

PICKERING GROUP LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

PICKERING GROUP LIMITED

COMPANY INFORMATION

Director	Keith Moore
Company secretary	Poppy Elliott-Moore
Registered number	01580435
Registered office	Pickering Stephenson Road Clacton-On-Sea Essex CO15 4NL
Independent auditors	SB Audit LLP Chartered Accountants & Statutory Auditor 820 The Crescent Colchester Business Park Colchester Essex CO4 9YQ

PICKERING GROUP LIMITED

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PICKERING GROUP LIMITED

GROUP STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2022

Introduction

The director presents the strategic report and financial statements for the year ended 31 December 2022.

The purpose of Pickering Group Limited is to bring together the previously separate businesses of Pickering Electronics and Pickering Interfaces together under common share ownership. This has the benefit of increasing the co-operation and synergies of the 2 businesses, so as to maximise cross-pollination and efficiencies across the businesses, in the UK and in all overseas subsidiaries.

Fair review of the business

Pickering Group Limited existed as a holding company and did not trade in its own right during the year. It received dividends from its subsidiaries and distributed these to its shareholders.

Pickering Electronics Limited continues to invest heavily, modernising both the manufacturing infrastructure and sales channels to improve efficiencies. The company continues its substantial reed relay development program to further expand new design reed relays featuring higher performance and density as required by the instrumentation and test market. The process began to greatly expand distribution channels in Europe, North America and Asia which has recently accelerated. This is expected to substantially grow new sales, and at the same time, making Pickering Electronics Limited less vulnerable to downturns of existing customers.

Pickering Interfaces Limited continues to invest heavily in research and development.

Following the 2020 Covid pandemic, Pickering invested heavily and installed very significant changes, precautions and procedures in all of our worldwide facilities, always erring on the side of caution and fully supporting all employees. During 2022 Pickering maintained normal or near normal operations throughout the year.

Business model

The Group is 100% family-owned, now in its third generation. The business model is to remain completely family-owned for the long term, to continue reinvesting the bulk of the profits and to further enhance the balance sheet to give the group maximum resilience, whilst retaining a very employee orientated company. The business model and objectives most closely resemble that of the German Mittelstand.

Principal risks and uncertainties

There are risks and uncertainties relevant to the Group's business, financial conditions and results of operations that may affect its performance and ability to achieve its objectives. The factors listed below are amongst those that the director believe could cause the Group's actual results to differ from expected and historical results. Although it would not be possible for the Group to implement controls to respond to all the risks that it may face, in the opinion of the director the strategies employed minimise those risks to an acceptable level.

Risk

Product quality failure: The Group operates in highly regulated markets with strict quality requirements. Any quality failure involving the Group's products could lead to a loss of reputation, reduction in revenues and recall costs.

PICKERING GROUP LIMITED

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

Strategy

The Group has rigorous quality assurance processes. Incoming materials are analysed, production processes are controlled, and products are sampled for testing prior to release.

Risk

Currency risk: The Group has significant transactions in Euro and US Dollar, and as such has an exposure to fluctuations in currency variances.

Strategy

The Group maintains significant assets in Euro and US Dollar to manage translation exposure.

Development and performance

The Group has continued to invest significantly in research & development, advertising and marketing during the year and is constantly seeking to market and develop its products further. Taking into account all factors, the directors consider that the Group remains ideally placed to grow both revenue and profitability for the year 2023.

The Pickering Group will offer more resilience to the subsidiary companies as Pickering Group continues to invest and grow by:

- o consistently building up the balance sheet year by year in order to maximise the group's ability to withstand shocks, investing within the business, and maximising employees job security.
- o over time developing a forward looking CSR policy to give back to the communities local to Pickering facilities, targeting 5% of Annual Net Profit.
- o acting as a holding company for any future companies that Pickering Group may create in adjacent markets.
- o fostering continued investment in the business, specifically in product innovation and development and product marketing.

As at September 2023, there has been a record number of orders for Pickering Interfaces Limited for the 2023 financial year-end, which provides a very confident outlook towards 2023, despite the issues surrounding Covid, Brexit and the Russia/Ukraine conflict.

In August 2020, the Group opened a newbuild company-owned and designed 3,400 square metre facility in Bystrice, which doubles the production floor area in Czech Republic and is in addition to the existing 3,000 square metre facility in Trinec. Pickering Interfaces Limited completed the move to Bystrice in early 2021, leaving the Trinec facility for Pickering Electronics Limited expansion.

