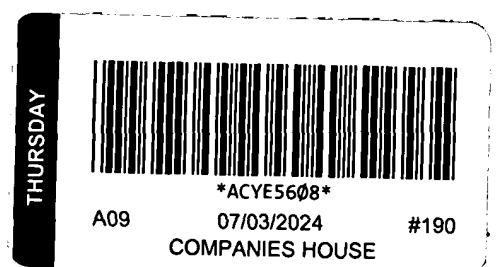


COMPANY REGISTRATION NUMBER: 02292621

Surface Technology International Limited
Annual report and financial statements
for the year ended 31 December 2022



Surface Technology International Limited

Financial Statements

For the year ended 31 December 2022

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Surface Technology International Limited

Officers and Professional Advisors

The board of directors

Mr C Lyon
W13S Directors LTD (Appointed 31st October 2023)
Mr S Best (Resigned 23rd January 2024)
Mr A Best (Resigned 1st December 2023)
Mr N Davey (Resigned 31st October 2023)
Mr A Tan (Resigned 31st October 2023)
Mr D Taylor (Resigned 23rd January 2023)

Registered office

4th Floor
24 Old Bond Street
London
W1S 4AW
United Kingdom

Auditor

Ernst & Young LLP
Grosvenor House
Grosvenor Square
Southampton
SO15 2BE
United Kingdom

Bankers

HSBC
62-79 Park Street
London
SE1 9DZ

Surface Technology International Limited

Strategic Report *(continued)*

For the year ended 31 December 2022

Principal activity and review of the business

The principal activity of the company during the year was that of the provision of contract electronic manufacturing services for the high-reliability electronics industry.

The directors consider the results for the year to be below management's expectations. A review of the business is enclosed in the Chairman's Statement within this report.

The principal activities of the company are not expected to change in the foreseeable future.

The directors believe the key performance indicators of the business to be Gross profit and Earnings before Interest, Taxes, Depreciation and Amortisation (EBITDA).

	Dec 2022 £000	Dec 2021 £000
Gross Profit	5,377	9,787
EBITDA	(10,621)	(4,171)

The performance and the future developments of the company are noted in the Chairman's Statement enclosed in this report.

The loss for the year, after taxation, amounted to £13,320,000 (Dec 2021: £6,471,000).

No dividends were paid or proposed during the current or comparative year.

Principal risks and uncertainties

The company's principal financial instruments comprise bank balances, trade creditors, trade debtors and finance lease agreements. The main purpose of these instruments is to raise funds and to finance the company's operations. The company is not significantly exposed to price risk due to the nature of its trading operations and contract arrangements. The company's approach to managing other risks applicable to the financial instruments concerned is shown below.

a) Trade debtors are managed in respect of credit and cash flow risk by policies concerning the credit offered to customers and the regular monitoring of amounts outstanding for both time and credit limits.

b) Trade creditors liquidity risk is managed by ensuring sufficient funds are available to meet amounts due.

c) The conflict between Russia & Ukraine poses a risk to STI in relation to supply chain issues, with possible delays or disturbance to receiving components from our suppliers'. This continues to be monitored and we expect little impact to our supply chain. This is reduced by passing on additional costs to our customers. In addition, sadly the conflict may result in additional business for STI, due to the nature of our work. We continue to monitor this with close customer contact.

d) Inflation rate increase risk, pushing up costs of materials, labour, and other fixed costs. STI continue to monitor the cost base and ensure any additional costs are passed onto our customers.

e) Interest rate risk for the Group relating to the increases in the UK Bank of England Base Rate will impact our banking facilities. Intercompany loans are also likely to see increased interest rates given the short nature of the agreements, as these reflect market rates.

The company continues to invest in research and development and will do so into the foreseeable future.

Surface Technology International Limited

Strategic Report *(continued)*

For the year ended 31 December 2022

It is the policy of the company to settle terms of payment with suppliers on a timely basis in the ordinary course of business, and to agree appropriate terms and conditions in advance with its suppliers. The company endeavours to make payment in accordance with those terms and conditions provided that the supplier has complied with them. Suppliers and their payment terms are looked at on an individual basis and regularly reviewed. The average payment period of suppliers is 60 days. A copy of the company's standard payment practice can be obtained from the company's premises.

S172 Statement

Stakeholders

The Board of Directors, in line with their duties under s172 of the Companies Act 2006, recognises that the long-term sustainable success of the company is dependent on the way it interacts with a large number of stakeholders.

Our core values provide our people with a common understanding of what matters to us and how we work:

- EXCELLENCE: Doing your best to exceed expectations
- CUSTOMER FOCUS: Building Strong partnerships with customers
- INTEGRITY: Honesty & Trustworthiness
- CONCERN FOR OTHERS: Respecting and caring for others

Our responsibilities extend to our customers, employees, suppliers, the local community, and the environment around us. We engage with our stakeholders in a variety of ways, including:

Our Customers

We will support our customers at all stages of the manufacturing journey, from concept design, through production, test, and system integration, to realise the most innovative products and enable them to be at the forefront of technology.

Our Employees

We will empower our employees to make decisions and provide opportunities for both personal and career development. We aim to create a varied, interesting place to work and a culture based on our 4 core values; Excellence, Customer Focus, Integrity and Concern for others.

Our Suppliers

For our suppliers we will build long-lasting, resilient, and responsive relationships, based on trust and mutual benefit, to withstand the pressures of industry.

Our Shareholders

For our shareholder we will create value by growing the company organically and becoming more efficient in providing our capabilities.

