

STRATEGIC REPORT, REPORT OF THE DIRECTORS AND
AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021
FOR
SIAE MICROELETTRONICA LIMITED

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for the Year Ended 31 December 2021

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SIAE MICROELETTRONICA LIMITED

COMPANY INFORMATION
for the Year Ended 31 December 2021

DIRECTORS: A Mascetti
E Mascetti
G Mascetti

SECRETARY: C Young

REGISTERED OFFICE: Ramsbrook Farm
Ramsbrook Lane
Widnes
Cheshire
WA8 8NZ

REGISTERED NUMBER: 03140472 (England and Wales)

SENIOR STATUTORY AUDITOR: R Musker FCA

AUDITORS: Musker & Garrett Limited
Statutory Auditor
Edward House
North Mersey Business Centre
Knowsley Industrial Park
Liverpool
Merseyside
L33 7UY

STRATEGIC REPORT
for the Year Ended 31 December 2021

The directors present their strategic report for the year ended 31 December 2021.

REVIEW OF BUSINESS

The results for the year and financial position of the company are detailed in the annexed financial statements. The company maintained its position as a key product and service provider to fixed and mobile telecommunication system operators in the UK and Ireland.

The company's key financial and other performance indicators during the year were as follows:

	2021 £'000	2020 £'000	Movement as a percentage
Turnover	9,825	9,385	5%
Operating profit/ (loss)	8	(185)	104%
Shareholders' funds	470	460	2%
Gross profit margin	9.9%	11.6%	-15%
Current assets/ current liabilities	107%	107%	0%
Average number of employees	26	37	-30%

Turnover for the business has increased compared to the previous year because of increased levels of equipment sales with slightly lower service sales.

The operating loss of the prior year was eliminated with an operating profit of £8,000 being mainly achieved by a reduction of administrative expenses by some £300,000 despite a lower gross profit due to the mix of sales.

The financial position of the company is presented in the balance sheet. Total shareholders' funds at 31 December 2021 amounted to £469,610 (2020 - £460,360) comprising total assets of £7,049,208 (2020 - £7,203,152) less total liabilities of £6,579,598 (2020 - £6,742,792).

PRINCIPAL RISKS AND UNCERTAINTIES

The principal business risks facing the company mainly relate to the cyclical nature of the UK telecommunications industry and its increasingly competitive landscape. This may also be affected by uncertainties over the timing and scale of uptake of new technologies and network consolidation activities in the UK telecommunications industry. The business is also facing component shortages similar to other parts of the telecommunications industry and the wider electronic and automotive sectors which will impact the level of equipment sales and as a consequence the level of installations to its core customers in 2022. The Brexit agreement has increased the level of administration costs required to import products from its EU parent company and consequently had a minor impact on margins during 2021. The financial risk management of the company and the execution of the company's strategy are subject to a number of risks. The Directors have identified the need to manage the company's financial risks, including liquidity risk and cash flow. These risks are monitored through the SIAE group treasury function. The company has exposure to foreign economies worldwide and these sales and purchases give rise to foreign exchange risks. Changing legislation in other regulations can affect product specification, as will the effect of the UK leaving the European Union. The majority of transactions in a foreign currency relate to companies within the SIAE group and therefore foreign exchange risk is mitigated by control of payments throughout the group to reduce large losses or gains arising in any company within the group.

STRATEGIC REPORT
for the Year Ended 31 December 2021

FUTURE DEVELOPMENTS

The Directors anticipate the business environment will remain competitive and also uncertain due to Global Inflationary pressures, the Global Covid-19 worldwide pandemic and the war in Ukraine. However, they believe that the company is in a good financial position and that the risks which have been identified are being well managed. With careful focus on appropriate diversification and development of new products, as well as continuing review of the state of the market and the activities of competitors, the directors are confident in the company's ability to maintain and build on this position, albeit with cautious financial expectations.

ON BEHALF OF THE BOARD:

G Mascetti - Director

14 July 2022

REPORT OF THE DIRECTORS
for the Year Ended 31 December 2021

The directors present their report with the financial statements of the company for the year ended 31 December 2021.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of network planning, supply, survey, installation and commissioning of wireless radio networks, along with repair and 24 hour maintenance services.

DIVIDENDS

No dividends will be distributed for the year ended 31 December 2021.

