

KEMET INTERNATIONAL LIMITED
& ITS SUBSIDIARY COMPANIES

GROUP STRATEGIC REPORT, REPORT OF THE DIRECTORS AND

AUDITED

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2022

CONTENTS OF THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2022

	Page
Company Information	1
Group Strategic Report	2
Report of the Directors	4
Report of the Independent Auditors	6
Consolidated Income Statement	9
Consolidated Other Comprehensive Income	10
Consolidated Statement of Financial Position	11
Company Statement of Financial Position	12
Consolidated Statement of Changes in Equity	13
Company Statement of Changes in Equity	14
Consolidated Statement of Cash Flows	15
Notes to the Consolidated Statement of Cash Flows	16
Notes to the Consolidated Financial Statements	17

COMPANY INFORMATION
FOR THE YEAR ENDED 30 SEPTEMBER 2022

DIRECTORS:

J. E. Park , FCMA
M. J. Riedl , Ph.D., B.Sc.
A. G. Riedl
N. P. Swan
M J Farrington
L Gellett

SECRETARY:

J. E. Park , FCMA

REGISTERED OFFICE:

Parkwood Trading Estate
MAIDSTONE
Kent
ME15 9NJ

REGISTERED NUMBER:

00344017 (England and Wales)

AUDITORS:

McCabe Ford Williams
Statutory Auditors and Chartered Accountants
89 King Street
Maidstone
Kent
ME14 1BG

**GROUP STRATEGIC REPORT
FOR THE YEAR ENDED 30 SEPTEMBER 2022**

The directors present their strategic report of the company and the group for the year ended 30 September 2022.

REVIEW OF BUSINESS

The Group's key performance indicators include revenue and net profit.

The Group's Revenue has increased to £19.19m (2021: £17.52m). The gross profit has increased from £9.12m (52.05%) to £10.03m (52.30%).

Operating profit for the year has increased from £1.34m in 2021 to £1.48m this year.

Profit before tax has increased by 31%.

The change in the key performance indicators above reflects the market across the group locations recovering following the global coronavirus pandemic. A change in mix of products in sales, notably with an increase in sales of cleaning products linked to the Group's agency with Finnsonic meant that an increase in sales had been achieved in 2019 and this, as expected, has returned as the market gradually returns to normal. Gross profit margins remain steady across the group as a whole.

Cash generated from operations have increased to £2.79m (2021: £0.62m). During 2020 the Group reduced stock levels in light of the slowing market due to the global pandemic. As the market began to move again in 2021 and recover in 2022, the Group once again increased stock levels to meet the increasing demands of customers for a wide range of products to be available. The group was also able to reduce the debts owed to them.

The Group continues to have a strong cash position at the year end. Net funds held in cash and cash equivalents have increased to £7.33m (2021: £5.90m).

PRINCIPAL RISKS AND UNCERTAINTIES

Similar to many other companies of our size, both in this and many other industries, trading in foreign markets continues to be very competitive, with ongoing cost and pricing challenges from all directions. The group are actively driving a number of strategic options to address those longer term challenges.

OPERATIONAL RISK

This is the risk of a direct or indirect loss resulting from inadequacies or failures in projects, processes or controls due to technology, staff, organisation or external factors. To monitor and control operational risk, the company maintains a system of comprehensive policies and a control framework which are designed to provide a sound and well-controlled operational environment. Key information regarding governance and the management of risk is reported to the Board. This enables management to monitor operational risk at appropriate levels.

FOREIGN CURRENCY RISK

The group operates internationally giving rise to exposure from changes in foreign exchange rates, particularly the US dollar and Euro. The group does not hedge translation exposure and earnings because any benefit obtained from such hedging can only be temporary.

The group also has transactional currency exposures arising from its international trade.

GROUP STRATEGIC REPORT
FOR THE YEAR ENDED 30 SEPTEMBER 2022

RESEARCH AND DEVELOPMENT

Cost of sales included significant new and existing product developments; these developments will continue to reflect changes in market requirements, standards and certification.

The group continued to market its products and services on a worldwide basis through its network of overseas group companies and associates.

ON BEHALF OF THE BOARD:

J. E. Park , FCMA - Director

21 June 2023

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 30 SEPTEMBER 2022**

The directors present their report with the financial statements of the company and the group for the year ended 30 September 2022.

PRINCIPAL ACTIVITY

The principal activity of the group in the year under review was that of the manufacture and marketing of industrial abrasives, lapping equipment and materials.

DIVIDENDS

During the year under review the company paid interim dividends of £1.77 per share in respect of the year ended 30 September 2022.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 October 2021 to the date of this report.

