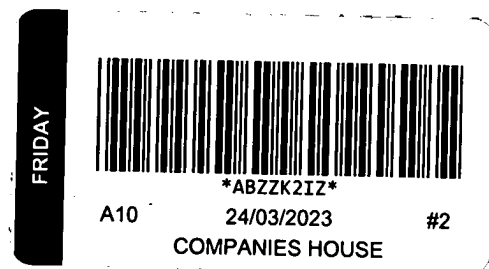


COMPANY REGISTRATION NUMBER: 05286537

**Pico Technology (Holdings) Limited**  
**Consolidated Financial Statements**  
**For the year ended**  
**30 June 2022**



# **Pico Technology (Holdings) Limited**

## **Consolidated Financial Statements**

**Year ended 30 June 2022**

<b>Contents</b>	<b>Page</b>
Officers and professional advisers	<b>1</b>
Strategic report	<b>2</b>
Directors' report	<b>4</b>
Independent auditor's report to the members	<b>6</b>
Consolidated statement of comprehensive income	<b>11</b>
Consolidated statement of financial position	<b>12</b>
Company statement of financial position	<b>14</b>
Consolidated statement of changes in equity	<b>15</b>
Company statement of changes in equity	<b>17</b>
Consolidated statement of cash flows	<b>19</b>
Notes to the consolidated financial statements	<b>20</b>

# **Pico Technology (Holdings) Limited**

## **Officers and Professional Advisers**

### **The board of directors**

Mr A Tong  
Mrs C Tong  
Mr M C Jones  
Mr G Doyle (Appointed 24 June 2022)

### **Company secretary**

Mrs J E A Percy

### **Registered office**

James House  
Colmworth Business Park  
Eaton Socon  
St Neots  
Cambridgeshire  
PE19 8PY

### **Auditor**

Streets Audit LLP  
Chartered accountants & statutory auditor  
Potton House  
Wyboston Lakes  
Great North Road  
Wyboston  
Bedfordshire  
MK44 3BZ

# **Pico Technology (Holdings) Limited**

## **Strategic Report**

**Year ended 30 June 2022**

We aim to present a balanced and comprehensive review of the development and performance of our business during the year and its position at the year end. Our review is consistent with the size and non-complex nature of the business and is written in the context of the risks and uncertainties we face.

The group specialises in the development and manufacture of PC oscilloscopes and data loggers.

We consider that our key financial performance indicators are those that communicate the financial performance and strength of the group as a whole, these being turnover, net current assets and retained shareholders' funds.

Turnover is comparable to last year and cost of sales have decreased by 10% whilst administrative costs have increased by 12%. At 30 June 2022 the group had generated a pre tax profit of £7m (2021 £7.3m) and had net assets of £29.1m (2021 £23.6m).

The group is looking to achieve continued turnover growth during the forthcoming year although the impact of the component shortage crisis may prevent this. Employee numbers grew again, and we have a good record of staff retention, helped by a generous pay structure and wide-ranging staff benefits. We foster strong relationships with customers and suppliers, and where possible, we seek to place business with local companies. The company has both ISO 9001 and ISO 14001 accreditation, and is continually monitoring its progress.

The risks and uncertainties facing the group at this time arise as follows:

1. The continued impact of the Covid pandemic across the group affecting both turnover but also the ability to produce products profitably due to component shortages and market pricing of these components. 2. The future effect of the expansion of the Chinese manufacturing industry.

The group's principal financial instruments comprise cash deposits and items such as trade debtors and creditors that arise directly from its operations. The main purpose of these instruments is to provide working capital. The existence of these financial instruments exposes the company to a number of financial risks.

1. Irrecoverable debts from customers. This may cause problems with cash-flow as well as profitability. The group manages debt collection closely to ensure that any risk in this area is mitigated.

2. Fluctuations in foreign exchange rates. The group trades in a number of currencies and so is exposed to the daily changes in the relative rates of those currencies. However, we do try to minimise exposure wherever possible.

3. Reduction in demand. The group operates through a number of distributors worldwide and record and compares the pattern of orders received. This enables us to assess, with a degree of accuracy, the short term effects of changes in demand.


Management accounting information covering all areas of the business is reviewed on a regular basis.