Planning is now in progress for an additional 4,000 square metre facility in Bystrice on previously acquired land, with a view to be ready for construction in the mid 2020's.

Section 172 statement

The company is a holding company and has no suppliers, customers or employees. Its subsidiary companies are exempt from the reporting requirements of Section 172.

PICKERING GROUP LIMITED

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

Key performance indicators

The Group uses the following KPI's to monitor and manage the performance of the Group:

Target Net Pre-Tax Operating Profit: 15%

Target minimum cash levels: 25% of total sales revenue of each subsidiary.

Debt to Capital ratio under 15%

Group cash levels were in excess of 25% of total group sales and the group cash position remains strong.

The increased level of reserves maintained by the Group mean the debt to capital ratio is being maintained at below the 15% level set.

This report was approved by the board on 28 September 2023 and signed on its behalf.

Keith Moore
Director

PICKERING GROUP LIMITED

DIRECTOR'S REPORT FOR THE YEAR ENDED 31 DECEMBER 2022

The director presents his report and the financial statements for the year ended 31 December 2022.

Principal activity

The principal activities of the Group are the development, manufacture and supply of interconnection solutions and electronic products for the test and measurement industry.

Director

The director who served during the year was:

Keith Moore

Results and dividends

The profit for the year, after taxation, amounted to £7,649,359 (2021 - £3,614,691).

During the year the Group proposed dividends totaling £244,386 (2021 - £1,687,322). The directors do not propose that any further dividend be declared in respect of the year under review.

Research and development activities

Research and development work continues to be directed towards the introduction of new and improved products, the application of new technology to reduce unit and operating cost and to improve service to customers.

Future developments

Information on future developments is included in the strategic report.

Engagement with suppliers, customers and others

The Pickering Group continues to engage with its employees by fully supporting education and the development of staff. The group has 582 (2021 - 504) total employees with a number of employees currently undertaking further professional development as the Group looks to continue to support and increase our employees skill set.

Customers are central to the Pickering business and without them we would not exist. Pickering aims to deliver a consistently high performance in an efficient and improving way to meet our customers needs. Engagement with our customers in the early stages of a project allows Pickering to bring the most value to them and provide the customer with the correct solution for their needs.

Pickering builds strong relationships with our suppliers to ensure the best value, service and quality is obtained. Pickering works with companies who understand our business and our ways of working. Pickering's procurement team work hard to understand our supply chain and develop deep and strategic relationships with our key suppliers.

Qualifying third party indemnity provisions

During the year, there was directors' indemnity insurance in place.

PICKERING GROUP LIMITED

DIRECTOR'S REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 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 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 judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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.

Disclosure of information to auditors

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 auditors are 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 auditors are aware of that information.

Auditor

Our auditors Scrutton Bland LLP transferred their audit registration and therefore that part of their business to a newly incorporated limited liability partnership, SB Audit LLP, on 1 April 2023. Accordingly Scrutton Bland LLP formally resigned as the Company's auditor with the directors duly appointing SB Audit LLP to fill the vacancy arising.

This report was approved by the board on 28 September 2023 and signed on its behalf.

Keith Moore
Director

PICKERING GROUP LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF PICKERING GROUP LIMITED

Opinion

We have audited the financial statements of Pickering Group Limited (the 'parent Company') and its subsidiaries (the 'Group') for the year ended 31 December 2022, which comprise the Group Profit and Loss Account, the Group Statement of Comprehensive Income, the Group and Company Balance Sheets, the Group Statement of Cash Flows, the Group and Company Statement of Changes in Equity and the related notes, 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 Financial Reporting Standard 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 of the parent Company's affairs as at 31 December 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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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 or 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.

PICKERING GROUP LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF PICKERING GROUP LIMITED (CONTINUED)

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our Auditors' 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.

Opinion 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 the 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 by the parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
 - the parent Company financial statements are not in agreement with the accounting records and returns; or
 - certain disclosures of director's remuneration specified by law are not made; or
 - we have not received all the information and explanations we require for our audit.
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PICKERING GROUP LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF PICKERING GROUP LIMITED (CONTINUED)

Responsibilities of directors

As explained more fully in the Director's Responsibilities Statement set out on page 5, 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 the 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 either intends to liquidate the Group or the parent Company or to cease operations, or have no realistic alternative but to do so.

