this report, or for the opinions we have formed.

*Stephen English*

Stephen English (Senior Statutory Auditor)

for and on behalf of

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

Date: Jul 14, 2023

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**SEMEFAB HOLDINGS LIMITED**

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

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	Note	2022 £	2021 £
<b>Turnover</b>	<b>4</b>	15,513,838	13,416,747
Cost of sales		(8,883,897)	(8,012,851)
<b>Gross profit</b>		<u>6,629,941</u>	<u>5,403,896</u>
Administrative expenses		(5,275,827)	(4,971,184)
Other operating income	<b>5</b>	931,075	1,089,532
<b>Operating profit</b>	<b>6</b>	<u>2,285,189</u>	<u>1,522,244</u>
Interest receivable and similar income	<b>9</b>	8,416	8,070
Interest payable and similar expenses	<b>10</b>	(88,399)	(83,232)
<b>Profit before tax</b>		<u>2,205,206</u>	<u>1,447,082</u>
Tax on profit	<b>11</b>	(310,407)	(536,442)
<b>Profit for the financial year</b>		<u><u>1,894,799</u></u>	<u><u>910,640</u></u>
<b>Profit for the year attributable to:</b>			
Non-controlling interests		748,987	337,832
Owners of the parent		<u>1,145,812</u>	<u>572,808</u>
		<u><u>1,894,799</u></u>	<u><u>910,640</u></u>

There were no recognised gains and losses for 2022 or 2021 other than those included in the consolidated profit and loss account.

The notes on pages 17 to 36 form part of these financial statements.

**SEMEFAB HOLDINGS LIMITED**  
**REGISTERED NUMBER: 06649310**

**CONSOLIDATED BALANCE SHEET**  
**AS AT 31 OCTOBER 2022**

	Note	2022 £	2021 £
<b>Fixed assets</b>			
Intangible assets	13	-	-
Tangible assets	14	7,280,512	7,540,004
		<u>7,280,512</u>	<u>7,540,004</u>
<b>Current assets</b>			
Stocks	16	1,510,601	1,771,121
Debtors: Amounts falling due within one year	17	3,063,382	1,971,852
Debtors: Amounts falling due after more than one year	17	350,000	350,000
Cash at bank and in hand	18	4,962,992	4,284,177
		<u>9,886,975</u>	<u>8,377,150</u>
Creditors: Amounts falling due within one year	19	(3,240,356)	(3,267,912)
<b>Net current assets</b>		<u>6,646,619</u>	<u>5,109,238</u>
<b>Total assets less current liabilities</b>		<u>13,927,131</u>	<u>12,649,242</u>
Creditors: Amounts falling due after more than one year	20	(1,699,461)	(1,946,723)
<b>Provisions for liabilities</b>			
Deferred taxation	23	(1,515,648)	(1,460,248)
Deferred income	24	(485,823)	(864,204)
		<u>(2,001,471)</u>	<u>(2,324,452)</u>
<b>Net assets</b>		<u>10,226,199</u>	<u>8,378,067</u>
<b>Capital and reserves</b>			
Called up share capital	25	2	2
Share premium account	26	2,705,875	2,705,875
Profit and loss account	26	3,770,195	3,017,902
<b>Equity attributable to owners of the parent Company</b>		<u>6,476,072</u>	<u>5,723,779</u>
Non-controlling interests		<u>3,750,127</u>	<u>2,654,288</u>
		<u>10,226,199</u>	<u>8,378,067</u>

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**SEMEFAB HOLDINGS LIMITED**  
**REGISTERED NUMBER: 06649310**

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**CONSOLIDATED BALANCE SHEET (CONTINUED)**  
**AS AT 31 OCTOBER 2022**

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The financial statements were approved and authorised for issue by the Director and were signed on its behalf by:

  
Keith Persin (Jul 14, 2023 15:50 GMT+1)

**K G Persin**  
Director

Date: Jul 14, 2023

The notes on pages 17 to 36 form part of these financial statements.

COMPANY BALANCE SHEET  
AS AT 31 OCTOBER 2022

	Note	2022 £	2021 £
<b>Fixed assets</b>			
Investments	15	2,705,976	2,705,976
		<u>2,705,976</u>	<u>2,705,976</u>
<b>Current assets</b>			
Debtors	17	610,940	110,940
		<u>610,940</u>	<u>110,940</u>
<b>Total assets less current liabilities</b>		3,316,916	2,816,916
<b>Net assets</b>		<u>3,316,916</u>	<u>2,816,916</u>
<b>Capital and reserves</b>			
Called up share capital	25	2	2
Share premium account	26	2,705,875	2,705,875
Profit and loss account	26	611,039	111,039
		<u>3,316,916</u>	<u>2,816,916</u>

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

Keith Persin  
Keith Persin [Jul 14, 2023 15:50 GMT+1]

**K G Persin**  
Director

Date: Jul 14, 2023

The notes on pages 17 to 36 form part of these financial statements.