Outlook

The company has seen a continuation of challenges in 2023, delivering to both our existing and new customers. The global electronic component shortages have, and continue to impact our business results, with delays in receiving components from our suppliers. This component shortage which was

Surface Technology International Limited

Strategic Report *(continued)*

For the year ended 31 December 2022

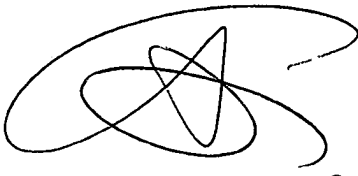
initially fuelled by the COVID outbreak, has been compounded by the Russian-Ukraine conflict. This continues to be factored into future lead times where possible, but it is expected to continue having an impact on the company, the group, and the industry. However, the company continues to operate efficiently, supporting the customer base and future requirements. Customers are providing orders to match the longer lead times resulting in greater visibility of future demand.

Chairman's Statement

The Company's turnover during the year declined from the previous period due largely to the global electronic component shortages delaying our manufacturing lead times. The turnover was below management's expectations, with the component market being impacted more than originally expected. After a period of consolidation and re-evaluation of current costs, the business is expected to grow steadily over the next few years with a number of new opportunities being ordered by both new and existing customers for future delivery. This further cements our position as a key supplier in the UK electronics assembly industry.

The directors are keen to acknowledge the key contributions of the company's management team and all its personnel and pay tribute to their continued hard work in building the company for an exciting future. We will endeavour to continually outperform our customer expectations and constantly strive to improve further our relationships with our customers, suppliers, and our employees.

This report was approved by the board of directors on 5th March 2024 and signed on behalf of the board by:

A handwritten signature in black ink, consisting of a large, stylized 'C' followed by a series of loops and a final flourish.

Mr C Lyon

Director

Surface Technology International Limited

Directors' Report *(continued)*

For the year ended 31 December 2022

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

Directors

The directors who served the company during the year were as follows:

Mr C Lyon
Mr S Best (Resigned 23rd January 2024)
Mr N Davey (Resigned 31st October 2023)
Mr A Best (Resigned 1st December 2023)
Mr A Tan (Resigned 31st October 2023)
Mr D Taylor (Resigned 23rd January 2023)

Directors' liabilities

The company has indemnified the directors against liability in respect of proceedings brought by third parties, subject to the conditions set out in section 234 of the Companies Act 2006. Such qualifying third-party indemnity provision was in force during the year and is in force as at the date of approving the directors' report.

Dividends

No dividends were paid or proposed during the current or comparative year.

Future developments

Future developments of the company have been disclosed in the strategic report.

Employment of disabled persons

The company gives full consideration to applications for employment from disabled persons where the requirements of the job can be adequately fulfilled by a handicapped or disabled person. Where existing employees become disabled, it is the company's policy wherever practicable to provide continuing employment under normal terms and conditions and to provide training and career development and promotion to disabled employees wherever appropriate.

Employee involvement

During the year, the policy of providing employees with information about the company has been continued through internal media methods in which employees have also been encouraged to present their suggestions and views on the company's performance. Regular meetings are held between local management and employees to allow a free flow of information and ideas.

Surface Technology International Limited

Directors' Report *(continued)*

For the year ended 31 December 2022

Streamlined Energy and Carbon Reporting (SECR)

UK energy use and associated greenhouse gas emissions

Current UK based annual energy usage and associated annual greenhouse gas ("GHG") emissions are reported pursuant to the Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018 ("the 2018 Regulations") that came into force 1 April 2019.

Organisational boundary

In accordance with the 2018 Regulations, the energy use and associated GHG emissions are for those assets within the UK only as defined by the operational control approach. This includes the manufacturing sites in Hook and Stockport, as well as company- and employee-owned vehicles.

Reporting period

The annual reporting period is 1 January to 31 December each year and the energy and carbon emissions are aligned to this period.

Quantification and reporting methodology

The 2019 UK Government Environmental Reporting Guidelines and the GHG Protocol Corporate Accounting and Reporting Standard (revised edition) were followed. The 2022 UK Government GHG Conversion Factors for Company Reporting were used in emission calculations as these relate to the majority of the reporting period. The report has been reviewed independently by Briar (Briar Consulting Engineers Limited).

Electricity and gas consumption were based on invoice records, while fuel records were used to calculate energy and emissions from company- and employee-owned vehicles. Gross calorific values were used in calculations as per Government GHG Conversion Factors.

The emissions are divided into mandatory and voluntary emissions according to the 2018 Regulations, then further divided into the direct combustion of fuels and the operation of facilities (scope 1), indirect emissions from purchased electricity (scope 2) and further indirect emissions that occur as a consequence of company activities but occur from sources not owned or controlled by the organisation (scope 3). The voluntary scope 3 emissions reported come under category 3 (upstream fuel- and energy-related activities) that cover well to tank (WTT) emissions of fuel before point of use and transmission & distribution (T&D) losses on the electricity grid. Outside of scope emissions were calculated from the company owned vehicles and grey fleet usage consumption.