PICKERING GROUP LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF PICKERING GROUP LIMITED (CONTINUED)

Auditors' 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 Auditors' 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 Group financial statements

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

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience, through discussion with the directors (as required by auditing standards), inspection of the companies regulatory and legal correspondence and discussed with the directors the policies and procedures regarding compliance with laws and regulations. We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

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

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

Secondly, the company's subsidiaries are subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosure in the financial statements, for instance through the imposition of fines or litigation. We identified the following areas as those most likely to have such an effect: compliance with ISO 9001, AEO, Intertek certification, REACH, CE and ROH compliance, health and safety, import and export laws, anti-bribery and corruption, human rights and employment law and GDPR compliance. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the directors and other management and inspection of regulatory and legal correspondence, if any.

Audit procedures undertaken in response to the potential risks relating to irregularities (which include fraud and non-compliance with laws and regulations) comprised of: enquires of management and those charged with governance as to whether the company complies with such regulations; enquires of management and those charged with governance concerning any actual or potential litigations or claims, inspection of relevant legal documentation, review of board minutes, testing appropriateness of journal entries and the performance of analytical review to identify any unexpected movements in account balances which may be indicative of fraud.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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 Auditors' Report.

PICKERING GROUP LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF PICKERING GROUP LIMITED (CONTINUED)

Use of our 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 Auditors' 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.

Timothy O'Connor (Senior Statutory Auditor)

for and on behalf of

SB Audit LLP

Chartered Accountants

Statutory Auditor

820 The Crescent

Colchester Business Park

Colchester

Essex

CO4 9YQ

28 September 2023

PICKERING GROUP LIMITED

CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2022

	Note	2022 £	As restated 2021 £
Turnover	4	40,777,462	30,602,178
Cost of sales		(13,914,387)	(11,930,911)
Gross profit		26,863,075	18,671,267
Distribution costs		(36,401)	(30,092)
Administrative expenses		(17,709,780)	(14,745,404)
Other operating income	5	18,086	54,734
Operating profit	6	9,134,980	3,950,505
Interest receivable and similar income		41,144	12,949
Interest payable and similar expenses		-	3,135
Profit before tax		9,176,124	3,966,589
Tax on profit	9	(1,526,765)	(351,898)
Profit for the financial year		7,649,359	3,614,691
Profit for the year attributable to:			
Owners of the parent		7,649,359	3,614,691
		7,649,359	3,614,691

The notes on pages 23 to 39 form part of these financial statements.

PICKERING GROUP LIMITED

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2022

	Note	2022 £	2021 £
Profit for the financial year		7,649,359	3,614,691
		<hr/>	<hr/>
Other comprehensive income			
Currency translation differences		381,708	(137,051)
Other comprehensive income		(66,951)	39,549
		<hr/>	<hr/>
Other comprehensive income for the year		314,757	(97,502)
		<hr/>	<hr/>
Total comprehensive income for the year		7,964,116	3,517,189
Profit for the year attributable to:			
Owners of the parent Company		7,649,359	3,614,691
		<hr/>	<hr/>
		7,649,359	3,614,691
		<hr/>	<hr/>
Total comprehensive income attributable to:			
Owners of the parent Company		7,964,116	3,517,189
		<hr/>	<hr/>
		7,964,116	3,517,189
		<hr/>	<hr/>

The notes on pages 23 to 39 form part of these financial statements.

PICKERING GROUP LIMITED

REGISTERED NUMBER:01580435

CONSOLIDATED BALANCE SHEET AS AT 31 DECEMBER 2022

	Note	2022 £	2021 £
Fixed assets			
Intangible assets		1,367	5,150
Tangible assets	11	7,277,515	7,399,327
Investments	12	50	-
		<u>7,278,932</u>	<u>7,404,477</u>
Current assets			
Stocks	13	10,249,610	6,817,197
Debtors: amounts falling due after more than one year	14	3,673	441,272
Debtors: amounts falling due within one year	14	8,488,548	7,252,406
Cash at bank and in hand	15	12,347,635	8,451,984
		<u>31,089,466</u>	<u>22,962,859</u>
Creditors: amounts falling due within one year	16	(4,135,218)	(4,130,413)
		<u>26,954,248</u>	<u>18,832,446</u>
Net current assets			
		<u>34,233,180</u>	<u>26,236,923</u>
Total assets less current liabilities			
Deferred taxation	17	(276,527)	-
		<u>(276,527)</u>	<u>-</u>
Net assets			
		<u><u>33,956,653</u></u>	<u><u>26,236,923</u></u>