# **Pico Technology (Holdings) Limited**

## **Strategic Report** *(continued)*

**Year ended 30 June 2022**

This report was approved by the board of directors on 16 March 2023 and signed on behalf of the board by:



Mrs J/E A Percy  
Company Secretary

# **Pico Technology (Holdings) Limited**

## **Directors' Report**

**Year ended 30 June 2022**

The directors present their report and the Consolidated Financial Statements of the group for the year ended 30 June 2022.

### **Directors**

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

Mr A Tong

Mrs C Tong

Mr M C Jones

Mr G Doyle

(Appointed 24 June 2022)

### **Dividends**

Particulars of recommended dividends are detailed in note 13 to the Consolidated Financial Statements.

### **Research and development**

The group carries out research and development activities in order to enhance its product range and to establish developments in technology that will enable it to design new product and processes within its core market. Research and development expenditure by the group in the year amounted to £344,511 (2021 - £477,740).

### **Disclosure of information in the strategic report**

The group has chosen to set out in the strategic report information about the future developments of the group and the financial instruments.

### **Directors' responsibilities statement**

The directors are responsible for preparing the strategic report, directors' report and the Consolidated Financial Statements in accordance with applicable law and regulations.

Company law requires the directors to prepare Consolidated Financial Statements for each financial year. Under that law the directors have elected to prepare the Consolidated 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 Consolidated Financial Statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and the company and the profit or loss of the group for that period.

In preparing these Consolidated 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 Consolidated Financial Statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

# **Pico Technology (Holdings) Limited**

## **Directors' Report** *(continued)*

**Year ended 30 June 2022**

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 Consolidated 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.

### **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 group and 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 group and the company's auditor is aware of that information.

This report was approved by the board of directors on 16 March 2023 and signed on behalf of the board by:



Mrs J E A Percy  
Company Secretary

# **Pico Technology (Holdings) Limited**

## **Independent Auditor's Report to the Members of Pico Technology (Holdings) Limited**

**Year ended 30 June 2022**

### **Opinion**

We have audited the Consolidated Financial Statements of Pico Technology (Holdings) Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 30 June 2022 which comprise the consolidated statement of comprehensive income, consolidated statement of financial position, company statement of financial position, consolidated statement of changes in equity, company statement of changes in equity, consolidated statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the Consolidated Financial Statements:

- give a true and fair view of the state of the group's and of the parent company's affairs as at 30 June 2022 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- 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 consolidated financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the Consolidated 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 Consolidated Financial Statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the Consolidated Financial Statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's or the parent company's ability to continue as a going concern for a period of at least twelve months from when the Consolidated 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.



# **Pico Technology (Holdings) Limited**

## **Independent Auditor's Report to the Members of Pico Technology (Holdings) Limited** *(continued)*

**Year ended 30 June 2022**

### **Other information**

The other information comprises the information included in the annual report, other than the Consolidated Financial Statements and our auditor's report thereon. The directors are responsible for the other information. Our opinion on the Consolidated 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 Consolidated Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Consolidated 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 there is a material misstatement in the Consolidated Financial Statements or a material misstatement of the other information. 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 directors' report for the financial year for which the Consolidated Financial Statements are prepared is consistent with the Consolidated Financial Statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

### **Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

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

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company Consolidated 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.

# **Pico Technology (Holdings) Limited**

## **Independent Auditor's Report to the Members of Pico Technology (Holdings) Limited** *(continued)*

**Year ended 30 June 2022**

### **Responsibilities of directors**

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the Consolidated 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 Consolidated Financial Statements that are free from material misstatement, whether due to fraud or error.

In preparing the Consolidated Financial Statements, the directors are responsible for assessing the group's and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

### **Auditor's responsibilities for the audit of the consolidated financial statements**

Our objectives are to obtain reasonable assurance about whether the Consolidated 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 Consolidated Financial Statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. 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 company and sector in which it operates;
- 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, 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.