Breakdown of energy consumption used to calculate emissions (kWh):

Energy type	2021	2022
Mandatory requirements:		
Gas	858,608	907,160
Purchased electricity	2,582,891	2,294,885
Transport fuel	167,073	260,513
Total energy (mandatory)	3,608,572	3,462,558

NOTE: Figures may not sum due to rounding

Surface Technology International Limited

Directors' Report *(continued)*

For the year ended 31 December 2022

Streamlined Energy and Carbon Reporting (SECR) *(continued)*

Breakdown of emissions associated with the reported energy use (tCO₂e)

Emission source	2021	2022
Mandatory requirements:		
<u>Scope 1</u>		
Gas	157.3	165.6
Company owned vehicles	3.4	2.5
<u>Scope 2</u>		
Purchased electricity (location-based)	548.4	443.8
<u>Scope 3</u>		
Category 6: Business travel (grey fleet)	35.9	59.6
Total gross emissions (mandatory)	745.0	671.6
<u>Intensity ratios (mandatory emissions only)</u>		
Tonnes of CO ₂ e per 1,000 boards produced	6.3	6.9
Tonnes of CO ₂ e per million-pound turnover	14.4	16.6
Voluntary requirements:		
<u>Scope 3</u>		
Category 3: Fuel- and energy-related activities	240.8	184.7
Total gross emissions (voluntary)	240.8	184.7
Total gross emissions (mandatory & voluntary)	985.7	856.2
<u>Intensity ratios (mandatory & voluntary emissions)</u>		
Tonnes of CO ₂ e per 1,000 boards produced	8.4	8.8
Tonnes of CO ₂ e per million-pound turnover	19.1	21.2
<u>Outside of Scopes (biofuel tCO₂)</u>		
Diesel & petrol biofuel content	2.1	2.6
Electricity biogenic emissions	276.0	264.1

NOTE: Figures may not sum due to rounding

Surface Technology International Limited

Directors' Report *(continued)*

For the year ended 31 December 2022

Streamlined Energy and Carbon Reporting (SECR) *(continued)*

Intensity Ratio

The intensity ratio is total gross emissions in metric tonnes CO₂e (mandatory emissions) per total million-pound (£m) turnover. The turnover relates to UK operations only to align with the energy and emission reporting boundary. The other intensity ratio included in this report is metric tonnes CO₂e (mandatory emissions) per 1,000 boards produced. These metrics are considered the most relevant to the Company's energy consuming activities and provides a good comparison of performance over time and across different organisations and sectors.

Energy efficiency action during current financial year

In the year 2022, the Company have undertaken the following actions to improve energy efficiencies:

- STI completed upgrades to the aging air conditioning plant in early 2022. The use of this equipment is being optimised for maximum efficiency.
- Energy saving opportunities resulting from initiatives such as the Climate Change Agreement, TM44 and ESOS, are being regularly reviewed by STI for further improvements and reductions in energy waste.
- There is an ongoing programme of lighting replacements to newer, more efficient LED lighting technology.
- STI are investigating the installation of a central Air Conditioning Controller to optimise temperature controls and sub metering for energy intensive activities.

No other significant capital investments have been made in 2022.

Going concern

The Directors have reviewed the current performance of the business as well as future expectations. The company has prepared detailed cashflow forecasts, including downside scenarios impacting revenue and costs, to ensure that sufficient finance will be available to meet obligations as they fall due, in line with the company's business plan, up until at least 5th March 2025.

As disclosed under subsequent events, on 31 October 2023 the entire issued share capital in the company's immediate parent undertaking, STI Enterprises Limited, was sold to Sand 2023 Limited, an entity controlled by Rcapital Partners LLP. On the same date, the company also entered into new financing arrangements with JCP Five Limited (a loan vehicle controlled by Rcapital Partners LLP). JCP Five Limited's funding includes a £5 million credit facility. At the date of this report, £1 million has been drawn under this facility. The facility is not due for repayment for at least 5 years.

On the same date, Curzon 2023 Limited (an entity also controlled by Rcapital Partners LLP) acquired, for a nominal amount, all borrowings owed by the company to various entities controlled by the ultimate parent undertaking of the company, as at 31 December 2022. These borrowings amounted to approximately £47,252,500.

Surface Technology International Limited

Directors' Report *(continued)*

For the year ended 31 December 2022

In December 2023 the company entered into a deed of settlement with Curzon 2023 Limited that resulted in the forgiveness of £24,212,184 of these loans. This materially reduced the company's borrowings. The remaining balance is not due for repayment for at least 5 years.

In February 2024, the company refinanced its remaining bank debt, replacing an uncommitted overdraft facility with committed asset-based lending facilities. The amount of funding from the ABL facility exceeds the operational cash flow forecasts of the business even under downside scenarios. The facility is committed to the company for 3 years.

The Directors therefore consider that the company will be able to settle its liabilities as they fall due and has adequate resources to continue in business for the period to at least 5th March 2025.

Subsequent Events

On 31 October 2023 the entire issued share capital in the company's immediate parent undertaking, STI Enterprises Limited, was sold to Sand 2023 Limited, an entity controlled by Rcapital Partners LLP.

A claim has been made against the company by the Department of Health and Social Care regarding support provided by the company during 2021 for the supply of 3CPAP devices. After our assessment the possibility of a liability arising is remote.

The Company has been impacted by a global electronic component shortage. The Company continues to work very closely with its suppliers and customers, to ensure minimal impacts to customer production and delivery. We are encouraging all customers to order components in advance of normal lead times, and continue to see the support from our customers to do this.

The Company has also been subject to recent increased inflation and interest rates, which impact costs to the company. These are passed to onto our customers where possible and the company continue to monitor these closely.

Please refer to the strategic report for a description of the steps the company have taken to mitigate the material risks to the Company.

