

PICKERING INTERFACES LIMITED

ANNUAL REPORT AND CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

PICKERING INTERFACES LIMITED

COMPANY INFORMATION

Directors Keith Moore
Ian Johnston
Adam Mitchell
Glen Ball
Claire Key (appointed 4 April 2023)

Company secretary Steven Edwards

Registered number 01029133

Registered office Pickering
Stephenson Road
Clacton-On-Sea
Essex
CO15 4NL

Independent auditor SB Audit LLP
Chartered Accountants & Statutory Auditor
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P.O.Box No1
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PICKERING INTERFACES LIMITED

CONTENTS

	Page
Group Strategic Report	1 - 4
Directors' Report	5 - 6
Independent Auditor's Report	7 - 11
Consolidated Profit and Loss Account	12
Consolidated Statement of Comprehensive Income	13
Consolidated Balance Sheet	14
Company Balance Sheet	15 - 16
Consolidated Statement of Changes in Equity	17 - 18
Company Statement of Changes in Equity	19 - 20
Consolidated Statement of Cash Flows	21 - 22
Consolidated Analysis of Net Debt	23
Notes to the Financial Statements	24 - 42

PICKERING INTERFACES LIMITED

GROUP STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2022

Introduction

The directors present the strategic report and financial statements for the year ended 31 December 2022.

Business review

The Pickering Interfaces Group operates through seven connected companies based in the UK, USA, France, Germany, the Czech Republic and China.

During the year, group revenue increased by 38% compared with the previous accounting year, the largest growth being within the Asia market where we saw a 49% increase in revenue into this region.

We have continued to invest in new facilities in the UK and Czech Republic, product development and new products and markets.

Marketing spend will continue at a high rate, especially for new products. Despite this we remain completely debt free.

One of the restraining factors the business faced during 2022 was the continued industry wide supply chain shortages. Pickering has tried to mitigate these shortages by sourcing multiple suppliers which has proved successful in some areas, but the ongoing supply challenges are a well publicised issue affecting the whole industry. Emphasis was placed on strategic stock purchases to ensure the supply of critical components into the business, because of this we have seen our component stock levels rise, enabling us to meet customer demand with shorter lead times.

Russia/Ukraine Conflict

Pickering Group stopped selling/supporting any of our products in Russia prior to 2018. Pickering does not use any Russian components or services in any of our products. Nor do we believe that any critical Russian materials are used by any of our immediate suppliers. Pickering Group is already fully compliant with all Russian sanction's regulations from the UK, EU, and US governments (as of 3rd March 2022). Pickering sales into Ukraine are very low, we will continue to sell and support products for our Ukraine customers (under the February 2022 government). Pickering does not currently use any Ukrainian components or services. A thorough review of our energy, IT, or other systems within our Czech and UK facilities has shown no known vulnerability to potential disruption due to the conflict or anticipated escalations.

Covid

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.

PICKERING INTERFACES LIMITED

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

Financial Highlights

Turnover

Year to Dec 22 - £32,693,013

Year to Dec 21 - £23,681,859

Gross Profit Margins

Year to Dec 22 – 67.18%

Year to Dec 21 – 65.54%

Operating Profit

Year to Dec 22 - £8,289,693

Year to Dec 21 - £4,081,480

Section 172 Report

In accordance with Section 172 of the Companies Act, the directors have a duty to promote the success of the Company. This requires each director of the company to act in the way they consider, in good faith, would most likely promote the success of the Company for the benefits of its members as a whole and in doing so have regard to the:

- Likely consequences of any decision in the long-term.
- Interests of the company's employees.
- Need to foster the Company's business relationships with suppliers, customers and others.
- Desirability of the Company maintaining a reputation for high standards of business conduct.
- Impact of the Company's operations on the community and the environment.
- And the need to act fairly between members of the company. Key stakeholders and how we engage: -

Customers

Customers are at the center of everything Pickering does. We work closely with our customers, worldwide, from first contact through to delivery and support for the lifetime of the product or service provided. We place particular emphasis on understanding new requirements, developing new products and services where needed via our extensive R&D program. Our business model of Mass Customisation allows us to offer our customers a very wide range of products, tuned closely to their exact needs from a standard range of products. We also support most products from introduction through to end of life, which usually exceeds 25 years, including form and fit updates, especially important for our Aerospace and Defence customers amongst others.