DIRECTORS

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

A Mascetti

E Mascetti

G Mascetti

GOING CONCERN

The financial statements have been prepared on a going concern basis, per the accounting policies in note 2 to the financial statements, which the directors consider to be appropriate for the following reasons:

The company generated a profit for the year of £9,250 (2020, a loss of £184,933) and has a net asset position of £469,610 (2020 - £460,360) for the year then ended, however the directors acknowledge that the company would be unable to continue as a going concern without the requirement of the company's ultimate parent company, SIAE Microelettronica S.p.A., to utilise the services provided by SIAE Microelettronica Limited. as well as without the continued financial support of SIAE Microelettronica S.p.A.

The directors have prepared budgets and projections for a period of 12 months from the date of approval of these financial statements which indicate that the company will have sufficient funding from its ultimate parent company to meet its liabilities as they fall due for that period. Those forecasts are dependent upon SIAE Microelettronica S.p.A. providing additional financial support during that period. SIAE Microelettronica S.p.A. has indicated its intention to continue to make available such funds as are required by the company for the period covered by the forecasts.

Furthermore, SIAE Microelettronica S.p.A. has indicated its intention to continue to utilise the services of SIAE Microelettronica Limited for at least 12 months from the date of approval of these financial statements. Based on the indications that have been provided, in addition to ongoing financial support, the directors consider it appropriate for the financial statements to be prepared on a going concern basis. The directors acknowledge that as with any company placing reliance on other group entities for financial support, there can be no certainty that this support will continue, although at the date of approval of these financial statements, they have no reason to believe that it will not do so.

DISCLOSURE IN THE STRATEGIC REPORT

The company has chosen in accordance with Companies Act 2006, s. 414C(11) to set out in the company's Strategic Report information required by Schedule 7 of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 to be contained in the directors' report. This replaces the previous requirement of the review being included in the Directors' Report.

REPORT OF THE DIRECTORS
for the Year Ended 31 December 2021

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the 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), 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 of the profit or loss of the company 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 transactions and disclose with reasonable accuracy at any time the financial position of the company 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 hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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 company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

ON BEHALF OF THE BOARD:

G Mascetti - Director

14 July 2022

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF SIAE MICROELETTRONICA LIMITED

Opinion

We have audited the financial statements of Siae Microelettronica Limited (the 'company') for the year ended 31 December 2021 which comprise the Statement of Comprehensive Income, Balance Sheet, Statement of Changes in Equity and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including 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 company's affairs as at 31 December 2021 and of its 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 company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the 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 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 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.

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 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 Strategic Report and the Report of the Directors have been prepared in accordance with applicable legal requirements.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
SIAE MICROELETTRONICA LIMITED

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the 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, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of 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 five, 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 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 company or to cease operations, or have no realistic alternative but to do so.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
SIAE MICROELETTRONICA LIMITED**

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:

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the company through discussions with directors and other management, and from our commercial knowledge and experience of the telecommunications sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the company, including the Companies Act 2006, taxation legislation and data protection, anti-bribery, employment and health and safety legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining any accounting estimates were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with HMRC, relevant regulators including the Health and Safety Executive, and the company's legal advisors.

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.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
SIAE MICROELETTRONICA LIMITED

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.

R Musker FCA (Senior Statutory Auditor)
for and on behalf of Musker & Garrett Limited
Statutory Auditor
Edward House
North Mersey Business Centre
Knowsley Industrial Park
Liverpool
Merseyside
L33 7UY

14 July 2022

STATEMENT OF COMPREHENSIVE INCOME
for the Year Ended 31 December 2021

	Notes	2021 £	2020 £
TURNOVER	3	9,824,546	9,385,271
Cost of sales		<u>(8,848,979)</u>	<u>(8,296,706)</u>
GROSS PROFIT		975,567	1,088,565
Administrative expenses		<u>(996,493)</u>	<u>(1,306,880)</u>
		(20,926)	(218,315)
Other operating income		<u>29,339</u>	<u>33,382</u>
OPERATING PROFIT/(LOSS)	5	8,413	(184,933)
Interest receivable and similar income		<u>935</u>	<u>-</u>
PROFIT/(LOSS) BEFORE TAXATION		9,348	(184,933)
Tax on profit/(loss)	6	<u>(98)</u>	<u>-</u>
PROFIT/(LOSS) FOR THE FINANCIAL YEAR		9,250	(184,933)
OTHER COMPREHENSIVE INCOME		<u>-</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		9,250	(184,933)