J. E. Park , FCMA
M. J. Riedl , Ph.D., B.Sc.
A. G. Riedl
N. P. Swan
M J Farrington
L Gellett

RISK MANAGEMENT

The risk management programmes of the company and of its subsidiaries seek to assess, manage and control risk. A broad spectrum of risks are considered including those relating to strategy, operational performance, financial (including fraud) and health and safety. The principal operational risks are the maintenance of high quality product and service levels and the financial risks are those related to foreign currencies and market forces.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's and the group's transactions and disclose with reasonable accuracy at any time the financial position of the company and the group and 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.

REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 30 SEPTEMBER 2022

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the group's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the group's auditors are aware of that information.

AUDITORS

The auditors, McCabe Ford Williams, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:

J. E. Park , FCMA - Director

21 June 2023

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
KEMET INTERNATIONAL LIMITED
& ITS SUBSIDIARY COMPANIES

Opinion

We have audited the financial statements of Kemet International Limited & its Subsidiary Companies (the 'parent company') and its subsidiaries (the 'group') for the year ended 30 September 2022 which comprise the Consolidated Income Statement, Consolidated Other Comprehensive Income, Consolidated Statement of Financial Position, Company Statement of Financial Position, Consolidated Statement of Changes in Equity, Company Statement of Changes in Equity, Consolidated Statement of Cash Flows and Notes to the Consolidated Statement of Cash Flows, Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including 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 affairs as at 30 September 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 UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the 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 and the parent company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

The directors are responsible for the other information. The other information comprises the information in the Group Strategic Report and the Report of the Directors, but does not include the financial statements and our Report of the Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether 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.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
KEMET INTERNATIONAL LIMITED
& ITS SUBSIDIARY COMPANIES

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Group Strategic Report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Group Strategic Report and the Report of the Directors 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 Report of the Directors.

We have nothing to report in respect of the following matters where 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.

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities set out on page four, 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 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.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
KEMET INTERNATIONAL LIMITED
& ITS SUBSIDIARY COMPANIES

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 a Report of the Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

We gained an understanding of the legal and regulatory framework applicable to the company and the industry in which it operates, and considered the risk of acts by the company that were contrary to applicable laws and regulations, including fraud.

We designed audit procedures to respond to the risk, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

We focussed on laws and regulations which could give rise to a material misstatement in the financial statements, including, but not limited to, the Companies Act 2006 and UK tax legislation. Our tests included agreeing the financial statement disclosures to underlying supporting documentation, enquiries with management. There are inherent limitations in the audit procedures described above and, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. We did not identify any key audit matters relating to irregularities, including fraud. As in all our audits, we also addressed the risk of management override of internal controls, including testing journals and evaluating whether there was evidence of bias by the directors that represented a risk of material misstatement due to fraud.

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 Report of the Auditors.

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 a Report of the Auditors 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.

David Boobbyer FCA (Senior Statutory Auditor)
for and on behalf of McCabe Ford Williams
Statutory Auditors and Chartered Accountants
89 King Street
Maidstone
Kent
ME14 1BG

30 June 2023

**KEMET INTERNATIONAL LIMITED
& ITS SUBSIDIARY COMPANIES (REGISTERED NUMBER: 00344017)**

**CONSOLIDATED
INCOME STATEMENT
FOR THE YEAR ENDED 30 SEPTEMBER 2022**

	Notes	30.9.22 £	£	30.9.21 £	£
TURNOVER	4		19,190,143		17,519,403
Cost of sales			<u>9,155,334</u>		<u>8,400,336</u>
GROSS PROFIT			10,034,809		9,119,067
Distribution costs		230,154		167,690	
Administrative expenses		<u>8,370,515</u>		<u>7,946,079</u>	
			<u>8,600,669</u>		<u>8,113,769</u>
			1,434,140		1,005,298
Other operating income			45,016		337,275
OPERATING PROFIT	6		<u>1,479,156</u>		<u>1,342,573</u>
Income from interest in associated undertakings	7	124,497		(116,729)	
Interest receivable and similar income		<u>1,015</u>		<u>953</u>	
			<u>125,512</u>		<u>(115,776)</u>
			1,604,668		1,226,797
Interest payable and similar expenses	8		<u>3,611</u>		<u>2,687</u>
PROFIT BEFORE TAXATION			1,601,057		1,224,110
Tax on profit	9		271,181		245,731
PROFIT FOR THE FINANCIAL YEAR			<u>1,329,876</u>		<u>978,379</u>
Profit attributable to:					
Owners of the parent			<u>1,329,876</u>		<u>978,379</u>

The notes form part of these financial statements

**KEMET INTERNATIONAL LIMITED
& ITS SUBSIDIARY COMPANIES (REGISTERED NUMBER: 00344017)**

**CONSOLIDATED
OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 SEPTEMBER 2022**

	30.9.22	30.9.21
Notes	£	£
PROFIT FOR THE YEAR	1,329,876	978,379
OTHER COMPREHENSIVE INCOME		
Exchange rate movement	604,663	(296,953)
Income tax relating to other comprehensive income	-	-
OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF INCOME TAX	<u>604,663</u>	<u>(296,953)</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>1,934,539</u>	<u>681,426</u>
Total comprehensive income attributable to: Owners of the parent	<u>1,934,539</u>	<u>681,426</u>