Employees

Employees are the heart of Pickering, we maintain a close family atmosphere in all our operations, investing heavily in individual employees to enhance their experience and inclusiveness within Pickering. We offer many additional employee benefits to all our employees, including training, social activities, and particular regard to proactive employee health, welfare and development. We now have many employees who have spent a significant part of their working lives with Pickering. Currently Pickering is building Senior Leadership teams in both the UK and Czechia to grow the next generation of leaders and to further trickle-down responsibility in response to our recent rapid growth.

Suppliers

Suppliers are key stakeholders at Pickering, we work closely with our main suppliers always fostering a friendly, cooperative partnership and strongly encouraging innovation. We always try to encourage a great outcome for the supplier as well as for Pickering.

PICKERING INTERFACES LIMITED

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

Many of Pickering's key suppliers have worked with us for 20, 30 or even 40 years, 2-way loyalty with our suppliers is important at Pickering. We take pride in paying our suppliers quickly.

Communities

Pickering work quite extensively in the communities of our main facilities in Clacton, UK and Trinec/Bystrice in Czechia. We engage with the local schools and communities, of particular importance is our volunteering and charitable giving now running at typically £150k/year which is all focused locally with employee selected charities.

Shareholder

Pickering are a privately held company, which is best described as being very close to the German Mittelstand business model:

- Independent family ownership with family-like corporate culture, this allows us to take a very long term and holistic view of the companies' activities and responsibilities.
- Strong balance sheet with long term investment strategy.
- Generational continuity.
- Worldwide sales in all major markets, with a physical presence in the major markets.
- Nimbleness, flexibility and Innovation.
- Investment into our workforce
- Flat management structure
- Strong customer focus
- Social responsibility
- Strong regional ties to our two main facilities in the UK and Czechia

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 directors 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 directors 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.

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.

PICKERING INTERFACES LIMITED

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

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. Component obsolescence can effect long term product support, the Group recognises the importance of this and the implications to customers. Should obsolescence occur updates, where possible, will be performed with the product enhanced by the inclusion of new / additional features. Considering all factors, the directors consider that the Group remains ideally placed to grow both revenue and profitability.

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

Ian Johnston
Director

PICKERING INTERFACES LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2022

The directors present their report and the financial statements for the year ended 31 December 2022.

Directors' responsibilities statement

The directors are responsible for preparing the Group Strategic Report, the Directors' Report and the consolidated financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and the Group and of the profit or loss of the Group for that period.

In preparing these financial statements, the directors are 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 directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and the Group and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and 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, amounted to £7,174,646 (2021 - £3,608,445).

During the year the Group paid dividends totaling £161,333 (2021:£1,427,098). The directors do not propose that any further dividend be declared in respect of the year under review.

Directors

The directors who served during the year were:

Keith Moore
Ian Johnston
Adam Mitchell
Glen Ball

Future developments

Information on future developments is included in the strategic report.

PICKERING INTERFACES LIMITED

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

Engagement with suppliers, customers and others

Information on engagement with suppliers, customers and others is included in the strategic report.

Qualifying third party indemnity provisions

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

Disclosure of information to auditor

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company and the Group's auditor is unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company and the Group's auditor is 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.

Ian Johnston
Director

PICKERING INTERFACES LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PICKERING INTERFACES LIMITED

Opinion

We have audited the financial statements of Pickering Interfaces 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 Auditor's 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 directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the 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 directors with respect to going concern are described in the relevant sections of this report.

PICKERING INTERFACES LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PICKERING INTERFACES LIMITED (CONTINUED)

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our Auditor's Report thereon. The directors are responsible for the other information contained within the Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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 Directors' 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 Directors' 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 Directors' Report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

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

PICKERING INTERFACES LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PICKERING INTERFACES LIMITED (CONTINUED)

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement set out on page 5, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the 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 directors either intend to liquidate the Group or the parent Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities 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 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 noncompliance 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 is subject to many other laws and regulations where the consequences of noncompliance 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, WEEE 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 Auditor's Report.

PICKERING INTERFACES LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PICKERING INTERFACES 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 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.