PICKERING GROUP LIMITED

REGISTERED NUMBER:01580435

CONSOLIDATED BALANCE SHEET (CONTINUED) AS AT 31 DECEMBER 2022

	Note	2022 £	2021 £
Capital and reserves			
Called up share capital	18	28,950	28,950
Foreign exchange reserve		424,800	156,980
Other reserves		17,188	84,139
Profit and loss account		33,485,715	25,966,854
Equity attributable to owners of the parent Company		<u>33,956,653</u>	<u>26,236,923</u>
		<u>33,956,653</u>	<u>26,236,923</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 28 September 2023.

Keith Moore
Director

The notes on pages 23 to 39 form part of these financial statements.

PICKERING GROUP LIMITED

REGISTERED NUMBER:01580435

COMPANY BALANCE SHEET AS AT 31 DECEMBER 2022

	Note	2022 £	2021 £
Fixed assets			
Investments	12	594,020	594,020
		<u>594,020</u>	<u>594,020</u>
Current assets			
Cash at bank and in hand	15	425,110	2,843
		<u>425,110</u>	<u>2,843</u>
Creditors: amounts falling due within one year	16	(990,180)	(567,913)
		<u>(990,180)</u>	<u>(567,913)</u>
Net current liabilities		(565,070)	(565,070)
Total assets less current liabilities		28,950	28,950
		<u>28,950</u>	<u>28,950</u>
Net assets		28,950	28,950
		<u>28,950</u>	<u>28,950</u>
Capital and reserves			
Called up share capital	18	28,950	28,950
Profit for the year		244,386	1,687,322
Dividends		(244,386)	(1,687,322)
		<u>244,386</u>	<u>(1,687,322)</u>
		<u>28,950</u>	<u>28,950</u>

The company has taken advantage of section 408 of the Companies Act not to include its individual statement of comprehensive income.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 28 September 2023.

Keith Moore

Director

The notes on pages 23 to 39 form part of these financial statements.

PICKERING GROUP LIMITED

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

	Called up share capital	Foreign exchange reserve	Other reserves	Profit and loss account	Total equity
	£	£	£	£	£
At 1 January 2022	28,950	156,980	84,139	25,966,854	26,236,923
Comprehensive income for the year					
Profit for the year	-	-	-	7,649,359	7,649,359
Currency translation differences	-	267,820	-	113,888	381,708
Other reserves movement	-	-	(66,951)	-	(66,951)
Other comprehensive income for the year	-	267,820	(66,951)	113,888	314,757
Total comprehensive income for the year	-	267,820	(66,951)	7,763,247	7,964,116
Dividends	-	-	-	(244,386)	(244,386)
Total transactions with owners	-	-	-	(244,386)	(244,386)
At 31 December 2022	28,950	424,800	17,188	33,485,715	33,956,653

The notes on pages 23 to 39 form part of these financial statements.

PICKERING GROUP LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2021

	Called up share capital	Foreign exchange reserve	Other reserves	Profit and loss account	Total equity
	£	£	£	£	£
At 1 January 2021	28,950	251,171	44,590	24,082,345	24,407,056
Comprehensive income for the year					
Profit for the year	-	-	-	3,614,691	3,614,691
Currency translation differences	-	(94,191)	-	(42,860)	(137,051)
Other reserves movement	-	-	39,549	-	39,549
Other comprehensive income for the year	-	(94,191)	39,549	(42,860)	(97,502)
Total comprehensive income for the year	-	(94,191)	39,549	3,571,831	3,517,189
Dividends	-	-	-	(1,687,322)	(1,687,322)
Total transactions with owners	-	-	-	(1,687,322)	(1,687,322)
At 31 December 2021	28,950	156,980	84,139	25,966,854	26,236,923

The notes on pages 23 to 39 form part of these financial statements.