The notes form part of these financial statements

KEMET INTERNATIONAL LIMITED
& ITS SUBSIDIARY COMPANIES (REGISTERED NUMBER: 00344017)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
30 SEPTEMBER 2022

	Notes	30.9.22 £	£	30.9.21 £	£
FIXED ASSETS					
Intangible assets	12		-		28,591
Tangible assets	13		4,526,902		4,561,688
Investments	14				
Interest in associate undertaking			<u>458,608</u>		<u>402,249</u>
			4,985,510		4,992,528
CURRENT ASSETS					
Stocks	15	4,022,977		3,561,046	
Debtors	16	4,118,688		4,311,221	
Cash at bank and in hand		<u>7,331,407</u>		<u>5,897,458</u>	
		15,473,072		13,769,725	
CREDITORS					
Amounts falling due within one year	17	<u>4,779,512</u>		<u>4,131,807</u>	
NET CURRENT ASSETS			<u>10,693,560</u>		<u>9,637,918</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			15,679,070		14,630,446
PROVISIONS FOR LIABILITIES	18		<u>74,409</u>		<u>75,324</u>
NET ASSETS			<u>15,604,661</u>		<u>14,555,122</u>
CAPITAL AND RESERVES					
Called up share capital	19		500,000		500,000
Retained earnings	20		<u>15,104,661</u>		<u>14,055,122</u>
SHAREHOLDERS' FUNDS			<u>15,604,661</u>		<u>14,555,122</u>

The financial statements were approved by the Board of Directors and authorised for issue on 21 June 2023 and were signed on its behalf by:

J. E. Park , FCMA - Director

The notes form part of these financial statements

KEMET INTERNATIONAL LIMITED
& ITS SUBSIDIARY COMPANIES (REGISTERED NUMBER: 00344017)

COMPANY STATEMENT OF FINANCIAL POSITION
30 SEPTEMBER 2022

	Notes	30.9.22 £	£	30.9.21 £	£
FIXED ASSETS					
Intangible assets	12		-		-
Tangible assets	13		2,286,706		2,359,786
Investments	14		<u>238,702</u>		<u>238,702</u>
			2,525,408		2,598,488
CURRENT ASSETS					
Stocks	15	2,160,645		2,003,752	
Debtors	16	2,897,512		2,862,504	
Cash at bank		<u>2,466,456</u>		<u>2,221,136</u>	
		7,524,613		7,087,392	
CREDITORS					
Amounts falling due within one year	17	<u>3,027,072</u>		<u>2,552,115</u>	
NET CURRENT ASSETS			<u>4,497,541</u>		<u>4,535,277</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			7,022,949		7,133,765
PROVISIONS FOR LIABILITIES	18		<u>92,317</u>		<u>95,608</u>
NET ASSETS			<u>6,930,632</u>		<u>7,038,157</u>
CAPITAL AND RESERVES					
Called up share capital	19		500,000		500,000
Retained earnings	20		<u>6,430,632</u>		<u>6,538,157</u>
SHAREHOLDERS' FUNDS			<u>6,930,632</u>		<u>7,038,157</u>
Company's profit for the financial year			<u>777,475</u>		<u>1,248,869</u>

The financial statements were approved by the Board of Directors and authorised for issue on 21 June 2023 and were signed on its behalf by:

J. E. Park , FCMA - Director

The notes form part of these financial statements

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 SEPTEMBER 2022

	Called up share capital £	Retained earnings £	Total equity £
Balance at 1 October 2020	500,000	13,688,696	14,188,696
Changes in equity			
Dividends	-	(315,000)	(315,000)
Total comprehensive income	-	681,426	681,426
Balance at 30 September 2021	<u>500,000</u>	<u>14,055,122</u>	<u>14,555,122</u>
Changes in equity			
Dividends	-	(885,000)	(885,000)
Total comprehensive income	-	1,934,539	1,934,539
Balance at 30 September 2022	<u>500,000</u>	<u>15,104,661</u>	<u>15,604,661</u>

The notes form part of these financial statements

COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 SEPTEMBER 2022

	Called up share capital £	Retained earnings £	Total equity £
Balance at 1 October 2020	500,000	5,604,288	6,104,288
Changes in equity			
Dividends	-	(315,000)	(315,000)
Total comprehensive income	-	1,248,869	1,248,869
Balance at 30 September 2021	<u>500,000</u>	<u>6,538,157</u>	<u>7,038,157</u>
Changes in equity			
Dividends	-	(885,000)	(885,000)
Total comprehensive income	-	777,475	777,475
Balance at 30 September 2022	<u>500,000</u>	<u>6,430,632</u>	<u>6,930,632</u>