Tim 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 INTERFACES LIMITED

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

	Note	2022 £	2021 £
Turnover	4	32,693,013	23,681,859
Cost of sales		(10,729,196)	(8,161,234)
Gross profit		21,963,817	15,520,625
Administrative expenses		(13,683,210)	(11,487,599)
Other operating income		9,086	48,454
Operating profit	5	8,289,693	4,081,480
Interest receivable and similar income		35,860	16,084
Profit before tax		8,325,553	4,097,564
Tax on profit	9	(1,150,907)	(489,119)
Profit for the financial year		<u>7,174,646</u>	<u>3,608,445</u>
Profit for the year attributable to:			
Owners of the parent		7,174,646	3,608,445
		<u>7,174,646</u>	<u>3,608,445</u>

The notes on pages 24 to 42 form part of these financial statements.

PICKERING INTERFACES LIMITED

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

	Note	2022 £	2021 £
Profit for the financial year		<u>7,174,646</u>	<u>3,608,445</u>
Other comprehensive income			
Currency translation differences		267,820	(94,191)
Other comprehensive income		<u>(66,951)</u>	<u>39,549</u>
Other comprehensive income for the year		<u>200,869</u>	<u>(54,642)</u>
Total comprehensive income for the year		<u><u>7,375,515</u></u>	<u><u>3,553,803</u></u>
Profit for the year attributable to:			
Owners of the parent Company		<u>7,174,646</u>	<u>3,608,445</u>
Total comprehensive income attributable to:		<u><u>7,174,646</u></u>	<u><u>3,608,445</u></u>
Owners of the parent Company		<u>7,375,515</u>	<u>3,553,803</u>
		<u><u>7,375,515</u></u>	<u><u>3,553,803</u></u>

The notes on pages 24 to 42 form part of these financial statements.

PICKERING INTERFACES LIMITED
REGISTERED NUMBER:01029133

CONSOLIDATED BALANCE SHEET
AS AT 31 DECEMBER 2022

	Note	2022 £	2021 £
Fixed assets			
Tangible fixed assets	10	4,851,405	5,901,792
		4,851,405	5,901,792
Current assets			
Stocks	12	7,773,773	5,037,765
Debtors due after more than 1 year	13	2,369,036	219,488
Debtors due within 1 year	13	6,806,950	5,575,968
Cash at bank and in hand		7,636,635	5,899,065
		24,586,394	16,732,286
Creditors: amounts falling due within one year	14	(2,266,929)	(2,515,415)
Net current assets		22,319,465	14,216,871
Total assets less current liabilities		27,170,870	20,118,663
Deferred taxation	15	(161,698)	-
		(161,698)	-
Net assets		27,009,172	20,118,663
Capital and reserves			
Called up share capital	16	100	100
Foreign exchange reserve		424,800	156,980
Other reserves		17,188	84,139
Profit and loss account		26,567,084	19,877,444
		27,009,172	20,118,663

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

Ian Johnston
Director

The notes on pages 24 to 42 form part of these financial statements.

PICKERING INTERFACES LIMITED
REGISTERED NUMBER:01029133

COMPANY BALANCE SHEET
AS AT 31 DECEMBER 2022

	Note	2022 £	2021 £
Fixed assets			
Tangible assets	10	1,132,063	2,213,487
Investments	11	459,746	459,746
		<u>1,591,809</u>	<u>2,673,233</u>
Current assets			
Stocks	12	4,169,734	2,931,593
Debtors: amounts falling due after more than one year	13	4,175,657	197,844
Debtors: amounts falling due within one year	13	7,448,498	7,712,494
Cash at bank and in hand		2,938,124	2,901,016
		<u>18,732,013</u>	<u>13,742,947</u>
Creditors: amounts falling due within one year	14	(938,589)	(1,482,584)
Net current assets		<u>17,793,424</u>	12,260,363
Total assets less current liabilities		<u>19,385,233</u>	14,933,596
Provisions for liabilities			
Deferred taxation	15	(179,680)	-
		<u>(179,680)</u>	<u>-</u>
Net assets		<u><u>19,205,553</u></u>	<u><u>14,933,596</u></u>

PICKERING INTERFACES LIMITED
REGISTERED NUMBER:01029133

COMPANY BALANCE SHEET (CONTINUED)
AS AT 31 DECEMBER 2022

	Note	2022 £	2021 £
Capital and reserves			
Called up share capital	16	100	100
Profit and loss account brought forward		14,933,496	14,006,225
Profit for the year		4,756,963	2,354,369
Dividends		(485,006)	(1,427,098)
		<hr/>	<hr/>
Profit and loss account carried forward		19,205,453	14,933,496
		<hr/>	<hr/>
		19,205,553	14,933,596

This 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.