PICKERING GROUP LIMITED

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

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 January 2022	28,950	-	28,950
Comprehensive income for the year			
Profit for the year	-	244,386	244,386
Total comprehensive income for the year	-	244,386	244,386
Dividends	-	(244,386)	(244,386)
Total transactions with owners	-	(244,386)	(244,386)
At 31 December 2022	28,950	-	28,950

The notes on pages 23 to 39 form part of these financial statements.

PICKERING GROUP LIMITED

COMPANY STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2021

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 January 2021	28,950	-	28,950
Comprehensive income for the year			
Profit for the year	-	1,687,322	1,687,322
Total comprehensive income for the year	<u>-</u>	<u>1,687,322</u>	<u>1,687,322</u>
Dividends	-	(1,687,322)	(1,687,322)
Total transactions with owners	<u>-</u>	<u>(1,687,322)</u>	<u>(1,687,322)</u>
At 31 December 2021	<u>28,950</u>	<u>-</u>	<u>28,950</u>

The notes on pages 23 to 39 form part of these financial statements.

PICKERING GROUP LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2022

	2022 £	2021 £
Cash flows from operating activities		
Profit for the financial year	7,649,359	3,614,691
Adjustments for:		
Amortisation of intangible assets	3,783	4,831
Depreciation of tangible assets	816,850	733,680
Profit on disposal of tangible assets	(28,259)	(50,274)
Interest received	(41,144)	(16,084)
Taxation charge	1,526,765	351,898
(Increase) in stocks	(3,432,413)	(1,778,051)
(Increase) in debtors	(1,239,815)	(2,433,973)
(Decrease)/increase in creditors	(149,406)	1,754,912
Net fair value losses/(gains) recognised in P&L	314,757	(97,502)
Corporation tax (paid)	(654,755)	(299,546)
Net cash generated from operating activities	4,765,722	1,784,582
Cash flows from investing activities		
Purchase of tangible fixed assets	(975,764)	(1,119,925)
Sale of tangible fixed assets	308,985	175,535
Purchase of fixed asset investments	(50)	-
Interest received	41,144	16,084
Net cash from investing activities	(625,685)	(928,306)

PICKERING GROUP LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

	2022	2021
	£	£
Cash flows from financing activities		
Dividends paid	(244,386)	(1,687,322)
Net cash used in financing activities	<u>(244,386)</u>	<u>(1,687,322)</u>
Net increase/(decrease) in cash and cash equivalents	3,895,651	(831,046)
Cash and cash equivalents at beginning of year	8,451,984	9,283,030
Cash and cash equivalents at the end of year	<u>12,347,635</u>	<u>8,451,984</u>
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	12,347,635	8,451,984
	<u>12,347,635</u>	<u>8,451,984</u>

The notes on pages 23 to 39 form part of these financial statements.

PICKERING GROUP LIMITED

CONSOLIDATED ANALYSIS OF NET DEBT FOR THE YEAR ENDED 31 DECEMBER 2022

	At 1 January 2022 £	Cash flows £	At 31 December 2022 £
Cash at bank and in hand	8,451,984	3,895,651	12,347,635
	<u>8,451,984</u>	<u>3,895,651</u>	<u>12,347,635</u>

The notes on pages 23 to 39 form part of these financial statements.

PICKERING GROUP LIMITED

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

1. General information

Pickering Group Limited is a private limited company incorporated in England and Wales.

Its registered office is Pickering, Stephenson Road, Clacton-on-Sea, Essex, England, CO15 4NL.

Its principal activity is that of a holding company. The group consists of Pickering Group Limited and its subsidiaries. Details of these subsidiaries can be found in note 12.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 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 Group management to exercise judgment in applying the Group's accounting policies (see note 3).

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.

Certain comparatives have been restated to make their treatment consistent with that adopted in the current year.

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 introduction of Pickering Group Limited as holding company constitutes a Group reconstruction and has been accounted for using merger accounting principles. Therefore, the consolidated financial statements are presented as if Pickering Electronics Limited and Pickering Interfaces Limited had always been part of the same Group. The consolidated financial statements include the results of Pickering Group Limited and all its subsidiary undertakings made up to the same accounting date. All intra-Group balances, transactions, income and expenses are eliminated in full on consolidation. The results of subsidiary undertakings acquired or disposed of during the period are included or excluded from the income statement from the effective date of acquisition or disposal.