The notes form part of these financial statements

**KEMET INTERNATIONAL LIMITED
& ITS SUBSIDIARY COMPANIES (REGISTERED NUMBER: 00344017)**

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 SEPTEMBER 2022**

	Notes	30.9.22 £	30.9.21 £
Cash flows from operating activities			
Cash generated from operations	1	2,817,526	616,631
Interest paid		(3,611)	(2,687)
Tax paid		(237,398)	(191,227)
Net cash from operating activities		<u>2,576,517</u>	<u>422,717</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(307,168)	(203,685)
Sale of tangible fixed assets		48,585	64,870
Interest received		1,015	953
Net cash from investing activities		<u>(257,568)</u>	<u>(137,862)</u>
Cash flows from financing activities			
Equity dividends paid		(885,000)	(315,000)
Net cash from financing activities		<u>(885,000)</u>	<u>(315,000)</u>
Increase/(decrease) in cash and cash equivalents		<u>1,433,949</u>	<u>(30,145)</u>
Cash and cash equivalents at beginning of year	2	5,897,458	5,927,603
Cash and cash equivalents at end of year	2	<u>7,331,407</u>	<u>5,897,458</u>

The notes form part of these financial statements

NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 SEPTEMBER 2022

1. RECONCILIATION OF PROFIT BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS

	30.9.22	30.9.21
	£	£
Profit before taxation	1,601,057	1,224,110
Depreciation charges	497,578	523,236
(Profit)/loss on disposal of fixed assets	(385)	13,976
Exchange movement	450,940	(134,544)
Finance costs	3,611	2,687
Finance income	<u>(125,512)</u>	<u>115,776</u>
	2,427,289	1,745,241
Increase in stocks	(461,931)	(487,643)
Decrease/(increase) in trade and other debtors	192,533	(1,518,137)
Increase in trade and other creditors	<u>659,635</u>	<u>877,170</u>
Cash generated from operations	<u><u>2,817,526</u></u>	<u><u>616,631</u></u>

2. CASH AND CASH EQUIVALENTS

The amounts disclosed on the Statement of Cash Flows in respect of cash and cash equivalents are in respect of these Statement of Financial Position amounts:

Year ended 30 September 2022

	30.9.22	1.10.21
	£	£
Cash and cash equivalents	<u>7,331,407</u>	<u>5,897,458</u>

Year ended 30 September 2021

	30.9.21	1.10.20
	£	£
Cash and cash equivalents	<u>5,897,458</u>	<u>5,927,603</u>

3. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.10.21	Cash flow	At 30.9.22
	£	£	£
Net cash			
Cash at bank and in hand	<u>5,897,458</u>	<u>1,433,949</u>	<u>7,331,407</u>
	<u>5,897,458</u>	<u>1,433,949</u>	<u>7,331,407</u>
Total	<u><u>5,897,458</u></u>	<u><u>1,433,949</u></u>	<u><u>7,331,407</u></u>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2022**

1. STATUTORY INFORMATION

Kemet International Limited & its Subsidiary Companies is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the General Information page.

The presentation currency of the financial statements is the Pound Sterling (£).

2. STATEMENT OF COMPLIANCE

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006.

3. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements have been prepared under the historical cost convention.

Basis of consolidation

The group financial statements include the financial statements of the company and all of its subsidiary undertakings made up to 30 September 2022, together with the group share of the results of associates up to their most recent year end or 30 September 2022 as set out in Note 14.

A subsidiary is an entity controlled by the company. Control exists when the company has the power, directly or indirectly, to govern the financial and operating policies of the entity so as to derive benefits from its activities.

An associate is an entity in which the group holds a long-term interest and where the group has a significant influence. The results of associates are accounted for using the equity method of accounting.

All intra-group transactions, balances, income and expenses are eliminated on consolidation.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 SEPTEMBER 2022

3. **ACCOUNTING POLICIES - continued**

Significant judgements and estimates

In the application of the company's accounting policies, management is required to make judgements, estimates and assumptions about the carrying value of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered 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 to which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

The key sources of estimation uncertainty that have a significant effect on the amounts recognised in the financial statements are-

a) Useful lives of property, plant and equipment

The useful life of an item of property, plant and equipment is estimated at the time the asset is acquired and is based on historical experience with similar assets and takes into account anticipated technological or other changes. If changes occur more rapidly than anticipated or the asset experiences unexpected levels of wear and tear, the useful life will be adjusted accordingly.

b) Stock valuation method

Stock write-down is made based on the current market conditions, historical experience and selling goods of a similar nature. It could change significantly as a result of changes in market conditions. A review is made periodically on stock for excess stock, obsolescence and declines in net realisable value and an allowance is recorded against the stock balances for any such declines. The realisable value represents the best estimate of the recoverable amount and is based on the most reliable evidence available and inherently involves estimates regarding future expected realisable value.