Directors' responsibilities statement

The directors are responsible for preparing the strategic report, directors' report 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 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 judgments 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

Surface Technology International Limited

Directors' Report *(continued)*

For the year ended 31 December 2022

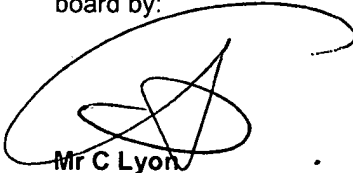
Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditor

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as they are aware, there is no relevant audit information of which the company's auditor is unaware; and
- they have taken all steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This report was approved by the board of directors on 5th March 2024 and signed on behalf of the board by:

A handwritten signature in black ink, consisting of a large loop followed by a series of smaller, overlapping loops and a final vertical stroke.

Mr C Lyon

Director

Independent Auditor's Report to the Members of Surface Technology International Limited

For the year ended 31 December 2022

Opinion

We have audited the financial statements of Surface Technology International Limited for the year ended 31 December 2022 which comprise the Statement of Income and Retained Earnings, the Statement of Financial Position, the Statement of Changes in Equity, and the related notes 1 to 30, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the company's affairs as at 31 December 2022 and of its loss 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 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 until 5 March 2025.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern.

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 this report, we do not express any form of assurance conclusion thereon.

Independent Auditor's Report to the Members of Surface Technology International Limited

For the year ended 31 December 2022

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 there is 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 the 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 directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and 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 company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or 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 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 directors' responsibilities statement set out on page 9, 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 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.

Independent Auditor's Report to the Members of Surface Technology International Limited

For the year ended 31 December 2022

Auditor's responsibilities for the audit of the financial statements

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

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. 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. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the company and determined that the most significant are those that relate to the accounting and reporting framework such as FRS102 and the Companies Act 2006, direct and indirect tax compliance regulations, as well as relevant employment laws in the United Kingdom. In addition, the Company has to comply with laws and regulations to the areas of quality, environmental & information security management and occupational health & safety.
- We understood how Surface Technology International Limited is complying with those frameworks by making regular enquiries of senior management regarding any non-compliance with laws and regulations, and any whistle-blower complaints. We have corroborated these discussions by inspecting all the board minutes to date and through the inspection of employee handbooks.
- Based on this understanding we designed our audit procedures to identify noncompliance with such laws and regulations. Our procedures involved journal entry testing with a focus on journals which met our risk criteria based on our understanding of the business and the assessed fraud risks.
- We assessed the susceptibility of the company's financial statements to material misstatement, including how fraud might occur by considering the risk of management override and by assessing revenue cut-off as a fraud risk. To address the fraud risk, we performed procedures to confirm the associated shipping terms and conditions that impact revenue recognition through review of related supporting documents or using alternative procedures to determine that transactions tested were recorded in the correct period.

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

**Independent Auditor's Report to the Members of Surface Technology
International Limited**

For the year ended 31 December 2022

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.

DocuSigned by:
Ernst & Young LLP
39AA1AD87A3346D...

Nikki Forster (Senior statutory auditor)

for and on behalf of Ernst & Young LLP, Statutory Auditor

Southampton

Date: 5th March 2024

Surface Technology International Limited
Statement of Income and Retained Earnings
For the year ended 31 December 2022

		Dec 2022	Dec 2021
	Note	£000	£000
Turnover	5	40,347	51,563
Cost of Sales		<u>(34,970)</u>	<u>(41,776)</u>
Gross Profit		5,377	9,787
Administrative expenses		<u>(17,548)</u>	(15,953)
Other operating income	6	<u>234</u>	<u>711</u>
Operating loss	7	(11,937)	(5,455)
Interest receivable	11	598	478
Interest payable and similar charges	12	<u>(1,987)</u>	<u>(1,494)</u>
Loss on ordinary activities before taxation		(13,326)	(6,471)
Tax charge on loss on ordinary activities	13	<u>6</u>	<u>-</u>
Loss for the financial year and total comprehensive income		<u>(13,320)</u>	<u>(6,471)</u>
Accumulated losses at the start of the year		(8,952)	(2,481)
Accumulated losses at the end of the year		(22,272)	(8,952)

The notes on pages 18 to 31 form part of these financial statements.

All the activities of the company are from continuing operations.

Surface Technology International Limited

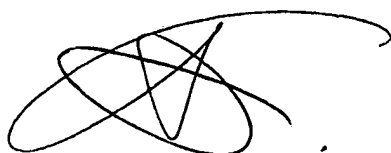
Statement of Financial Position

For the year ended 31 December 2022

	Note	Dec-22 £000	Dec-21 £000
Fixed assets			
Intangible assets	14	-	-
Tangible assets	15	<u>3,634</u>	<u>4,212</u>
		3,634	4,212
Current assets			
Stocks	16	13,064	11,788
Debtors	17	28,326	27,124
Cash at bank and in hand		<u>215</u>	<u>2</u>
		41,605	38,914
Creditors: amounts falling due within one year	18	<u>(65,903)</u>	<u>(50,447)</u>
Net current assets		<u>(24,298)</u>	<u>(11,533)</u>
Total assets less current liabilities		(20,664)	(7,321)
Creditors: amounts falling due after more than one year	19	(23)	(61)
Provisions			
Other provisions	21	(984)	(969)
Net assets		<u>(21,671)</u>	<u>(8,351)</u>
Capital and reserves			
Called up share capital	25	126	126
Share premium account	26	375	375
Capital redemption reserve	26	100	100
Profit and loss account	26	<u>(22,272)</u>	<u>(8,952)</u>
Members funds		<u>(21,671)</u>	<u>(8,351)</u>

The notes on pages 18 to 31 form part of these financial statements.