Ian Johnston
Director

The notes on pages 24 to 42 form part of these financial statements.

PICKERING INTERFACES 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	100	156,980	84,139	19,877,444	20,118,663
Comprehensive income for the year					
Profit for the year	-	-	-	7,174,646	7,174,646
Currency translation differences	-	267,820	-	-	267,820
Other reserves	-	-	(66,951)	-	(66,951)
Other comprehensive income for the year	-	267,820	(66,951)	-	200,869
Total comprehensive income for the year	-	267,820	(66,951)	7,174,646	7,375,515
Dividends	-	-	-	(485,006)	(485,006)
At 31 December 2022	100	424,800	17,188	26,567,084	27,009,172

The notes on pages 24 to 42 form part of these financial statements.

PICKERING INTERFACES 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	100	251,171	44,590	17,696,097	17,991,958
Comprehensive income for the year					
Profit for the year	-	-	-	3,608,445	3,608,445
Currency translation differences	-	(94,191)	-	-	(94,191)
Other reserves	-	-	39,549	-	39,549
Other comprehensive income for the year	-	(94,191)	39,549	-	(54,642)
Total comprehensive income for the year	-	(94,191)	39,549	3,608,445	3,553,803
Dividends	-	-	-	(1,427,098)	(1,427,098)
At 31 December 2021	100	156,980	84,139	19,877,444	20,118,663

The notes on pages 24 to 42 form part of these financial statements.

PICKERING INTERFACES 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	100	14,933,496	14,933,596
Comprehensive income for the year			
Profit for the year	-	4,756,963	4,756,963
Total comprehensive income for the year	-	4,756,963	4,756,963
Dividends	-	(485,006)	(485,006)
At 31 December 2022	100	19,205,453	19,205,553

The notes on pages 24 to 42 form part of these financial statements.

PICKERING INTERFACES 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	100	14,006,225	14,006,325
Comprehensive income for the year			
Profit for the year	-	2,354,369	2,354,369
Total comprehensive income for the year	-	2,354,369	2,354,369
Dividends	-	(1,427,098)	(1,427,098)
At 31 December 2021	100	14,933,496	14,933,596

The notes on pages 24 to 42 form part of these financial statements.

PICKERING INTERFACES 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	7,174,646	3,608,445
Adjustments for:		
Depreciation of tangible assets	562,922	466,394
Loss on disposal of tangible assets	10,007	-
Interest received	(35,860)	(16,084)
Taxation charge	1,150,907	489,119
(Increase) in stocks	(2,736,008)	(1,332,183)
(Increase) in debtors	(1,111,493)	(1,516,360)
(Decrease)/increase in creditors	(397,585)	817,818
Net fair value losses/(gains) recognised in P&L	200,869	(54,642)
Corporation tax (paid)	(620,622)	(321,567)
Net cash generated from operating activities	4,197,783	2,140,940
Cash flows from investing activities		
Purchase of tangible fixed assets	(789,642)	(758,838)
Sale of tangible fixed assets	271,102	101,052
Interest received	35,860	16,084
Net cash from investing activities	(482,680)	(641,702)

PICKERING INTERFACES LIMITED

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

	2022 £	2021 £
Cash flows from financing activities		
Loans made in the year	(1,816,200)	-
Dividends paid	(161,333)	(1,427,098)
Net cash used in financing activities	<u>(1,977,533)</u>	<u>(1,427,098)</u>
Net increase in cash and cash equivalents	1,737,570	72,140
Cash and cash equivalents at beginning of year	5,899,065	5,826,925
Cash and cash equivalents at the end of year	<u>7,636,635</u>	<u>5,899,065</u>
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	7,636,635	5,899,065
	<u>7,636,635</u>	<u>5,899,065</u>

The notes on pages 24 to 42 form part of these financial statements.