**SEMEFAB HOLDINGS LIMITED**

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

	Called up share capital	Share premium account	Profit and loss account	Equity attributable to owners of parent Company	Non- controlling interests	Total equity
	£	£	£	£	£	£
<b>At 1 November 2020</b>	2	2,705,875	2,445,094	5,150,971	2,316,456	7,467,427
<b>Comprehensive income for the year</b>						
Profit for the year	-	-	572,808	572,808	337,832	910,640
<b>At 1 November 2021</b>	2	2,705,875	3,017,902	5,723,779	2,654,288	8,378,067
<b>Comprehensive income for the year</b>						
Profit for the year	-	-	1,145,812	1,145,812	748,987	1,894,799
Purchase of own shares by a subsidiary undertaking	-	-	(393,519)	(393,519)	346,852	(46,667)
<b>At 31 October 2022</b>	2	2,705,875	3,770,195	6,476,072	3,750,127	10,226,199

The notes on pages 17 to 36 form part of these financial statements.



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**SEMEFAB HOLDINGS LIMITED**

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

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	Called up share capital £	Share premium account £	Profit and loss account £	Total equity £
<b>At 1 November 2020</b>	2	2,705,875	111,039	2,816,916
<b>Comprehensive income for the year</b>				
Profit for the year	-	-	-	-
<b>At 1 November 2021</b>	2	2,705,875	111,039	2,816,916
<b>Comprehensive income for the year</b>				
Profit for the year	-	-	500,000	500,000
<b>At 31 October 2022</b>	2	2,705,875	611,039	3,316,916

The notes on pages 17 to 36 form part of these financial statements.

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**SEMEFAB HOLDINGS LIMITED**

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

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	2022 £	2021 £
<b>Cash flows from operating activities</b>		
Profit for the financial year	1,894,799	910,640
<b>Adjustments for:</b>		
Depreciation of tangible assets	1,170,456	1,142,723
Amortisation of capital grant	(378,380)	(379,325)
Interest paid	88,399	83,232
Interest received	(8,416)	(8,070)
Taxation charge	310,407	536,442
Decrease in stocks	260,520	237,843
Increase in debtors	(1,091,531)	(430,020)
(Decrease)/increase in creditors	(239,544)	17,623
Corporation tax received	13,189	15,960
Movement in fair value of investment property	139,059	-
<b>Net cash generated from operating activities</b>	<b>2,158,958</b>	<b>2,127,048</b>
<b>Cash flows from investing activities</b>		
Purchase of tangible fixed assets	(1,050,023)	(209,647)
Interest received	8,416	8,070
<b>Net cash used in investing activities</b>	<b>(1,041,607)</b>	<b>(201,577)</b>
<b>Cash flows from financing activities</b>		
Repayment of hire purchase	(303,470)	(314,711)
Repayment of other loans	-	(75,000)
Interest paid	(88,399)	(83,232)
Purchase of own shares by subsidiary undertaking	(46,667)	-
<b>Net cash used in financing activities</b>	<b>(438,536)</b>	<b>(472,943)</b>
<b>Net increase in cash and cash equivalents</b>	<b>678,815</b>	<b>1,452,528</b>
Cash and cash equivalents at beginning of year	4,284,177	2,831,649
<b>Cash and cash equivalents at the end of year</b>	<b>4,962,992</b>	<b>4,284,177</b>
<b>Cash and cash equivalents at the end of year comprise:</b>		
Cash at bank and in hand	4,962,992	4,284,177

The notes on pages 17 to 36 form part of these financial statements.

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**SEMEFAB HOLDINGS LIMITED**

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

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	<b>At 1 November 2021 £</b>	<b>Cash flows £</b>	<b>At 31 October 2022 £</b>
Cash at bank and in hand	4,284,177	678,815	4,962,992
Other loans	(1,600,000)	-	(1,600,000)
Hire purchase	(650,193)	303,470	(346,723)
	<u>2,033,984</u>	<u>982,285</u>	<u>3,016,269</u>

The notes on pages 17 to 36 form part of these financial statements.