The notes form part of these financial statements

BALANCE SHEET

31 December 2021

	Notes	2021 £	£	2020 £	£
FIXED ASSETS					
Tangible assets	7		4,208		8,229
CURRENT ASSETS					
Stocks	8	2,631,242		2,521,502	
Debtors	9	4,307,797		4,336,470	
Cash at bank		105,961		336,951	
		7,045,000		7,194,923	
CREDITORS					
Amounts falling due within one year	10	6,579,598		6,742,792	
NET CURRENT ASSETS			465,402		452,131
TOTAL ASSETS LESS CURRENT LIABILITIES			469,610		460,360
CAPITAL AND RESERVES					
Called up share capital	11		226,677		226,677
Share premium	12		409,348		409,348
Retained earnings	12		(166,415)		(175,665)
SHAREHOLDERS' FUNDS			469,610		460,360

The financial statements were approved by the Board of Directors and authorised for issue on 14 July 2022 and were signed on its behalf by:

G Mascetti - Director

STATEMENT OF CHANGES IN EQUITY
for the Year Ended 31 December 2021

	Called up share capital £	Retained earnings £	Share premium £	Total equity £
Balance at 1 January 2020	226,677	9,268	409,348	645,293
Changes in equity				
Total comprehensive income	-	(184,933)	-	(184,933)
Balance at 31 December 2020	<u>226,677</u>	<u>(175,665)</u>	<u>409,348</u>	<u>460,360</u>
Changes in equity				
Total comprehensive income	-	9,250	-	9,250
Balance at 31 December 2021	<u>226,677</u>	<u>(166,415)</u>	<u>409,348</u>	<u>469,610</u>

The notes form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS
for the Year Ended 31 December 2021

1. STATUTORY INFORMATION

Siae Microelettronica Limited 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 Company Information page.

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

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

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. The financial statements have been prepared under the historical cost convention and in accordance with the accounting policies set out below.

As stated in the Directors Report the directors consider it appropriate to prepare the financial statements on a going concern basis. The directors acknowledge that the company would be unable to continue as a going concern without the requirement of the company's ultimate parent company, SIAE Microelettronica S.p.A., to continue to utilise the services provided by SIAE Microelettronica Limited, as well as without the continued financial support of SIAE Microelettronica S.p.A.

Also set out in the strategic report, the directors believe that the company is well placed to manage its financial and business risks successfully, despite the current uncertainty surrounding the UK's exit from the European Union and the worldwide Covid-19 pandemic. Accordingly, they have a reasonable expectation that the company has adequate resources and the necessary financial support from the SIAE group of companies to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirement of paragraph 33.7.

Under FRS 102 the qualifying entity may take advantage of certain disclosure exemptions including preparation of a cash flow statement provided that the parent of the group prepares publicly available consolidated financial statements. See note 16 for details of the parent company.

The company has taken advantage of exemption, under FRS 102, not to disclose related party transactions with wholly owned subsidiaries within the group.

Revenue recognition

Revenue is the amount derived from ordinary activities and is measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated customer returns, rebates and other similar allowances, and is stated net of VAT.

NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 31 December 2021

2. ACCOUNTING POLICIES - continued

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Short leasehold	- 33% on cost
Plant and machinery	- 33% on cost
Fixtures and fittings	- at varying rates on cost
Motor vehicles	- 33% on cost

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses. At each balance sheet date, the company reviews the carrying amounts of its fixed assets to determine whether there is any indication that any items have suffered an impairment loss. If any such indication exists, the recoverable amount of an asset is estimated in order to determine the extent of the impairment loss, if any. Where it is not possible to estimate the recoverable amount of the asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

If the recoverable amount is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. The impairment loss is recognised as an expense immediately.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined (net of depreciation) had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised as income immediately.

Stocks and work in progress

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, transport, and handling costs in bringing stocks to their present location and condition.

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Statement of Comprehensive Income, 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 balance sheet date.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet 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.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet 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.

NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 31 December 2021

2. ACCOUNTING POLICIES - continued

Hire purchase and leasing commitments

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

Pension costs and other post-retirement benefits

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to profit or loss in the period to which they relate.

3. TURNOVER

The turnover and profit (2020 - loss) before taxation are attributable to the one principal activity of the company.