PICKERING INTERFACES 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	5,899,065	1,737,570	7,636,635
	<u>5,899,065</u>	<u>1,737,570</u>	<u>7,636,635</u>

The notes on pages 24 to 42 form part of these financial statements.

PICKERING INTERFACES LIMITED

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

1. General information

Pickering Interfaces 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 electrical components manufacturing. The group consists of Pickering Interfaces Limited and its subsidiaries. Details of these subsidiaries can be found in note 11.

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.

The following principal accounting policies have been applied:

2.2 Basis of consolidation

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

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

The Company is included in the consolidated financial statements, and is considered to be a qualifying entity under FRS 102 paragraphs 1.8 to 1.12. The disclosure exemption from preparing a separate Company statement of cash flows has been applied.

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.

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.

Depreciation is provided on the following basis:

Freehold property	-	1%	Straight line
Leasehold property improvements	-	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.

2. Accounting policies (continued)

2.7 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.

2.8 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.

2.9 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.

2.10 Provisions for liabilities

Provisions are made where an event has taken place that gives the Group a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to profit or loss in the year that the Group becomes aware of the obligation, and are measured at the best estimate at the balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance Sheet.

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.

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.

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.

2. Accounting policies (continued)

2.19 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.

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.

PICKERING INTERFACES LIMITED

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

4. Turnover

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

	2022 £	2021 £
Revenue	32,693,013	23,681,859
	<u>32,693,013</u>	<u>23,681,859</u>

Analysis of turnover by country of destination:

	2022 £	2021 £
United Kingdom	1,094,442	806,871
Rest of Europe	11,842,802	8,055,663
North America	11,681,461	9,362,403
Asia Pacific	7,850,453	5,273,637
Rest of the world	223,855	183,285
	<u>32,693,013</u>	<u>23,681,859</u>

5. Operating profit

The operating profit is stated after charging:

	2022 £	2021 £
Depreciation of tangible fixed assets	562,922	466,394
Loss/(profit) on disposal of fixed assets	10,007	-
Exchange differences	(910,070)	154,312
Other operating lease rentals	269,687	207,663
Research & Development charged as an expense	<u>1,643,420</u>	<u>1,642,925</u>

PICKERING INTERFACES LIMITED

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

6. Auditor's remuneration

	2022 £	2021 £
Fees payable to the Group's auditor and its associates for the audit of the Group's annual financial statements	38,500	19,850
The Company has taken advantage of the exemption not to disclose amounts paid for non-audit services as these are disclosed in the consolidated accounts of the parent Company.		

7. Employees

Staff costs, including directors' remuneration, were as follows:

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Wages and salaries	9,206,752	7,499,854	3,923,174	3,273,387
Social security costs	1,503,485	1,174,987	480,623	371,655
Cost of defined contribution scheme	381,842	214,967	133,422	115,549
	<u>11,092,079</u>	<u>8,889,808</u>	<u>4,537,219</u>	<u>3,760,591</u>

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

	Group 2022 No.	Group 2021 No.	Company 2022 No.	Company 2021 No.
Management and production	<u>292</u>	<u>259</u>	<u>107</u>	<u>97</u>

PICKERING INTERFACES LIMITED

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

	2022 £	2021 £
8. Directors' remuneration		
Directors' emoluments	539,728	410,661
Company contributions to defined contribution pension schemes	26,117	22,242
	<u>565,845</u>	<u>432,903</u>

During the year retirement benefits were accruing to 4 directors (2021 - 4) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £202,294 (2021 - £182,331).

The value of the Group's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £16,061 (2021 - £15,470).