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

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**1. General information**

Semefab Holdings Limited (formally Hicks (1) Limited), registered number: 06649310, presents its financial statements for the Year ended 31 October 2022.

The Company is a private Company, limited by shares and is registered in England. The address of the registered office is 6 Dominus Way, Meridian Business Park, Leicester, LE19 1RP.

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

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

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

**2. Accounting policies**

**2.1 Basis of preparation of financial statements**

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 102 ("FRS 102"), 'the Financial Reporting Standard applicable in the UK and the Republic of Ireland' and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain accounting estimates. It also requires management to exercise judgement in applying the Group's accounting policies (see note 3).

**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.

The results of Queensland Semiconductor Technologies PTY Ltd has not been consolidated as the trade and net liabilities of the subsidiary Company are not material.

**2.3 Going concern**

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

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

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**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.

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 2022**

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**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 Consolidated 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 the Consolidated Profit and loss account.

**2.9 Debtors**

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

**2.10 Cash and cash equivalents**

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours.

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

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**2. Accounting policies (continued)**

**2.11 Financial instruments**

The 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 profit or loss at the same rate as the depreciation on the assets to which the grant relates. The deferred element of grants is included in creditors as deferred income.

Grants of a revenue nature are recognised in the Consolidated Profit and loss account in the same period as the related expenditure.

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

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**2. Accounting policies (continued)**

**2.15 Foreign currency translation**

**Functional and presentation currency**

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

**Transactions and balances**

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

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

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the 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 finance lease, 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 2022**

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**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.

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
- 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.

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

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

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

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

**Significant matter judgements**

Management have made a judgement as to the fair value of the investment property based on the last valuation received and local market conditions.

**Estimation uncertainty**

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

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

**4. Turnover**

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

An analysis of turnover by class of business is as follows:

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

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**SEMEFAB HOLDINGS LIMITED**

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

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**5. Other operating income**

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

**6. Operating profit**

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

	<b>2022</b> £	<b>2021</b> £
Research & development	762,551	378,991
Depreciation of owned tangible fixed assets	967,552	939,816
Depreciation of assets held under hire purchase	202,904	202,905
Amortisation of capital grants	(378,380)	(379,326)
Foreign currency exchange retranslation	(506,763)	(8,086)
Movement in fair value of investment property	139,059	-
	<u>139,059</u>	<u>-</u>

**7. Auditor's remuneration**

	<b>2022</b> £	<b>2021</b> £
Fees payable to the Group's auditor and its associates for the audit of the Group's annual financial statements	<u>26,775</u>	<u>21,100</u>
<b>Fees payable to the Group's auditor and its associates in respect of:</b>		
All other services	<u>12,225</u>	<u>16,150</u>

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**SEMEFAB HOLDINGS LIMITED**

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

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**8. Employees**

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

	<b>Group 2022 £</b>	<b>Group 2021 £</b>	<b>Company 2022 £</b>	<b>Company 2021 £</b>
Wages and salaries	4,380,573	4,229,432	-	-
Social security costs	476,880	416,771	-	-
Cost of defined contribution scheme	205,403	113,360	-	-
	<u>5,062,856</u>	<u>4,759,563</u>	<u>-</u>	<u>-</u>

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

	<b>2022 No.</b>	<b>2021 No.</b>
Production	122	114
Administrative and finance	9	9
	<u>131</u>	<u>123</u>

The Company has no employees other than the Director. Fees in respect of the Director's services to the Group amounting to £24,000 (2021 - £22,000) were paid to Profusion Limited during the year (note 28).

**9. Interest receivable**

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

**10. Interest payable and similar expenses**

	<b>2022 £</b>	<b>2021 £</b>
Loan interest	55,091	50,442
Hire purchase interest	33,308	32,790
	<u>88,399</u>	<u>83,232</u>

# SEMEFAB HOLDINGS LIMITED

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

### 11. Taxation

	2022 £	2021 £
<b>Corporation tax</b>		
Current tax on profits for the year	328,940	60,743
Adjustments in respect of previous periods	(73,933)	-
	<u>255,007</u>	<u>60,743</u>
<b>Total current tax</b>	<u>255,007</u>	<u>60,743</u>
<b>Deferred tax</b>		
Origination and reversal of timing differences (note 23)	55,400	475,699
<b>Total deferred tax</b>	<u>55,400</u>	<u>475,699</u>
<b>Taxation on profit on ordinary activities</b>	<u>310,407</u>	<u>536,442</u>