## **Pico Technology (Holdings) Limited**

### **Independent Auditor's Report to the Members of Pico Technology (Holdings) Limited** *(continued)*

**Year ended 30 June 2022**

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;
- assessed whether judgements and assumptions made in determining the accounting estimates set out in Note 4 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;
- enquiring of management as to actual and potential litigation and claims and
- reviewing correspondence with HMRC, relevant regulators and the company's legal advisors.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

## **Pico Technology (Holdings) Limited**

### **Independent Auditor's Report to the Members of Pico Technology (Holdings) Limited *(continued)***

**Year ended 30 June 2022**

A further description of our responsibilities for the audit of the Consolidated Financial Statements is located on the Financial Reporting Council's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

#### **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.



Benjamin Halstead (Senior Statutory Auditor)

For and on behalf of  
Streets Audit LLP  
Chartered accountants & statutory auditor  
Potton House  
Wyboston Lakes  
Great North Road  
Wyboston  
Bedfordshire  
MK44 3BZ

17/03/2023

**Pico Technology (Holdings) Limited**  
**Consolidated Statement of Comprehensive Income**  
**Year ended 30 June 2022**

	Note	2022 £	2021 £
<b>Turnover</b>	<b>5</b>	<b>29,634,111</b>	30,754,154
Cost of sales		<u>13,236,739</u>	<u>14,759,366</u>
<b>Gross profit</b>		<b>16,397,372</b>	15,994,788
Administrative expenses		9,869,289	8,837,230
Other operating income	<b>6</b>	<u>—</u>	<u>96,984</u>
<b>Operating profit</b>	<b>7</b>	<b>6,528,083</b>	7,254,542
Other interest receivable and similar income	<b>11</b>	<u>441,591</u>	<u>10,486</u>
<b>Profit before taxation</b>		<b>6,969,674</b>	7,265,028
Tax on profit	<b>12</b>	<u>969,594</u>	<u>1,164,488</u>
<b>Profit for the financial year</b>		<b><u>6,000,080</u></b>	<u>6,100,540</u>
Foreign currency retranslation		<u>103,254</u>	(1,097,346)
<b>Total comprehensive income for the year</b>		<b><u>6,103,334</u></b>	<u>5,003,194</u>
Profit for the financial year attributable to:			
The owners of the parent company		<u>5,752,587</u>	<u>5,694,476</u>
Non-controlling interests		<u>247,493</u>	<u>406,064</u>
		<b><u>6,000,080</u></b>	<u>6,100,540</u>
Total comprehensive income for the year attributable to:			
The owners of the parent company		<u>5,855,841</u>	<u>4,597,130</u>
Non-controlling interests		<u>247,493</u>	<u>406,064</u>
		<b><u>6,103,334</u></b>	<u>5,003,194</u>

All the activities of the group are from continuing operations.

The notes on pages 20 to 36 form part of these Consolidated Financial Statements.

**Pico Technology (Holdings) Limited**  
**Consolidated Statement of Financial Position**  
**30 June 2022**

	Note	2022 £	2021 £
<b>Fixed assets</b>			
Tangible assets	15	6,111,804	4,888,432
Investments	16	<u>431</u>	<u>432</u>
		6,112,235	4,888,864
<b>Current assets</b>			
Stocks	17	10,460,319	5,506,280
Debtors	18	4,075,680	3,230,189
Cash at bank and in hand		<u>11,801,096</u>	<u>13,427,492</u>
		26,337,095	22,163,961
<b>Creditors: amounts falling due within one year</b>	19	<u>3,162,793</u>	<u>3,334,056</u>
<b>Net current assets</b>		23,174,302	18,829,905
<b>Total assets less current liabilities</b>		29,286,537	23,718,769
<b>Provisions</b>			
Taxation including deferred tax	20	<u>171,186</u>	<u>135,484</u>
<b>Net assets</b>		<u>29,115,351</u>	<u>23,583,285</u>
<b>Capital and reserves</b>			
Called up share capital	25	1,000	1,000
Share premium account	26	99,000	99,000
Revaluation reserve	26	440,452	121,059
Other reserves, including the fair value reserve	26	576	576
Profit and loss account	26	<u>27,042,334</u>	<u>21,705,886</u>
<b>Equity attributable to the owners of the parent company</b>		27,583,362	21,927,521
<b>Non-controlling interests</b>		<u>1,531,989</u>	<u>1,655,764</u>
		<u>29,115,351</u>	<u>23,583,285</u>

The consolidated statement of financial position  
continues on the following page.

The notes on pages 20 to 36 form part of these Consolidated Financial Statements.