An analysis of turnover by geographical market is given below:

	2021	2020
	£	£
United Kingdom	5,522,602	5,896,814
Europe	4,207,080	3,402,207
Rest of World	94,864	86,250
	<u>9,824,546</u>	<u>9,385,271</u>

4. EMPLOYEES AND DIRECTORS

	2021	2020
	£	£
Wages and salaries	1,205,137	1,641,727
Social security costs	120,326	170,009
Other pension costs	30,723	39,263
	<u>1,356,186</u>	<u>1,850,999</u>

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

	2021	2020
Administration	7	8
Sales	4	4
Engineering	4	4
Field services	11	21
	<u>26</u>	<u>37</u>

	2021	2020
	£	£
Directors' remuneration	<u>-</u>	<u>-</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 31 December 2021

5. OPERATING PROFIT/(LOSS)

The operating profit (2020 - operating loss) is stated after charging/(crediting):

	2021	2020
	£	£
Hire of plant and machinery	1,122	1,122
Other operating leases	88,111	168,511
Depreciation - owned assets	4,021	8,265
Auditors' remuneration	21,000	19,000
Foreign exchange differences	4,813	(879)
Auditors' remuneration in respect of other services	9,250	5,850
Defined pension contributions	<u>30,723</u>	<u>39,263</u>

6. TAXATION

Analysis of the tax charge

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

	2021	2020
	£	£
Current tax:		
UK corporation tax	<u>98</u>	-
Tax on profit/(loss)	<u>98</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:

	2021	2020
	£	£
Profit/(loss) before tax	<u>9,348</u>	<u>(184,933)</u>
Profit/(loss) multiplied by the standard rate of corporation tax in the UK of 19% (2020 - 19%)	1,776	(35,137)
Effects of:		
Expenses not deductible for tax purposes	-	28
Capital allowances in excess of depreciation	(61)	-
Depreciation in excess of capital allowances	-	592
Utilisation of tax losses	(1,537)	-
Adjustments to tax charge in respect of previous periods	(80)	-
Unrelieved trading losses available for carry forward against future profits group	-	34,517
Total tax charge	<u>98</u>	-

NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 31 December 2021

7. TANGIBLE FIXED ASSETS

	Short leasehold £	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Totals £
COST					
At 1 January 2021 and 31 December 2021	<u>117,474</u>	<u>3,435</u>	<u>114,646</u>	<u>122,428</u>	<u>357,983</u>
DEPRECIATION					
At 1 January 2021	117,474	3,384	106,468	122,428	349,754
Charge for year	-	51	3,970	-	4,021
At 31 December 2021	<u>117,474</u>	<u>3,435</u>	<u>110,438</u>	<u>122,428</u>	<u>353,775</u>
NET BOOK VALUE					
At 31 December 2021	<u>-</u>	<u>-</u>	<u>4,208</u>	<u>-</u>	<u>4,208</u>
At 31 December 2020	<u>-</u>	<u>51</u>	<u>8,178</u>	<u>-</u>	<u>8,229</u>

8. STOCKS

	2021 £	2020 £
Stocks	2,598,460	2,465,662
Work-in-progress	<u>32,782</u>	<u>55,840</u>
	<u>2,631,242</u>	<u>2,521,502</u>

9. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021 £	2020 £
Trade debtors	3,153,039	2,200,033
Amounts owed by group undertakings	881,363	1,706,808
Other debtors	103,828	208,610
Tax	62,569	71,012
Prepayments and accrued income	<u>106,998</u>	<u>150,007</u>
	<u>4,307,797</u>	<u>4,336,470</u>

10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021 £	2020 £
Trade creditors	138,632	126,061
Amounts owed to group undertakings	5,821,466	5,866,897
Tax	178	-
Social security and other taxes	22,618	29,929
VAT	327,424	444,041
Other creditors	2,273	7,869
Accrued expenses	<u>267,007</u>	<u>267,995</u>
	<u>6,579,598</u>	<u>6,742,792</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 31 December 2021

11. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:		Nominal value:	2021	2020
Number:	Class:		£	£
10,050	Ordinary	£1	10,050	10,050
204,000	Deferred B	£1	204,000	204,000
12,627	Ordinary A and C	£1	12,627	12,627
			<u>226,677</u>	<u>226,677</u>

Deferred shares have no right to receive dividends or vote at any general or class meeting.

12. RESERVES

	Retained earnings £	Share premium £	Totals £
At 1 January 2021	(175,665)	409,348	233,683
Profit for the year	9,250		9,250
At 31 December 2021	<u>(166,415)</u>	<u>409,348</u>	<u>242,933</u>

13. PENSION COMMITMENTS

The company operates a defined contribution pension scheme for certain of its employees. The assets of the scheme are held separately from those of the company in an independently administered fund. There were unpaid contributions of £2,068 outstanding at the year end (2020 - £5,523).

14. ULTIMATE CONTROLLING PARTY

The ultimate parent company is SIAE Microelettronica S.p.A., the company was incorporated in Italy.

SIAE Microelettronica S.p.A. prepares group financial statements which can be obtained via Michelangelo Buonarroti 21, 20093 Cologno Monzese, Milano, Italy.

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.