	2022 £	2021 £
9. Taxation		
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	662,797	458,116
	<u>662,797</u>	<u>458,116</u>
Total current tax	<u>754,227</u>	<u>458,116</u>
Deferred tax		
Origination and reversal of timing differences	396,680	31,003
	<u>396,680</u>	<u>31,003</u>
Total deferred tax	<u>396,680</u>	<u>31,003</u>
Tax on profit	<u>1,150,907</u>	<u>489,119</u>

PICKERING INTERFACES 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 to 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>8,325,553</u>	<u>4,097,564</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2021 - 19%)	1,581,855	778,537
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	189,891	11,858
Adjustment in research and development tax credit leading to an decrease in the tax charge	(405,925)	(405,802)
Group relief	(214,243)	-
Changes in tax rate	(671)	104,526
Total tax charge for the year	<u><u>1,150,907</u></u>	<u><u>489,119</u></u>

PICKERING INTERFACES LIMITED

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

10. Tangible fixed assets

Group

	Land and buildings freehold	Leasehold property	Plant and machinery	Motor vehicles	Fixtures and fittings	Total
	£	£	£	£	£	£
Cost or valuation						
At 1 January 2022	3,856,193	743,025	2,275,334	95,008	1,279,796	8,249,356
Additions	336,231	-	278,875	-	174,536	789,642
Disposals	(1,360,702)	-	(40,293)	(12,931)	(7,342)	(1,421,268)
At 31 December 2022	<u>2,831,722</u>	<u>743,025</u>	<u>2,513,916</u>	<u>82,077</u>	<u>1,446,990</u>	<u>7,617,730</u>
Depreciation						
At 1 January 2022	201,372	323,870	923,302	36,763	862,257	2,347,564
Charge for the year on owned assets	104,351	74,215	227,193	17,818	139,345	562,922
Disposals	(83,772)	-	(40,293)	(12,906)	(7,190)	(144,161)
At 31 December 2022	<u>221,951</u>	<u>398,085</u>	<u>1,110,202</u>	<u>41,675</u>	<u>994,412</u>	<u>2,766,325</u>
Net book value						
At 31 December 2022	<u>2,609,771</u>	<u>344,940</u>	<u>1,403,714</u>	<u>40,402</u>	<u>452,578</u>	<u>4,851,405</u>
At 31 December 2021	<u>3,654,821</u>	<u>419,155</u>	<u>1,352,032</u>	<u>58,245</u>	<u>417,539</u>	<u>5,901,792</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 INTERFACES LIMITED

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

10. Tangible fixed assets (continued)

Company

	Land and buildings freehold	Leasehold property	Plant and machinery	Motor vehicles	Fixtures and fittings	Total
	£	£	£	£	£	£
Cost or valuation						
At 1 January 2022	1,073,542	743,025	1,217,536	48,308	387,972	3,470,383
Additions	-	-	66,242	-	114,686	180,928
Disposals	(1,073,542)	-	-	-	-	(1,073,542)
At 31 December 2022	-	743,025	1,283,778	48,308	502,658	2,577,769
Depreciation						
At 1 January 2022	67,978	323,870	616,567	6,841	241,640	1,256,896
Charge for the year on owned assets	-	74,215	91,841	12,077	78,655	256,788
Disposals	(67,978)	-	-	-	-	(67,978)
At 31 December 2022	-	398,085	708,408	18,918	320,295	1,445,706
Net book value						
At 31 December 2022	-	344,940	575,370	29,390	182,363	1,132,063
At 31 December 2021	1,005,564	419,155	600,969	41,467	146,332	2,213,487

PICKERING INTERFACES LIMITED

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

11. Fixed asset investments

Company

Cost or valuation

At 1 January 2022

At 31 December 2022

Investments in
subsidiary companies
£

459,746

459,746

PICKERING INTERFACES 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 GMBH	Johann-Karg-Str. 30, Haar-Salmdorf, D-85540, Germany	100%
Pickering Interfaces SARL	Le Triade III, 19 Boulevard Robert Thiboust, Serris, 77700	100%
Pickering Connect SRO	Bystrice 1571, Bystric, 73995	100%
Pickering Interfaces Inc	221 Chelmsford Street, Suite 6, Chelmsford, MA, 01824	100%
Pickering Instruments (Beijing) Limited	Room 1803, Xingchuang Building, No 6 Jinxing West Road, Daxing District, Beijing, 102627	100%
Pickering Interfaces SRO	c.p. 1571, Bystrice, 73995	100%

All of the above named subsidiaries are included within these consolidated financial statements.

In addition to the above named subsidiaries, the company also holds shares in Pickering Interfaces AB, a company based in Sweden.