Turnover

Revenue comprises the consideration received for the sale of goods and services in the ordinary course of the Group's activities. Revenue is shown net of value-added tax and other sales related taxes, returns and discounts and after eliminating sales within the group.

The group is to act as retailers of polishing products for industrial use. Revenue is recognised when goods are delivered to the customers and all criteria for acceptance have been satisfied. Revenue is recognised at the point in time when such risks are transferred and customers obtain control over the goods they have purchased.

Goodwill

Goodwill, being the amount paid in connection with the acquisition of a business in 2013, is being amortised evenly over its estimated useful life of ten years.

Intangible assets

Intangible assets are initially measured at cost. After initial recognition, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 SEPTEMBER 2022

3. **ACCOUNTING POLICIES - continued**

Tangible fixed assets

Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset class on a straight line basis over its expected useful life, as follows:

Freehold buildings	33 years
Leasehold buildings	Over the lease term
Plant and machinery	Between 3 and 15 years
Fixtures and fittings	Between 3 and 15 years
Motor vehicles	Between 2 and 4 years

No depreciation is charged on freehold land.

Government grants

The group has furloughed staff during the Covid-19 pandemic and made claims for government furlough grants. The grants are recognised on an accruals basis, matched in the period against the staff costs that they relate to, and recorded as grant income in the accounts.

Investments in associates

Investments in associate undertakings are recognised at cost.

Stocks

Stocks and work in progress are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Cost is calculated using the first-in, first-out method and includes all purchase, labour, transport, and handling costs in bringing stocks to their present location and condition.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 SEPTEMBER 2022**

3. ACCOUNTING POLICIES - continued

Financial instruments

The company enters into basic financial instruments that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable, loans from banks and other third parties and loans to related parties.

a) Trade and other debtors

Trade and other debtors are initially recognised at fair value and thereafter stated at amortised cost using the effective interest method, less impairment losses for bad and doubtful debts except where the effect of discounting would be immaterial. In such cases, the receivables are stated at cost less impairment losses for bad and doubtful debts.

b) Cash and cash equivalents

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

c) Impairment of financial assets

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

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and the best estimate, which is an approximation, of the amount that the company would receive for the asset if it were to be sold at the reporting date.

d) Trade and other creditors

Debt instruments like loans and other accounts payable are initially measured at present value of the future payments and subsequently at amortised cost using the effective interest method. Debt instruments that are payable within one year, typically trade payables, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an outright short-term loan not at market rate, the financial asset is measured, initially and subsequently, at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets and liabilities are offset and the net amount reported in the statement of financial position 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 SEPTEMBER 2022

3. **ACCOUNTING POLICIES - continued**

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Consolidated Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the statement of financial position date.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the statement of financial position date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Research and development

Expenditure on research and development is written off in the year in which it is incurred.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the statement of financial position date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

Pension costs and other post-retirement benefits

Payments made to defined contribution retirement benefit schemes are charged as an expense as they fall due.

For defined retirement benefit schemes, the cost of providing benefits is determined using the projected unit method, with actuarial valuations being carried out at each balance sheet date. The net deficit or surplus on the scheme is carried in the balance sheet, comprising the present value of the defined benefit obligation at the balance sheet date less the fair value of the scheme assets. Actuarial gains and losses are charged to retained earnings in full in the period in which they occur via the statement of recognised gains and losses.

Investments

Fixed assets investments are stated at cost including any share of post acquisition profits or losses. Due consideration is made for any permanent diminution in value at each balance sheet date.

Where accounting periods are non-coterminous the share of the profit has been calculated on a time apportionment basis.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 SEPTEMBER 2022**

3. ACCOUNTING POLICIES - continued

Dividends

Dividends payable on ordinary shares are recognised in retained earnings once they are appropriately authorised or paid and are no longer at the discretion of the company.

4. TURNOVER

The turnover and profit before taxation are attributable to the one principal activity of the group.

An analysis of turnover by geographical market is given below:

	30.9.22	30.9.21
	£	£
United Kingdom	3,263,135	3,289,185
Europe	6,987,917	6,328,226
Far East	5,587,861	4,803,705
Other	3,351,230	3,098,287
	<u>19,190,143</u>	<u>17,519,403</u>

5. EMPLOYEES AND DIRECTORS

	30.9.22	30.9.21
	£	£
Wages and salaries	4,974,363	4,805,368
Social security costs	566,132	583,110
Other pension costs	335,807	315,662
	<u>5,876,302</u>	<u>5,704,140</u>

The average number of employees during the year was as follows:

	30.9.22	30.9.21
Employees	<u>110</u>	<u>105</u>

	30.9.22	30.9.21
	£	£
Directors' remuneration	1,107,235	1,110,588
Directors' pension contributions to money purchase schemes	<u>83,303</u>	<u>50,625</u>