### Factors affecting tax charge for the year

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

	2022 £	2021 £
Profit on ordinary activities before tax	<u>2,205,206</u>	<u>1,447,082</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2021 - 19%)	418,990	274,946
<b>Effects of:</b>		
Expenses not deductible for tax purposes	28,976	2,083
Difference between capital allowances and depreciation	1,226	26,113
Creation of tax losses	-	15,767
Remeasurement of deferred tax for a change in rates	29,639	350,459
Adjustments to deferred tax charge in respect of prior periods	-	(132,926)
Adjustments to tax charge in respect of prior periods	(73,933)	-
Movement in deferred tax not recognised	(94,491)	-
<b>Total tax charge for the year</b>	<u>310,407</u>	<u>536,442</u>

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

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**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 £1,455,740 (2021 - £1,374,348) available to utilise against future trading profits.

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

**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 £500,000 (2021 - £Nil).

**13. Intangible assets****Group**

	<b>Goodwill £</b>
<b>Cost</b>	
At 1 November 2021	1,904,183
At 31 October 2022	<u>1,904,183</u>
<b>Amortisation</b>	
At 1 November 2021	<u>1,904,183</u>
At 31 October 2022	<u>1,904,183</u>
<b>Net book value</b>	
At 31 October 2022	<u><u>-</u></u>
At 31 October 2021	<u><u>-</u></u>

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**SEMEFAB HOLDINGS LIMITED**

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

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**14. Tangible fixed assets****Group**

	<b>Freehold property £</b>	<b>Plant &amp; machinery £</b>	<b>Total £</b>
<b>Cost/valuation</b>			
At 1 November 2021	6,608,720	17,105,051	23,713,771
Additions	-	1,050,023	1,050,023
Movement in fair value	(139,059)	-	(139,059)
At 31 October 2022	<u>6,469,661</u>	<u>18,155,074</u>	<u>24,624,735</u>
<b>Depreciation</b>			
At 1 November 2021	2,849,675	13,324,092	16,173,767
Charge for the year	233,332	937,124	1,170,456
At 31 October 2022	<u>3,083,007</u>	<u>14,261,216</u>	<u>17,344,223</u>
<b>Net book value</b>			
At 31 October 2022	<u>3,386,654</u>	<u>3,893,858</u>	<u>7,280,512</u>
At 31 October 2021	<u>3,759,045</u>	<u>3,780,959</u>	<u>7,540,004</u>

Included in the net book value of freehold property at 31 October 2022 is an investment property held at its fair value of £217,885 (2021 - £356,944).

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

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

The Company has no tangible fixed assets (2021 - £Nil).

## SEMEFAB HOLDINGS LIMITED

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

#### 15. Fixed asset investments

Company	Investments in subsidiary undertakings £
<b>Cost</b>	
At 1 November 2021	2,705,976
At 31 October 2022	<u>2,705,976</u>
<b>Net book value</b>	
At 31 October 2022	<u>2,705,976</u>
At 31 October 2021	<u>2,705,976</u>

#### Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Registered office	Class of shares	Holding
Hicks (2) Limited	1	Ordinary	100%
Hicks (3) Limited	1	Ordinary	100%
Semefab Limited	2	Ordinary	60%
Queensland Semiconductor Technologies PTY Ltd	3	Ordinary	31%

- 1) 6 Dominus Way, Meridian Business Park, Leicester, England, LE19 1RP  
 2) Newark Road South, Eastfield Industrial Estate, Glenrothes, Fife, KY7 4NS  
 3) Laszlo Grace, Unit 6, 100 Flinders Parade, North Lakes, QLD 4509, Australia

#### 16. Stocks

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Raw materials	484,843	493,853	-	-
Work in progress	1,025,758	1,277,268	-	-
	<u>1,510,601</u>	<u>1,771,121</u>	<u>-</u>	<u>-</u>



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**SEMEFAB HOLDINGS LIMITED**

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

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**17. Debtors**

	<b>Group 2022 £</b>	<b>Group 2021 £</b>	<b>Company 2022 £</b>	<b>Company 2021 £</b>
<b>Due after more than one year</b>				
Loan note (note 28)	350,000	350,000	-	-
	<u>350,000</u>	<u>350,000</u>	<u>-</u>	<u>-</u>
<b>Due within one year</b>				
Trade debtors	2,845,227	1,712,902	-	-
Amounts owed by Group undertakings	-	-	610,938	110,938
Other debtors	5,877	76,180	2	2
Prepayments and accrued income	175,969	146,461	-	-
EBT debtor (note 28)	36,309	36,309	-	-
	<u>3,413,382</u>	<u>2,321,852</u>	<u>610,940</u>	<u>110,940</u>