These financial statements were approved by the board of directors and authorised for issue on 5th March 2024, and are signed on behalf of the board by:



Mr C Lyon

Director

Company registration number: 02292621

Surface Technology International Limited

Statement of Changes in Equity

For the year ended 31 December 2022

	Called-up share capital	Share Premium Account	Capital Redemption Reserve	Profit and loss account	Total Equity
	£000	£000	£000	£000	£000
Total equity at 1 January 2021	126	375	100	(2,481)	(1,880)
Loss for the year	-	-	-	(6,471)	(6,471)
Total equity at 31 December 2021	126	375	100	(8,952)	(8,351)
Loss for the year	-	-	-	(13,320)	(13,320)
Total equity at 31 December 2022	126	375	100	(22,272)	(21,671)

The notes on pages 18 to 31 form part of these financial statements.

Surface Technology International Limited

Notes to the Financial Statements *(continued)*

For the year ended 31 December 2022

1. General information

The company is a private company limited by shares, registered in England and Wales. The address of the registered office is Unit C2, Osborn Way, Hook, Hampshire, RG27 9HX.

2. Statement of compliance

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'.

3. Accounting policies

Basis of preparation

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities measured at fair value through profit or loss.

The financial statements are prepared in sterling, which is the functional currency of the entity.

Disclosure exemptions

The entity satisfies the criteria of being a qualifying entity as defined in FRS 102. Its financial statements are consolidated into the financial statements of Integrated Micro-Electronics Inc. as at 31st December 2022. As such, advantage has been taken of the following disclosure exemptions available under paragraph 1.12 of FRS 102:

- Preparation of a cash flow statement.
- Disclosure of related party transactions with and between wholly-owned subsidiaries.
- Disclosures relating to financial instruments.

Going concern

The Directors have reviewed the current performance of the business as well as future expectations. The company has prepared detailed cashflow forecasts, including downside scenarios impacting revenue and costs, to ensure that sufficient finance will be available to meet obligations as they fall due, in line with the company's business plan, up until at least 5th March 2025.

As disclosed under subsequent events, on 31 October 2023 the entire issued share capital in the company's immediate parent undertaking, STI Enterprises Limited, was sold to Sand 2023 Limited, an entity controlled by Rcapital Partners LLP. On the same date, the company also entered into new financing arrangements with JCP Five Limited (a loan vehicle controlled by Rcapital Partners LLP). JCP Five Limited's funding includes a £5 million credit facility. At the date of this report, £1 million has been drawn under this facility. The facility is not due for repayment for at least 5 years.

On the same date, Curzon 2023 Limited (an entity also controlled by Rcapital Partners LLP) acquired, for a nominal amount, all borrowings owed by the company to various entities controlled by the ultimate parent undertaking of the company, as at 31 December 2022. These borrowings amounted to approximately £47,252,500.

Surface Technology International Limited

Notes to the Financial Statements *(continued)*

For the year ended 31 December 2022

3. Accounting policies (continued)

In December 2023 the company entered into a deed of settlement with Curzon 2023 Limited that resulted in the forgiveness of £24,212,184 of these loans. This materially reduced the company's borrowings. The remaining balance is not due for repayment for at least 5 years.

In February 2024, the company refinanced its remaining bank debt, replacing an uncommitted overdraft facility with committed asset-based lending facilities. The amount of funding from the ABL facility exceeds the operational cash flow forecasts of the business even under downside scenarios. The facility is committed to the company for 3 years.

The Directors therefore consider that the company will be able to settle its liabilities as they fall due and has adequate resources to continue in business for the period to at least 5th March 2025.

Research and development

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

Revenue recognition

Turnover is measured at the fair value of the consideration received or receivable for goods supplied and services rendered, net of discounts and Value Added Tax.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership have transferred to the buyer (usually on despatch of the goods); the amount of revenue can be measured reliably; it is probable that the associated economic benefits will flow to the entity; and the costs incurred or to be incurred in respect of the transactions can be measured reliably. Revenue from the sale of services is recognised once the service is completed.

Income tax

The taxation expense represents the aggregate amount of current and deferred tax recognised in the reporting period. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, tax is recognised in other comprehensive income or directly in equity, respectively.

Current tax is recognised on taxable profit for the current and past periods. Current tax is measured at the amounts of tax expected to pay or recover using the tax rates and laws that have been enacted or substantively enacted at the reporting date.

Deferred tax is recognised in respect of all timing differences at the reporting date.

Unrelieved tax losses and other deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

Foreign currencies

Foreign currency transactions are initially recorded in the functional currency, by applying the spot exchange rate as at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate ruling at the reporting date, with any gains or losses being taken to the profit and loss account.

Surface Technology International Limited

Notes to the Financial Statements *(continued)*

For the year ended 31 December 2022

3. Accounting policies (continued)

Operating leases

Lease payments are recognised as an expense over the lease term on a straight-line basis. The aggregate benefit of lease incentives is recognised as a reduction to expense over the lease term, on a straight-line basis.

Intangible assets

Intangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated amortisation and impairment losses. Any intangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated amortisation and subsequent accumulated impairment losses.

Amortisation

Amortisation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful life of five years.

If there is an indication that there has been a significant change in amortisation rate, useful life or residual value of an intangible asset, the amortisation is revised prospectively to reflect the new estimates.

Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

An increase in the carrying amount of an asset as a result of a revaluation, is recognised in other comprehensive income and accumulated in equity, except to the extent it reverses a revaluation decrease of the same asset previously recognised in profit or loss. A decrease in the carrying amount of an asset as a result of revaluation, is recognised in other comprehensive income to the extent of any previously recognised revaluation increase accumulated in equity in respect of that asset. Where a revaluation decrease exceeds the accumulated revaluation gains accumulated in equity in respect of that asset, the excess shall be recognised in profit or loss.

Surface Technology International Limited

Notes to the Financial Statements *(continued)*

For the year ended 31 December 2022

3. Accounting policies (continued)

Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Leasehold property	-	over life of lease
Fixtures & fittings	-	10-33% per annum
Motor vehicles	-	25% per annum

Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that largely independent of the cash inflows from other assets or groups of assets.

Stocks

Stocks are measured at the lower of cost and estimated selling price less costs to complete and sell. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing the stock to its present location and condition.

Work in progress

Work in progress is valued on the basis of direct costs plus attributable overheads based on normal level of activity. Provision is made for any foreseeable losses where appropriate. No element of profit is included in the valuation of work in progress.

Finance leases and hire purchase contracts

Assets held under finance leases and hire purchase contracts are recognised in the statement of financial position as assets and liabilities at the lower of the fair value of the assets and the present value of the minimum lease payments, which is determined at the inception of the lease term. Any initial direct costs of the lease are added to the amount recognised as an asset.

Lease payments are apportioned between the finance charges and reduction of the outstanding lease liability using the effective interest method. Finance charges are allocated to each period so as to produce a constant rate of interest on the remaining balance of the liability.

Provisions

Provisions are recognised when the entity has an obligation at the reporting date as a result of a past event, it is probable that the entity will be required to transfer economic benefits in settlement and the amount of the obligation can be estimated reliably. Provisions are

Surface Technology International Limited

Notes to the Financial Statements *(continued)*

For the year ended 31 December 2022

3. Accounting policies (continued)

recognised as a liability in the statement of financial position and the amount of the provision as an expense.

Provisions are initially measured at the best estimate of the amount required to settle the obligation at the reporting date and subsequently reviewed at each reporting date and adjusted to reflect the current best estimate of the amount that would be required to settle the obligation. Any adjustments to the amounts previously recognised are recognised in profit or loss unless the provision was originally recognised as part of the cost of an asset. When a provision is measured at the present value of the amount expected to be required to settle the obligation, the unwinding of the discount is recognised as a finance cost in profit or loss in the period it arises.

Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Defined contribution plans

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund.

When contributions are not expected to be settled wholly within 12 months of the end of the reporting date in which the employees render the related service, the liability is measured on a discounted present value basis. The unwinding of the discount is recognised as a finance cost in profit or loss in the period in which it arises.

4. Judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies, which are described in note 3, management is required to make judgements, estimates and assumptions about the carrying values 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 to be relevant. Actual December results 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 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 estimates which have the most significance on the financial statements include stock provisions and dilapidation provisions. Stock provisions are based on an ageing calculation, which utilises the "purchase date" for materials, removing items which have short term demand. Dilapidation provision is calculated using a suitable discount rate applied to the expected liability to restore a property at the end of the lease. The discount rate shall be a pre-tax rate (or rates) that reflect(s) current market assessments of the time value of money and risks specific to the liability. Management has used a UK 10 year government bond rate for setting the discount rate applicable to this liability.

Finished goods inventory does include capitalised labour added to the valuation using estimated labour cost usage for each produced line.

Surface Technology International Limited

Notes to the Financial Statements *(continued)*

For the year ended 31 December 2022

5. Turnover

Turnover arises from:

	Dec-22 £000	Dec-21 £000
Sale of goods	38,595	47,737
Sale of services	900	930
Income from research and development	852	2,896
	<u>40,347</u>	<u>51,563</u>

The turnover is attributable to the one principal activity of the company. An analysis of turnover by the geographical markets that substantially differ from each other is given below:

	Dec-22 £000	Dec-21 £000
United Kingdom	38,051	47,816
Overseas	2,296	3,747
	<u>40,347</u>	<u>51,563</u>

6. Other operating income

	Dec-22 £000	Dec-21 £000
Other operating income	<u>234</u>	<u>711</u>

7. Operating Loss

Operating loss is stated after charging:

	Dec-22 £000	Dec-21 £000
Amortisation of intangible assets	-	35
Depreciation of tangible assets	1,316	1,249
Operating lease rentals	800	695
Foreign exchange (gains)/losses	2,312	(29)
Movements in the slow moving stock provision	184	1,104
Research and development expenditure written off	<u>2,013</u>	<u>3,403</u>

Surface Technology International Limited

Notes to the Financial Statements *(continued)*

For the year ended 31 December 2022

8. Auditor's remuneration

	Dec-22	Dec-21
	£000	£000
Fees payable for the audit of the financial statements	<u>101</u>	<u>108</u>

9. Staff costs

The average number of persons employed by the company during the period, including the directors, amounted to:

	Dec-22	Dec-21
	Headcount	Headcount
Production staff	334	415
Administrative staff	24	24
Sales staff	<u>19</u>	<u>17</u>
	<u>377</u>	<u>456</u>

The aggregate payroll costs incurred during the period, relating to the above, were:

	Dec-22	Dec-21
	£000	£000
Wages and salaries	12,311	14,410
Social security costs	1,309	1,426
Other pension costs	<u>463</u>	<u>512</u>
	<u>14,083</u>	<u>16,348</u>

All key management personnel are directors.