The number of directors to whom retirement benefits were accruing was as follows:

Money purchase schemes	<u>2</u>	<u>2</u>
------------------------	----------	----------

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 SEPTEMBER 2022**

5. EMPLOYEES AND DIRECTORS - continued

Information regarding the highest paid director is as follows:

	30.9.22	30.9.21
	£	£
Emoluments etc	<u>239,364</u>	<u>288,689</u>

6. OPERATING PROFIT

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

	30.9.22	30.9.21
	£	£
Depreciation - owned assets	468,383	493,841
(Profit)/loss on disposal of fixed assets	(385)	13,976
Goodwill amortisation	29,195	29,395
Auditors remuneration	29,400	24,500
Auditors' remuneration for non audit work	3,900	3,250
Foreign exchange differences	(67,490)	70,675
Research & development expenditure	147,351	74,460
Directors' pension contributions	<u>83,303</u>	<u>50,625</u>

7. INCOME FROM INTEREST IN ASSOCIATED UNDERTAKINGS

The share of income from associated companies (after tax) at 30 September 2022 is as follows:

Kemet Japan	
Profit/(Loss) Before Tax	£80,158
Tax	(£41,743)
Profit/(Loss) After Tax	£38,415

Kemet Korea	
Profit/(Loss) Before Tax	£44,339
Tax	(£4,057)
Profit/(Loss) After Tax	£40,282

8. INTEREST PAYABLE AND SIMILAR EXPENSES

	30.9.22	30.9.21
	£	£
Bank interest	<u>3,611</u>	<u>2,687</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 SEPTEMBER 2022

9. **TAXATION**

Analysis of the tax charge

The tax charge on the profit for the year was as follows:

	30.9.22	30.9.21
	£	£
Current tax:		
UK corporation tax	92,898	172,776
Overseas taxation	<u>178,369</u>	<u>86,298</u>
Total current tax	271,267	259,074
Deferred taxation	<u>(86)</u>	<u>(13,343)</u>
Tax on profit	<u>271,181</u>	<u>245,731</u>

Reconciliation of total tax charge included in profit and loss

The tax assessed for the year is lower than the standard rate of corporation tax in the UK. The difference is explained below:

	30.9.22	30.9.21
	£	£
Profit before tax	<u>1,601,057</u>	<u>1,224,110</u>
Profit multiplied by the standard rate of corporation tax in the UK of 19 % (2021 - 19 %)	304,201	232,581
Effects of:		
Expenses not deductible for tax purposes	11,428	13,000
Income not taxable for tax purposes	(50)	(26,715)
Tax for prior years	8,953	(861)
Effect of different overseas tax rate	(26,997)	33,304
Other items	635	3,432
R&D Deduction	(36,396)	(18,392)
Non qualifying depreciation	9,407	9,382
Total tax charge	<u>271,181</u>	<u>245,731</u>

Tax effects relating to effects of other comprehensive income

	Gross	30.9.22	Net
	£	Tax	£
	£	£	£
Exchange rate movement	<u>604,663</u>	<u>-</u>	<u>604,663</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 SEPTEMBER 2022

9. **TAXATION - continued**

	Gross £	30.9.21 Tax £	Net £
Exchange rate movement	<u>(296,953)</u>	<u>-</u>	<u>(296,953)</u>

10. **INDIVIDUAL INCOME STATEMENT**

As permitted by Section 408 of the Companies Act 2006, the Income Statement of the parent company is not presented as part of these financial statements.

11. **DIVIDENDS**

	30.9.22 £	30.9.21 £
Interim	<u>885,000</u>	<u>315,000</u>

12. **INTANGIBLE FIXED ASSETS**

Group

	Goodwill £
COST	
At 1 October 2021	285,909
Exchange differences	6,046
At 30 September 2022	<u>291,955</u>
AMORTISATION	
At 1 October 2021	257,318
Amortisation for year	29,195
Exchange differences	5,442
At 30 September 2022	<u>291,955</u>
NET BOOK VALUE	
At 30 September 2022	<u>-</u>
At 30 September 2021	<u>28,591</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 SEPTEMBER 2022

13. **TANGIBLE FIXED ASSETS**

Group

	Land and buildings £	Plant and machinery etc £	Totals £
COST			
At 1 October 2021	5,243,447	5,010,421	10,253,868
Additions	25,173	281,995	307,168
Disposals	-	(281,557)	(281,557)
Exchange differences	234,452	72,273	306,725
At 30 September 2022	<u>5,503,072</u>	<u>5,083,132</u>	<u>10,586,204</u>
DEPRECIATION			
At 1 October 2021	1,667,665	4,024,515	5,692,180
Charge for year	139,018	329,365	468,383
Eliminated on disposal	-	(233,357)	(233,357)
Exchange differences	76,744	55,352	132,096
At 30 September 2022	<u>1,883,427</u>	<u>4,175,875</u>	<u>6,059,302</u>
NET BOOK VALUE			
At 30 September 2022	<u>3,619,645</u>	<u>907,257</u>	<u>4,526,902</u>
At 30 September 2021	<u>3,575,782</u>	<u>985,906</u>	<u>4,561,688</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 SEPTEMBER 2022