2.3 Going concern

The financial statements have been drawn up on a going concern basis. The future of the world economy is unclear at this present time and it is therefore difficult to evaluate all of the potential implications on the company's trade, customers, suppliers and the wider economy.

PICKERING GROUP LIMITED

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

2. Accounting policies (continued)

2.4 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue 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 revenue is recognised:

Sale of goods

Revenue 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 revenue 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.

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.

Depreciation is provided on the following basis:

Freehold property	-	2%	Straight line
Long-term leasehold property	-	10%	Straight line
Plant and machinery	-	25%	Reducing balance / 10% Straight line
Motor vehicles	-	25%	Reducing balance / 20% Straight line
Fixtures and fittings	-	25%	Reducing balance / 25%-33% Straight line

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 profit or loss.

2.6 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

PICKERING GROUP LIMITED

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

2. Accounting policies (continued)

2.7 Government 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.

2.8 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

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. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, 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. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the Consolidated Statement of Cash Flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Group's cash management.

2.11 Financial instruments

The Group only enters into basic financial instrument 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, loans to related parties and investments in ordinary shares.

Financial assets and liabilities are offset and the net amount reported in the Balance Sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

PICKERING GROUP LIMITED

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

2. Accounting policies (continued)

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 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

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 profit or loss except when deferred in other comprehensive income as qualifying cash flow hedges.

On consolidation, the results of overseas operations are translated into Sterling at rates approximating to those ruling when the transactions took place. All assets and liabilities of overseas operations are translated at the rate ruling at the reporting date. Exchange differences arising on translating the opening net assets at opening rate and the results of overseas operations at actual rate are recognised in other comprehensive income.

2.14 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

2.15 Operating leases: the Group as lessee

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

PICKERING GROUP LIMITED

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

2. Accounting policies (continued)

2.16 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 profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the Group in independently administered funds.

2.17 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

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;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the Group can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

2.18 Research and development

Research and development expenditure is written off to profit and loss in the year which it is incurred.

PICKERING GROUP LIMITED

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

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

In the application of the Group's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The 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 where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

4. Revenue

The whole of revenue is attributable to one class of business.

Analysis of turnover by country of destination:

	2022 £	2021 £
United Kingdom	1,998,794	1,368,829
Rest of Europe	14,045,694	9,450,351
North America	14,074,095	10,637,071
Asia	7,850,453	5,273,637
Rest of the world	2,808,426	3,872,290
	<u>40,777,462</u>	<u>30,602,178</u>

5. Other operating income

	2022 £	2021 £
Government grants receivable	9,000	8,491
Sundry income	9,086	46,243
	<u>18,086</u>	<u>54,734</u>

PICKERING GROUP LIMITED

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

6. Operating profit

The operating profit is stated after charging:

	2022	2021
	£	£
Research & development charged as an expense	1,991,898	1,873,104
Exchange differences	(1,472,483)	357,204
Other operating lease rentals	366,687	45,629
Depreciation of tangible fixed assets	816,850	733,680
Amortisation of intangible fixed assets	3,783	4,831
Profit on disposal of fixed assets	(49,160)	(28,317)
Defined contribution pension costs	<u>215,745</u>	<u>147,313</u>

7. Auditors' remuneration

During the year, the Group obtained the following services from the Company's auditors and their associates:

	2022	2021
	£	£
Fees payable to the Group's auditor and its associates for the audit of the Group's annual financial statements	11,000	7,660
Fees payable to the Company's auditors and their associates in respect of:		
Audit fees for the audit of subsidiaries within the group	77,900	39,440
All other services provided to subsidiaries within the group	<u>26,035</u>	<u>39,955</u>

PICKERING GROUP LIMITED

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

8. Employees

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

	Group 2022	Group 2021	Company 2022	Company 2021
	£	£	£	£
Wages and salaries	14,180,657	11,260,047	-	-
Social security costs	2,457,848	1,850,973	-	-
Cost of defined contribution scheme	597,587	362,280	-	-
	<u>17,236,092</u>	<u>13,473,300</u>	<u>-</u>	<u>-</u>

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

	Group 2022	Group 2021	Company 2022	Company 2021
	No.	No.	No.	No.
Management	<u>582</u>	<u>504</u>	<u>1</u>	<u>1</u>