PICKERING INTERFACES LIMITED

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

12. Stocks

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Work in progress	565,925	685,278	417,232	308,703
Finished goods and goods for resale	7,207,848	4,352,487	3,752,502	2,622,890
	<u>7,773,773</u>	<u>5,037,765</u>	<u>4,169,734</u>	<u>2,931,593</u>

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

13. Debtors

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Due after more than one year				
Amounts owed by group undertakings	2,369,036	-	4,175,657	-
Deferred tax asset	-	219,488	-	197,844
	<u>2,369,036</u>	<u>219,488</u>	<u>4,175,657</u>	<u>197,844</u>
Due within one year				
Trade debtors	5,222,788	4,131,800	575,962	547,040
Amounts owed by group undertakings	383,775	334,164	6,128,065	6,526,960
Other debtors	719,119	747,140	428,334	378,786
Prepayments and accrued income	481,268	362,864	316,137	259,708
	<u>6,806,950</u>	<u>5,575,968</u>	<u>7,448,498</u>	<u>7,712,494</u>

PICKERING INTERFACES LIMITED

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

14. Creditors: Amounts falling due within one year

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Trade creditors	614,545	565,494	260,268	406,730
Amounts owed to group undertakings	4,272	11,265	279,314	191,018
Corporation tax	353,435	204,336	91,430	-
Other taxation and social security	402,912	412,980	131,809	132,493
Other creditors	374,811	870,187	62,656	538,396
Accruals and deferred income	516,954	451,153	113,112	213,947
	<u>2,266,929</u>	<u>2,515,415</u>	<u>938,589</u>	<u>1,482,584</u>

15. Deferred taxation

Group

	2022 £	2021 £
At beginning of year	219,488	250,491
Charged to profit or loss	(381,186)	(31,003)
At end of year	<u>(161,698)</u>	<u>219,488</u>

PICKERING INTERFACES LIMITED

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

15. Deferred taxation (continued)

Company

	2022 £	2021 £
At beginning of year	197,844	197,908
Charged to profit or loss	(377,524)	(64)
At end of year	<u>(179,680)</u>	<u>197,844</u>

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Accelerated capital allowances	(161,698)	(177,072)	(179,680)	(177,072)
Tax losses carried forward	-	396,560	-	374,916
	<u>(161,698)</u>	<u>219,488</u>	<u>(179,680)</u>	<u>197,844</u>

16. Share capital

	2022 £	2021 £
Allotted, called up and fully paid		
100 (2021 - 100) Ordinary shares shares of £1.00 each	<u>100</u>	<u>100</u>

17. Dividends

	2022 £	2021 £
Distribution	485,006	1,427,098
	<u>485,006</u>	<u>1,427,098</u>

The 2022 dividend figure above comprises of £161,333 which relates to interim dividends payable to the shareholder and £323,673 which is a capital contribution to a fellow group subsidiary.

PICKERING INTERFACES LIMITED

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

18. Contingent liabilities

Pickering Interfaces have placed forward orders with suppliers and estimate a liability in respect of these at the year end totalling £1,371,764 (2021: £1,159,961).

19. Capital commitments

At 31 December 2022 the Group and Company had capital commitments as follows:

	Company 2022	Company 2021
	£	£
Contracted for but not provided in these financial statements	253,102	-
	<u>253,102</u>	<u>-</u>

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	Company 2022	Company 2021
	£	£	£	£
Not later than 1 year	247,259	160,080	156,735	41,408
Later than 1 year and not later than 5 years	603,975	137,192	553,167	110,702
Later than 5 years	454,000	-	454,000	-
	<u>1,305,234</u>	<u>297,272</u>	<u>1,163,902</u>	<u>152,110</u>

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 13 and 14.

At the year end, the Company owed £50,892 (2021 - £50,892) to the estate of the previous director, John Moore. At the beginning on the year the company owed a director £33,629, advances were made to the director during the year of £196,043 and repayments were made of £98,953. At the year end, the director owed the Company £63,461. This balance was interest free.

The directors consider the key management personnel of the Group to consist solely of the directors of the company, therefore key management personnel remuneration is the same as directors' remuneration disclosed in note 8.

PICKERING INTERFACES LIMITED

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

22. Controlling party

The company is a wholly owned subsidiary of Pickering Group Limited, a company under the control of Mr K T Moore.