13. **TANGIBLE FIXED ASSETS - continued**

Company

	Land and buildings £	Plant and machinery etc £	Totals £
COST			
At 1 October 2021	2,452,617	3,020,532	5,473,149
Additions	12,537	220,830	233,367
Disposals	-	(166,788)	(166,788)
At 30 September 2022	<u>2,465,154</u>	<u>3,074,574</u>	<u>5,539,728</u>
DEPRECIATION			
At 1 October 2021	793,382	2,319,981	3,113,363
Charge for year	68,063	191,707	259,770
Eliminated on disposal	-	(120,111)	(120,111)
At 30 September 2022	<u>861,445</u>	<u>2,391,577</u>	<u>3,253,022</u>
NET BOOK VALUE			
At 30 September 2022	<u>1,603,709</u>	<u>682,997</u>	<u>2,286,706</u>
At 30 September 2021	<u>1,659,235</u>	<u>700,551</u>	<u>2,359,786</u>

Included in cost of land and buildings is freehold land of £ 495,000 (2021 - £ 495,000) which is not depreciated.

14. **FIXED ASSET INVESTMENTS**

Group

	Interest in associate undertaking £
COST	
At 1 October 2021	402,249
Share of Profit/(loss)	78,697
Exchange differences	(22,338)
At 30 September 2022	<u>458,608</u>
NET BOOK VALUE	
At 30 September 2022	<u>458,608</u>
At 30 September 2021	<u>402,249</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 SEPTEMBER 2022

14. **FIXED ASSET INVESTMENTS - continued**

Company

	Shares in group undertakings £	Interest in associate undertaking £	Totals £
COST			
At 1 October 2021 and 30 September 2022	<u>182,263</u>	<u>56,439</u>	<u>238,702</u>
NET BOOK VALUE			
At 30 September 2022	<u>182,263</u>	<u>56,439</u>	<u>238,702</u>
At 30 September 2021	<u>182,263</u>	<u>56,439</u>	<u>238,702</u>

The group or the company's investments at the Statement of Financial Position date in the share capital of companies include the following:

Subsidiaries

Kemet Europe B.V and subsidiary

Registered office:

Nature of business: Industrial abrasives

Class of shares:	%		
Ordinary	holding 99.40		
		30.9.22 £	30.9.21 £
Aggregate capital and reserves		1,857,179	1,737,590
Profit for the year		<u>95,776</u>	<u>16,214</u>

Kemet Australia (Pty) Limited

Registered office:

Nature of business: Industrial abrasives

Class of shares:	%		
Ordinary	holding 100.00		
		30.9.22 £	30.9.21 £
Aggregate capital and reserves		1,545,850	1,536,677
(Loss)/profit for the year		<u>(43,563)</u>	<u>37,795</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 SEPTEMBER 2022

14. **FIXED ASSET INVESTMENTS - continued**

Kemet Far East (Pte) Limited and subsidiary

Registered office:

Nature of business: Industrial abrasives

Class of shares:	% holding		
Ordinary	99.90		
		30.9.22	30.9.21
		£	£
Aggregate capital and reserves		4,913,677	4,042,440
Profit for the year		<u>601,870</u>	<u>293,373</u>

Kemet China Limited and Subsidiary

Registered office:

Nature of business: Industrial Abrasives

Class of shares:	% holding		
Ordinary	100.00		
		30.9.22	30.9.21
		£	£
Aggregate capital and reserves		360,694	314,210
Profit for the year		<u>28,142</u>	<u>282,151</u>

Kemet Developments Limited

Registered office:

Nature of business: Dormant

Class of shares:	% holding		
Ordinary	100.00		
		30.9.22	30.9.21
		£	£
Aggregate capital and reserves		<u>3,079</u>	<u>3,079</u>

Kemet Services Limited

Registered office:

Nature of business: Dormant

Class of shares:	% holding		
Ordinary	100.00		
		30.9.22	30.9.21
		£	£
Aggregate capital and reserves		<u>141</u>	<u>141</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 SEPTEMBER 2022

14. **FIXED ASSET INVESTMENTS - continued**

Associated companies

Kemet Korea

Registered office:

Nature of business: Industrial abrasives

	%
Class of shares:	holding
Ordinary	45.00

The most recent financial information from Kemet Korea is for the year ended 31 December 2021 and the proportion attributable to Kemet International Limited is as follows:-