# **Pico Technology (Holdings) Limited**

## **Consolidated Statement of Financial Position** *(continued)*

**30 June 2022**

These Consolidated Financial Statements were approved by the board of directors and authorised for issue on 16 March 2023 and are signed on behalf of the board by:

Mr A Tong  
Director



Company registration number: 05286537

The notes on pages 20 to 36 form part of these Consolidated Financial Statements.

# Pico Technology (Holdings) Limited

## Company Statement of Financial Position

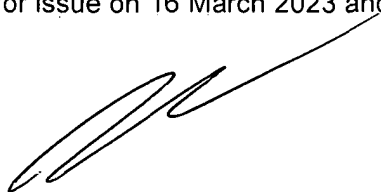
30 June 2022

	Note	2022 £	2021 £
<b>Fixed assets</b>			
Tangible assets	15	4,009,347	3,624,826
Investments	16	916,722	916,722
		<u>4,926,069</u>	<u>4,541,548</u>
<b>Current assets</b>			
Debtors	18	515,802	283,402
Cash at bank and in hand		1,811,348	1,810,019
		<u>2,327,150</u>	<u>2,093,421</u>
<b>Creditors: amounts falling due within one year</b>	19	27,323	329,594
<b>Net current assets</b>		<u>2,299,827</u>	<u>1,763,827</u>
<b>Total assets less current liabilities</b>		<u>7,225,896</u>	<u>6,305,375</u>
<b>Provisions</b>			
Taxation including deferred tax	20	124,265	17,800
<b>Net assets</b>		<u>7,101,631</u>	<u>6,287,575</u>
<b>Capital and reserves</b>			
Called up share capital	25	1,000	1,000
Share premium account	26	99,000	99,000
Revaluation reserve	26	440,452	121,059
Profit and loss account	26	6,561,179	6,066,516
<b>Shareholders funds</b>		<u>7,101,631</u>	<u>6,287,575</u>

The profit for the financial year of the parent company was £1,014,056 (2021: £1,583,181).

These Consolidated Financial Statements were approved by the board of directors and authorised for issue on 16 March 2023 and are signed on behalf of the board by:

Mr A Tong  
Director



Company registration number: 05286537

The notes on pages 20 to 36 form part of these Consolidated Financial Statements.



**Pico Technology (Holdings) Limited**  
**Consolidated Statement of Changes in Equity**  
**Year ended 30 June 2022**

	Called up share capital	Share premium account	Revaluation reserve	Other reserves, including the fair value reserve	Profit and loss account	Equity attributable to the owners of the parent company	Non-control ling interests	Total
	£	£	£	£	£	£	£	£
<b>At 1 July 2020</b>	1,000	99,000	121,059	576	18,458,756	18,680,391	1,416,672	20,097,063
Profit for the year					5,694,476	5,694,476	406,064	6,100,540
Other comprehensive income for the year:								
Foreign currency retranslation	—	—	—	—	(1,097,346)	(1,097,346)	—	(1,097,346)
<b>Total comprehensive income for the year</b>	—	—	—	—	4,597,130	4,597,130	406,064	5,003,194
Dividends paid and payable	<b>13</b>	—	—	—	(1,350,000)	(1,350,000)	(166,972)	(1,516,972)
<b>Total investments by and distributions to owners</b>	—	—	—	—	(1,350,000)	(1,350,000)	(166,972)	(1,516,972)
<b>At 30 June 2021</b>	1,000	99,000	121,059	576	21,705,886	<b>21,927,521</b>	1,655,764	<b>23,583,285</b>

The consolidated statement of changes in equity  
continues on the following page.  
The notes on pages 20 to 36 form part of these Consolidated Financial Statements.

**Pico Technology (Holdings) Limited**  
**Consolidated Statement of Changes in Equity** *(continued)*  
**Year ended 30 June 2022**