10. Directors' remuneration

The directors' aggregate remuneration in respect of qualifying services was:

	Dec-22	Dec-21
	£000	£000
Remuneration	623	870
Company contributions to defined contribution pension plans	<u>31</u>	<u>35</u>
	<u>654</u>	<u>904</u>

The number of directors who accrued benefits under company pension plans was as follows:

	Dec-22	Dec-21
	£000	£000
Defined contribution plans	<u>4</u>	<u>6</u>

Surface Technology International Limited

Notes to the Financial Statements *(continued)*

For the year ended 31 December 2022

10. Directors' remuneration (continued)

Remuneration of the highest paid director in respect of qualifying services:

	Dec-22	Dec-21
	£000	£000
Aggregate remuneration	209	235
Company contributions to defined contribution pension plans	12	-
	<u>221</u>	<u>235</u>

11. Interest receivable

	Dec-22	Dec-21
	£000	£000
Interest on intercompany loans	598	478
	<u>598</u>	<u>478</u>

12. Interest payable and similar charges

	Dec-22	Dec-21
	£000	£000
Interest on bank loans and overdrafts	232	101
Interest on obligations under finance leases & hire purchase contracts	13	17
Other interest payable and similar charges	1,742	1,376
	<u>1,987</u>	<u>1,494</u>

13. Tax on profit on ordinary activities

Major components of tax expense:

	Dec-22	Dec-21
	£000	£000
Current tax:		
UK current tax charge	-	-
Adjustments in respect of prior periods	(6)	-
Total current tax	<u>(6)</u>	<u>-</u>
Deferred tax:		
Credit for the year	-	-
Adjustments in respect of prior periods	-	-
Total deferred tax	<u>-</u>	<u>-</u>
Tax credit on ordinary activities	<u>(6)</u>	<u>-</u>

Surface Technology International Limited

Notes to the Financial Statements *(continued)*

For the year ended 31 December 2022

13. Tax on profit on ordinary activities (continued)

The tax assessed on the profit on ordinary activities for the year is lower than (Dec 2021: lower than) the standard rate of corporation tax in the UK of 19% (Dec 2021: 19%).

	Dec-22	Dec-21
	£000	£000
Loss before taxation	<u>(13,326)</u>	<u>(6,471)</u>
Loss on ordinary activities multiplied by rate of tax	(2,532)	(1,229)
Effect of expenses not deductible for tax purposes	11	13
Effect of capital allowances and depreciation	60	51
Adjustments in respect of prior periods	(6)	-
Losses not recognised	<u>2,461</u>	<u>1,166</u>
Tax expense on ordinary activities	<u>(6)</u>	<u>-</u>

14. Intangible assets

	Licences
	£000
Cost	
At 1 Jan 2022	350
Additions	-
Disposals	-
At 31 December 2022	<u>350</u>
Amortisation	
At 1 Jan 2022	350
Charge for the year	-
At 31 December 2022	<u>350</u>
Carrying amount	
At 31 December 2022	<u>-</u>
At 31 December 2021	<u>-</u>

Surface Technology International Limited

Notes to the Financial Statements *(continued)*

For the year ended 31 December 2022

15. Tangible assets

	Leasehold Property £000	Fixtures and Fittings £000	Motor Vehicles £000	Total £000
Cost				
At 31 December 2021	1,233	18,053	10	19,296
Additions	-	689	-	689
Disposals	-	-	(10)	(10)
At 31 December 2022	1,233	18,742	-	19,975
Depreciation				
At 31 December 2021	921	14,153	10	15,084
Charge for the year	-	1,267	-	1,267
Disposals	-	-	(10)	(10)
At 31 December 2022	921	15,420	-	16,341
Carrying amount				
At 31 December 2022	312	3,322	-	3,634
At 31 December 2021	312	3,900	-	4,212

Finance leases and hire purchase contracts

Included within the carrying value of tangible assets are the following amounts relating to assets held under finance leases or hire purchase agreements:

	Fixtures and fittings £000
At 31 December 2022	60
At 31 December 2021	701

16. Stocks

	Dec-22 £000	Dec-21 £000
Raw materials and consumables	9,455	7,294
Work in progress	3,609	4,494
	13,064	11,788

Raw materials and consumables includes gross inventory of £12,173,000 (Dec 2021: £9,827,000) with an inventory provision of £2,719,000 (Dec 2021: £2,535,000).

The amount of stock recognised as an expense during the period was £27,477,000 (Dec 2021: £31,253,000).

Surface Technology International Limited

Notes to the Financial Statements *(continued)*

For the year ended 31 December 2022

17. Debtors

	Dec-22	Dec-21
	£000	£000
Trade debtors	10,684	13,126
Amounts owed by group undertakings	16,063	12,297
Prepayments and accrued income	1,348	1,485
Other debtors	231	216
	<u>28,326</u>	<u>27,124</u>

18. Creditors: amounts falling due within one year

	Dec-22	Dec-21
	£000	£000
Bank loans and overdrafts	2,840	4,071
Intercompany loans	47,694	33,132
Trade creditors	7,613	6,520
Accruals and deferred income	5,278	3,783
Social security and other taxes	863	939
Obligations under finance leases and hire purchase contracts	35	319
Director loan accounts	1,558	1,673
Other creditors	22	10
	<u>65,903</u>	<u>50,447</u>

The bank overdraft and loan were secured by fixed and floating charges over the assets of the company. Hire purchase agreements are secured over the assets to which they relate.