	2022
Turnover	£421,801
Profit (loss) before tax	£62,085
Taxation	£5,410
Profit (loss) after tax	£56,675
Fixed assets	£143,558
Current assets	£71,018
Liabilities due in one year	£87,140

Kemet Japan

Registered office:

Nature of business: Industrial abrasives

	%
Class of shares:	holding
Ordinary	25.00

The most recent financial information from Kemet Japan is for the year ended 31 March 2022 and the proportion attributable to Kemet International Limited is as follows:-

	2022
Turnover	£1,348,376
Profit before tax	£80,158
Taxation	£41,743
Profit after tax	£38,415
Fixed assets	£2,384,923
Current assets	£877,891
Liabilities due in one year	£1,466,745
Liabilities due over one year	£860,352

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 SEPTEMBER 2022

15. **STOCKS**

	Group		Company	
	30.9.22	30.9.21	30.9.22	30.9.21
	£	£	£	£
Raw materials	575,754	513,404	575,754	513,404
Work-in-progress	21,728	14,723	21,728	14,723
Finished goods	3,425,495	3,032,919	1,563,163	1,475,625
	<u>4,022,977</u>	<u>3,561,046</u>	<u>2,160,645</u>	<u>2,003,752</u>

16. **DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	Group		Company	
	30.9.22	30.9.21	30.9.22	30.9.21
	£	£	£	£
Trade debtors	3,347,645	3,168,498	1,840,965	1,449,850
Amounts owed by group undertakings	-	-	428,017	559,719
Other debtors	163,922	477,940	21,409	188,152
VAT debtor	97,849	56,104	97,849	56,104
Prepayments and accrued income	509,272	608,679	509,272	608,679
	<u>4,118,688</u>	<u>4,311,221</u>	<u>2,897,512</u>	<u>2,862,504</u>

17. **CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	Group		Company	
	30.9.22	30.9.21	30.9.22	30.9.21
	£	£	£	£
Trade creditors	2,657,103	1,963,171	2,195,867	1,508,905
Amounts owed to group undertakings	-	-	3,208	3,208
Taxation	120,640	186,490	8,501	110,236
Other taxes and PAYE taxes	71,974	67,329	71,974	67,329
Other creditors and accruals	1,929,795	1,914,817	747,522	862,437
	<u>4,779,512</u>	<u>4,131,807</u>	<u>3,027,072</u>	<u>2,552,115</u>

18. **PROVISIONS FOR LIABILITIES**

	Group		Company	
	30.9.22	30.9.21	30.9.22	30.9.21
	£	£	£	£
Deferred taxation	<u>74,409</u>	<u>75,324</u>	<u>92,317</u>	<u>95,608</u>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 SEPTEMBER 2022**

18. **PROVISIONS FOR LIABILITIES - continued**

Group

	Deferred tax £
Balance at 1 October 2021	75,324
Accelerated allowances	8,154
Internal unrealised profit	(8,240)
Exchange movements	(829)
Balance at 30 September 2022	<u>74,409</u>

Company

	Deferred tax £
Balance at 1 October 2021	95,608
Deferred tax movement	(3,291)
Balance at 30 September 2022	<u>92,317</u>

19. **CALLED UP SHARE CAPITAL**

Allotted, issued and fully paid:				
Number:	Class:	Nominal value:	30.9.22 £	30.9.21 £
500,000	Ordinary	£1	<u>500,000</u>	<u>500,000</u>

20. **RESERVES**

Group

	Retained earnings £
At 1 October 2021	14,055,122
Profit for the year	1,329,876
Dividends	(885,000)
Exchange differences	604,663
At 30 September 2022	<u>15,104,661</u>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 SEPTEMBER 2022**

20. **RESERVES - continued**

Company

	Retained earnings £
At 1 October 2021	6,538,157
Profit for the year	777,475
Dividends	(885,000)
At 30 September 2022	6,430,632

21. **RELATED PARTY DISCLOSURES**

The group is taking advantage of the exemption prescribed by FRS102 and so related party transactions which are eliminated on consolidation are not disclosed.

Entities with control, joint control or significant influence over the entity

Kemet Korea- Associated Company

During the year under review the associated company purchased goods from Kemet International Limited for the value of £142,451 (2021: £98,205).

Entities over which the entity has control, joint control or significant influence

Kemet Japan- Associated Company

During the year under review the associated company purchased goods from Kemet International Limited for the value of £302,215 (2021: £244,472).

Other related parties

Dividends of £761,826 were paid to the directors and their close family members. The individuals concerned are the directors, Mr A G Riedl, Dr M J Riedl and Mr N P Swan and Mrs K M Park, the wife of Mr J E Park and Mrs H Riedl, the wife of Dr M J Riedl.

22. **ULTIMATE CONTROLLING PARTY**

The ultimate parent company of the group is Kemet International Limited.

The company is controlled by its directors. There is no individual with a controlling interest.

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.