	Called up share capital	Share premium account	Revaluation reserve	Other reserves, including the fair value reserve	Profit and loss account	Equity attributable to the owners of the parent company	Non-control ling interests	Total
	£	£	£	£	£	£	£	£
Profit for the year					5,752,587	5,752,587	247,493	6,000,080
Other comprehensive income for the year:								
Foreign currency retranslation	-	-	-	-	103,254	103,254	-	103,254
Revaluation	-	-	319,393	-	(319,393)	-	-	-
<b>Total comprehensive income for the year</b>	-	-	319,393	-	5,536,448	5,855,841	247,493	6,103,334
Dividends paid and payable	13	-	-	-	(200,000)	(200,000)	(371,268)	(571,268)
<b>Total investments by and distributions to owners</b>	-	-	-	-	(200,000)	(200,000)	(371,268)	(571,268)
<b>At 30 June 2022</b>	<u>1,000</u>	<u>99,000</u>	<u>440,452</u>	<u>576</u>	<u>27,042,334</u>	<u>27,583,362</u>	<u>1,531,989</u>	<u>29,115,351</u>

The notes on pages 20 to 36 form part of these Consolidated Financial Statements.

**Pico Technology (Holdings) Limited**

**Company Statement of Changes in Equity**

**Year ended 30 June 2022**

	Called up share capital	Share premium account	Revaluation reserve	Profit and loss account	Total
	£	£	£	£	£
<b>At 1 July 2020</b>	1,000	99,000	121,059	5,833,335	6,054,394
Profit for the year				1,583,181	1,583,181
<b>Total comprehensive income for the year</b>	—	—	—	1,583,181	1,583,181
Dividends paid and payable	13	—	—	(1,350,000)	(1,350,000)
<b>Total investments by and distributions to owners</b>	—	—	—	(1,350,000)	(1,350,000)
<b>At 30 June 2021</b>	1,000	99,000	121,059	6,066,516	<b>6,287,575</b>
Profit for the year				1,014,056	<b>1,014,056</b>
Other comprehensive income for the year:					
Revaluation	—	—	319,393	(319,393)	—
<b>Total comprehensive income for the year</b>	—	—	319,393	694,663	<b>1,014,056</b>

The company statement of changes in equity  
continues on the following page.

The notes on pages 20 to 36 form part of these Consolidated Financial Statements.

**Pico Technology (Holdings) Limited**  
**Company Statement of Changes in Equity** *(continued)*  
**Year ended 30 June 2022**

	Called up share capital	Share premium account	Revaluatio n reserve	Profit and loss account	<b>Total</b>
	£	£	£	£	£
Dividends paid and payable	13	—	—	(200,000)	<b>(200,000)</b>
<b>Total investments by and distributions to owners</b>	—	—	—	(200,000)	<b>(200,000)</b>
<b>At 30 June 2022</b>	<u>1,000</u>	<u>99,000</u>	<u>440,452</u>	<u>6,561,179</u>	<u><b>7,101,631</b></u>

The notes on pages 20 to 36 form part of these Consolidated Financial Statements.

# Pico Technology (Holdings) Limited

## Consolidated Statement of Cash Flows

Year ended 30 June 2022

	2022 £	2021 £
<b>Cash flows from operating activities</b>		
Profit for the financial year	6,000,080	6,100,540
<i>Adjustments for:</i>		
Depreciation of tangible assets	344,852	266,492
Amortisation of intangible assets	–	8,742
Fair value adjustment of investment property	(425,858)	–
Government grant income	–	(96,984)
Other interest receivable and similar income	(441,591)	(10,486)
Loss/(gains) on disposal of tangible assets	483	(10,381)
Tax on profit	926,800	1,164,488
Accrued expenses	12,381	325,279
<i>Changes in:</i>		
Stocks	(4,954,039)	195,476
Trade and other debtors	(845,491)	471,080
Trade and other creditors	50,347	452,946
Cash generated from operations	667,964	8,867,192
Interest received	441,591	10,486
Tax paid	(1,155,755)	(808,184)
Net cash (used in)/from operating activities	<u>(46,200)</u>	<u>8,069,494</u>
<b>Cash flows from investing activities</b>		
Purchase of tangible assets	(1,083,120)	(577,428)
Proceeds from sale of tangible assets	567	16,667
Net cash used in investing activities	<u>(1,082,553)</u>	<u>(560,761)</u>
<b>Cash flows from financing activities</b>		
Government grant income	–	96,984
Non cash adjustment for foreign exchange on consolidation	73,625	(1,036,392)
Dividends paid	(571,268)	(1,516,972)
Net cash used in financing activities	<u>(497,643)</u>	<u>(2,456,380)</u>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(1,626,396)</b>	<b>5,052,353</b>
<b>Cash and cash equivalents at beginning of year</b>	<b>13,427,492</b>	<b>8,375,139</b>
<b>Cash and cash equivalents at end of year</b>	<b><u>11,801,096</u></b>	<b><u>13,427,492</u></b>

The notes on pages 20 to 36 form part of these Consolidated Financial Statements.