PICKERING GROUP LIMITED

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

9. Taxation

	2022 £	2021 £
Corporation tax		
Current tax on profits for the year	91,430	-
	<u>91,430</u>	<u>-</u>
Foreign tax		
Foreign tax on income for the year	709,472	465,391
	<u>709,472</u>	<u>465,391</u>
Total current tax	<u><u>800,902</u></u>	<u><u>465,391</u></u>
Deferred tax		
Origination and reversal of timing differences	725,863	(113,493)
	<u>725,863</u>	<u>(113,493)</u>
Total deferred tax	<u><u>725,863</u></u>	<u><u>(113,493)</u></u>
Tax on profit	<u><u>1,526,765</u></u>	<u><u>351,898</u></u>

PICKERING GROUP LIMITED

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

9. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year differs from the 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>9,176,124</u>	<u>3,966,589</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2021 - 19%)	1,743,464	753,652
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	190,347	14,468
Adjustment in research and development tax credit leading to an increase (decrease) in the tax charge	(491,999)	(462,656)
Other adjustments	27,170	(2,407)
Changes in tax rates	57,783	48,841
Total tax charge for the year	<u>1,526,765</u>	<u>351,898</u>

10. Dividends

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Dividends	<u>244,386</u>	<u>1,687,322</u>	<u>244,386</u>	<u>1,687,322</u>

PICKERING GROUP LIMITED

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

11. Tangible fixed assets

Group

	Freehold land and buildings	Leasehold property	Plant and machinery	Motor vehicles	Fixtures and fittings	Total
	£	£	£	£	£	£
Cost or valuation						
At 1 January 2022	4,688,741	743,025	3,937,559	95,008	1,859,726	11,324,059
Additions	336,231	-	435,809	-	203,724	975,764
Disposals	(287,160)	-	(49,476)	(12,931)	(7,342)	(356,909)
At 31 December 2022	<u>4,737,812</u>	<u>743,025</u>	<u>4,323,892</u>	<u>82,077</u>	<u>2,056,108</u>	<u>11,942,914</u>
Depreciation						
At 1 January 2022	376,364	323,870	1,939,069	36,763	1,248,666	3,924,732
Charge for the year on owned assets	138,031	74,215	345,845	17,818	240,941	816,850
Disposals	(15,794)	-	(40,293)	(12,906)	(7,190)	(76,183)
At 31 December 2022	<u>498,601</u>	<u>398,085</u>	<u>2,244,621</u>	<u>41,675</u>	<u>1,482,417</u>	<u>4,665,399</u>
Net book value						
At 31 December 2022	<u>4,239,211</u>	<u>344,940</u>	<u>2,079,271</u>	<u>40,402</u>	<u>573,691</u>	<u>7,277,515</u>
At 31 December 2021	<u>4,312,377</u>	<u>419,155</u>	<u>1,998,490</u>	<u>58,245</u>	<u>611,060</u>	<u>7,399,327</u>

Within Freehold land and buildings are assets in the course of construction with a cost of £113,538 (2021

- £149,865) that are not being depreciated.

PICKERING GROUP LIMITED

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

12. Fixed asset investments

Group

	Investments in joint venture £
Cost or valuation	
Additions	50
At 31 December 2022	<u>50</u>

Pickering (Property) Limited has a 50% owned joint venture in the name of Pickering Ohrwall Limited. The investment in the joint venture company comprises 50 ordinary £1 shares representing 50% of share capital.

Company

	Investments in subsidiary companies £
Cost or valuation	
At 1 January 2022	594,020
At 31 December 2022	<u>594,020</u>