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

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

**18. Cash and cash equivalents**

	<b>Group 2022 £</b>	<b>Group 2021 £</b>	<b>Company 2022 £</b>	<b>Company 2021 £</b>
Cash at bank	4,960,522	4,281,707	-	-
EBT cash	2,470	2,470	-	-
	<u>4,962,992</u>	<u>4,284,177</u>	<u>-</u>	<u>-</u>

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

19. Creditors: Amounts falling due within one year

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Trade creditors	1,302,950	906,674	-	-
Corporation tax	328,939	60,743	-	-
Other taxation and social security	241,650	118,988	-	-
Obligations under hire purchase contracts (note 22)	247,262	303,470	-	-
Other creditors	249,400	623,885	-	-
Accruals and deferred income	870,155	1,254,152	-	-
	<u>3,240,356</u>	<u>3,267,912</u>	<u>-</u>	<u>-</u>

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

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Other loans (note 21)	1,600,000	1,600,000	-	-
Obligations under hire purchase contracts (note 22)	99,461	346,723	-	-
	<u>1,699,461</u>	<u>1,946,723</u>	<u>-</u>	<u>-</u>

Other loans amounting to £1,600,000 (2021 - £1,600,000) are repayable in full or in part any time up to 2027, at the Group's discretion, are unsecured and attract interest at 3% per annum over the UK base rate.

21. Loans

Analysis of the maturity of loans is given below:

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

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**SEMEFAB HOLDINGS LIMITED**

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

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**22. Hire purchase**

Minimum lease payments under hire purchase fall due as follows:

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

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

**23. Deferred taxation****Group**

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

The provision for deferred taxation is made up as follows:

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

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

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**SEMEFAB HOLDINGS LIMITED**

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

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**24. Deferred income****Capital grants - Group**

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

The Company had no capital grants as deferred income (2021 - £Nil).

**25. Share capital**

	2022 £	2021 £
<b>Allotted, called up and fully paid</b>		
1,600,000 Ordinary shares of £0.000001 each	<u>2</u>	<u>2</u>

**26. 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.

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

**28. Related party transactions**

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

a) Ecotec Systems Limited, a Company in which S R Sverdloff has an equity interest.

Advances of £Nil (2021 - £114,000) were made to Ecotec Systems Limited during the year. As at 31 October 2022 loans totalling £396,372 (2021 - £396,372) have been provided for in full.

b) Barcelona Semiconductors S.L.U, a Company in which S R Sverdloff has an equity interest.

In the year, the Group incurred costs relating to subcontracted research and development services amounting to £83,380 (2021 - £27,962) from Barcelona Semiconductors S.L.U.

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

	2022 £	2021 £
Consultancy fees payable	155,289	95,753
Creditor at year end	16,264	465,942
	<u>          </u>	<u>          </u>

d) Profusion Limited, a Company in which K G Persin is also a Director:

	2022 £	2021 £
Sales	164,560	164,284
Purchases	24,000	22,000
Debtor at year end	-	42,791
	<u>          </u>	<u>          </u>

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**SEMEFAB HOLDINGS LIMITED**

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**Related party transactions (continued)**

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

	<b>2022</b> £	<b>2021</b> £
Loans receivable	350,000	350,000
Interest receivable	6,499	9,687
	<u>          </u>	<u>          </u>

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

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

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

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

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

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

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**SEMEFAB HOLDINGS LIMITED**

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

i) The EBT debtor (note 17) represents amounts due from A D L James, a Director of Semefab Limited:

	<b>2022</b> £	<b>2021</b> £
Debtors: due within 1 year	36,309	36,309

j) 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 £347,490 (2021 - £164,594).

k) Pension scheme loan

In previous periods, the Group received a loan of £25,000 from the S Sverdloff Pension Scheme, of which S R Sverdloff is a beneficiary. At the year end, the balance outstanding and included within other creditors amounted to £Nil (2021 - £25,000). Interest on the balance due to the S Sverdloff Pension Scheme is charged at 3% per annum and amounted to £1,288 in the year (2021 - £750).

l) Shareholder loan

At 31 October 2022 the Group owed £249,400 (2021 - £598,885) to S R Sverdloff, the ultimate controlling party. The loan is interest free and has no fixed repayment date.

m) Semefab Limited

At 31 October 2022, Semefab Holdings Limited was owed £500,000 (2021 - £Nil) by Semefab Limited, the subsidiary undertaking.

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

**29. 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.