Intercompany loans relate to monies owed to entities associated with Rcapital Limited, the ultimate parent of the company. The intercompany loans were assigned to Curzon 2023 Limited on the 31 October 2023. Curzon 2023 Limited is controlled by Rcapital Limited.

On the 1 December 2023, Curzon 2023 Limited and the company entered into a deed of settlement in which USD\$ 30,241,596 was forgiven and the remaining liability was converted into pound sterling. At the date of this report the intercompany loan balance owing to Curzon 2023 Limited amounts to £23,817,907.

19. Creditors: amounts falling due after more than one year

	Dec-22	Dec-21
	£000	£000
Obligations under finance leases and hire purchase contracts	23	61
	<u>23</u>	<u>61</u>

Surface Technology International Limited

Notes to the Financial Statements *(continued)*

For the year ended 31 December 2022

20. Finance leases and hire purchase contracts

The total future minimum lease payments under finance leases and hire purchase contracts are as follows:

	Dec-22 £000	Dec-21 £000
Not later than 1 year	35	319
Later than 1 year and not later than 5 years	23	61
	<u>58</u>	<u>380</u>

21. Provisions

	Credit Note Provision £000	Dilapidations £000	Total £000
At 31 December 2021	4	965	969
Additions	15	-	15
Unused amounts reversed	-	(1)	(1)
At 31 December 2022	<u>19</u>	<u>964</u>	<u>983</u>

22. Deferred tax

The company has a deferred tax asset of £nil (Dec 2021: £nil) relating to trading losses brought forward.

The company also has an unrecognised deferred tax asset as at 31 December 2022 of £5,986,000 (Dec 21: £3,455,000). The deferred tax asset has not been recognised due to the uncertainty of the timing of future expected profits of the UK Group companies.

The Finance Act 2021 enacted on 10 June 2021 increased the main rate of UK corporation tax from 19% to 25%, effective from 1 April 2023. Unrecognised tax assets have been measured at 25% (2021 – 25%) which represents the future corporation tax rate that was enacted at the balance sheet date.

23. Employee benefits

Defined contribution plans

The amount recognised in profit or loss as an expense in relation to defined contribution plans was £463,000 (Dec 21: £512,000).

There are contributions outstanding at the year end of £85,000 (Dec 2021: £95,000).

24. Financial instruments

All financial instruments, including lease liabilities, debtors and creditors are held at amortised cost.

Surface Technology International Limited

Notes to the Financial Statements *(continued)*

For the year ended 31 December 2022

25. Called up share capital

Issued, called up and fully paid

	Dec-22		Dec-21	
	No.	£000	No.	£000
Ordinary shares of £1 each	125,000	125	125,000	125
A - F Ordinary shares of £1 each	600	1	600	1
	<u>125,600</u>	<u>126</u>	<u>125,600</u>	<u>126</u>

The 'A' - 'F' Ordinary shares of £1 each shall rank in all respects pari passu with the existing Ordinary shares of £1 each in the capital of the company save that the holders of the 'A' - 'F' Ordinary shares shall not be entitled to attend or vote at general meetings of the company nor to participate in any distribution of assets on the winding up of the company. The 'A' - 'F' Ordinary share holders shall not be entitled to receive dividends declared on the ordinary share capital of the company, but be entitled to receive preferential dividends as agreed by the Board of Directors.

26. Reserves

Share premium account - This reserve records the amount above the nominal value received for shares issued, less transaction costs.

Capital redemption reserve - This reserve records the nominal value of shares repurchased by the company.

Profit and loss account - This reserve records retained earnings and accumulated losses.

27. Operating leases

The total future minimum lease payments under non-cancellable operating leases are as follows:

	Dec-22 £000	Dec-21 £000
Not later than 1 year	818	557
Later than 1 year and not later than 5 years	2,924	453
Later than 5 years	<u>1,159</u>	<u>415</u>
	<u>4,901</u>	<u>1,425</u>

28. Directors' advances, credits and guarantees

At the year end date the director Mr S Best was owed £1,558,000 of which £135,000 is accrued interest (Dec 2021 - £1,741,000, of which £241,000 is accrued interest). Interest is charged at 4% on the month end balance. The interest charged on the loan for the period was £67,000 (Dec 2021 - £68,000). These are due to be settled by the company during 2024.

Surface Technology International Limited

Notes to the Financial Statements *(continued)*

For the year ended 31 December 2022

29. Related party transactions

The company has taken advantage of the exemption conferred by the Financial Reporting Standard 102 not to disclose transactions with members of the group headed by STI Enterprises Limited.

30. Controlling party

At the year end the Company's ultimate parent undertaking is considered to be Mermac Inc., the address of the registered office is 35/F Tower One, Ayala Triangle, Ayala Avenue, Makati City, Philippines. The Company's immediate parent undertaking is STI Enterprises Limited, the address of the registered office is UnitC2 Osborn Way, Hook, Hampshire RG27 9HX.

The results of Surface Technology International Limited are consolidated into the results of Integrated Micro-Electronics Inc., the parent company listed in the Philippine Stock Exchange.

On the 31 October 2023, the immediate parent company and certain of its subsidiaries (which include the company) was acquired by Sand 2023 Limited, a company incorporated in England with a registered address of 4th Floor, 24 Old Bond Street, Mayfair, London, United Kingdom, W1s 4AW. The ultimate parent undertaking from this date is Rcapital Limited.