PICKERING GROUP LIMITED

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

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Registered office	Holding
Pickering Interfaces Limited	Pickering, Stephenson Road, Clacton-On-Sea, Essex, United Kingdom, CO15 4NL	100 %
Pickering Electronics Limited	Pickering, Stephenson Road, Clacton-On-Sea, Essex, United Kingdom, CO15 4NL	100 %
Pickering Interfaces GMBH (owned by Pickering Interfaces Limited)	Johann-Karg-Str. 30, Haar-Salmdorf, D-85540	100 %
Pickering Interfaces SARL (owned by Pickering Interfaces Limited)	Le Triade III, 19 Boulevard Robert Thiboust, Serris, 77700	100 %
Pickering Connect SRO (owned by Pickering Interfaces Limited)	Bystrice 1571, Bystric, 73995	100 %
Pickering Interfaces Inc (owned by Pickering Interfaces Limited)	221 Chelmsford Street, Suite 6, Chelmsford, MA, 01824	100 %
Pickering Instruments (Beijing) Limited (owned by Pickering Interfaces Limited)	Room 1803, Xingchuang Building, No 6 Jinxing West Road, Daxing District, Beijing, 102627	100 %
Pickering Interfaces SRO (owned by Pickering Interfaces Limited)	c.p. 1571, Bystrice, 73995	100 %
Pickering Electronics SRO (owned by Pickering Electronics Limited)	Smetanove 525, Trinec, 73961	100 %
Pickering (Property) Limited	Pickering, Stephenson Road, Clacton-On-Sea, Essex, United Kingdom, CO15 4NL	100 %
Pickering (Services) Limited	Pickering, Stephenson Road, Clacton-On-Sea, Essex, United Kingdom, CO15 4NL	100 %

PICKERING GROUP LIMITED

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

13. Stocks

	Group 2022 £	Group 2021 £
Raw materials and consumables	1,729,121	1,517,464
Work in progress (goods to be sold)	765,982	823,954
Finished goods and goods for resale	7,754,507	4,475,779
	<u>10,249,610</u>	<u>6,817,197</u>

The difference between purchase price or production cost of stocks and their replacement cost is not material.

PICKERING GROUP LIMITED

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

14. Debtors

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Due after more than one year				
Other debtors	3,673	-	-	-
Deferred tax asset	-	441,272	-	-
	<u>3,673</u>	<u>441,272</u>	<u>-</u>	<u>-</u>
			Group 2022 £	Group 2021 £
Due within one year				
Trade debtors			6,504,186	5,753,045
Other debtors			1,348,573	962,770
Prepayments and accrued income			635,789	536,591
			<u>8,488,548</u>	<u>7,252,406</u>

15. Cash and cash equivalents

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Cash at bank and in hand	12,347,635	8,451,984	425,110	2,843
	<u>12,347,635</u>	<u>8,451,984</u>	<u>425,110</u>	<u>2,843</u>

PICKERING GROUP LIMITED

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

16. Creditors: Amounts falling due within one year

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Trade creditors	1,129,622	1,427,092	-	-
Amounts owed to group undertakings	-	-	69,736	123,854
Corporation tax	376,318	222,107	-	-
Other taxation and social security	557,691	544,474	-	-
Other creditors	1,484,424	1,446,469	920,444	444,059
Accruals and deferred income	587,163	490,271	-	-
	<u>4,135,218</u>	<u>4,130,413</u>	<u>990,180</u>	<u>567,913</u>

17. Deferred taxation

Group

	2022 £
At beginning of year	441,272
Charged to profit or loss	(717,799)
At end of year	<u>(276,527)</u>
	Group 2022 £
Accelerated capital allowances	(276,527)
Tax losses carried forward	-
	<u>(276,527)</u>
	Group 2021 £
	(323,750)
	765,022
	<u>441,272</u>

PICKERING GROUP LIMITED

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

18. Share capital

	2022	2021
	£	£
Allotted, called up and fully paid		
25,753 (2021 - 25,753) Ordinary shares of £1.00 each	25,753	25,753
3,197 (2021 - 3,197) Ordinary A shares of £1.00 each	3,197	3,197
	<hr/>	<hr/>
	28,950	28,950
	<hr/> <hr/>	<hr/> <hr/>

19. Contingent liabilities

Both Pickering Interfaces and Pickering Electronics have placed forward orders with suppliers and estimate a combined liability in respect of these at the year end totalling £2,013,815 (2021: £1,751,632).

20. Commitments under operating leases

At 31 December 2022 the Group and the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	Group 2022	Group 2021
	£	£
Not later than 1 year	133,759	160,080
Later than 1 year and not later than 5 years	149,975	137,192
	<hr/>	<hr/>
	283,734	297,272
	<hr/> <hr/>	<hr/> <hr/>

21. Related party transactions

The Group has taken advantage of the exemption from disclosing transactions and balances with wholly owned group members.

Balances with group undertakings are disclosed in notes 14 and 16.

22. Controlling party

The company is under the control of Mr K T Moore by virtue of his shareholding.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.