# **Pico Technology (Holdings) Limited**

## **Notes to the Consolidated Financial Statements**

**Year ended 30 June 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 James House, Colmworth Business Park, Eaton Socon, St Neots, Cambridgeshire, PE19 8PY.

### **2. Statement of compliance**

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

### **3. Group and company information**

Pico Technology (Holdings) Limited is a Limited company, incorporated in England and Wales. The registered office is the principal place of business for its subsidiary company Pico Technology Limited. The principal activity of the company during the year was that of a holding company and the principal activity of its subsidiary companies was that of software development and manufacture of software and electrical products.

The business activities of the group, together with the factors likely to affect its future development, performance and position are set out in the Strategic Report. The Strategic Report also describes the financial position of the group, the group objectives, policies and processes for managing its exposure to financial risks.

### **4. Accounting policies**

#### **Basis of preparation**

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

#### **Consolidation**

The financial statements consolidate the financial statements of the Group and all of its subsidiary undertakings.

The results of subsidiaries acquired or disposed of during the year are included from or to the date that control passes.

The parent company has applied the exemption contained in section 408 of the Companies Act 2006 and has not included its individual statement of comprehensive income.

# **Pico Technology (Holdings) Limited**

## **Notes to the Consolidated Financial Statements *(continued)***

**Year ended 30 June 2022**

### **4. Accounting policies *(continued)***

#### **Non-controlling interests**

Minority interests in the net assets of consolidated subsidiaries are identified separately from the Group's equity. Minority interests consist of the amount of those interests at the date of the original business combination and the minority's share of changes in equity since the date of the combination.

The proportions of profit or loss and changes in equity allocated to the owners of the parent and to the minority interests are determined on the basis of existing ownership interests and do not reflect the possible exercise or conversion of options or convertible instruments.

#### **Judgements and key sources of estimation uncertainty**

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The judgements (apart from those involving estimations) that management has made in the process of applying the entity's accounting policies and that have the most significant effect on the amounts recognised in the financial statements are as disclosed in the accounting policies.

Accounting estimates and assumptions are made concerning the future and, by their nature, will rarely equal the related actual outcome. The key assumptions and other sources of estimation uncertainty that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are as disclosed in the accounting policies and below.

#### **1 Depreciation charge**

The annual depreciation charge for each class of tangible fixed asset is based on an estimate of the useful economic life of the respective assets. This is reviewed periodically by the directors to ensure that they reflect both the external and internal factors.

#### **2 Stock provision**

Stock and work in progress are stated net of a provision for slow moving and obsolete stock. The directors review this provision periodically to ensure slow moving and obsolete stock is identified and the provisions are appropriately calculated.

# **Pico Technology (Holdings) Limited**

## **Notes to the Consolidated Financial Statements** *(continued)*

**Year ended 30 June 2022**

### **4. Accounting policies** *(continued)*

#### **Revenue recognition**

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods 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.

#### **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 material 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.

Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

#### **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.

#### **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.



# **Pico Technology (Holdings) Limited**

## **Notes to the Consolidated Financial Statements *(continued)***

**Year ended 30 June 2022**

### **4. Accounting policies *(continued)***

#### **Goodwill**

Goodwill arises on business acquisitions and represents the excess of the cost of the acquisition over the company's interest in the net amount of the identifiable assets, liabilities and contingent liabilities of the acquired business. Goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. It is amortised on a straight-line basis over its useful life. Where a reliable estimate of the useful life of goodwill or intangible assets cannot be made, the life is presumed not to exceed ten years.

#### **Amortisation**

Amortisation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful life of that asset as follows:

Goodwill on consolidation - 10% straight line

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.

#### **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:

Freehold property	- Land 0%, buildings 2.5% per annum straight line
Plant and machinery	- 20% reducing balance
Fixtures and fittings	- 20% reducing balance or 33% straight line
Motor Vehicles	- 25% straight line

# **Pico Technology (Holdings) Limited**

## **Notes to the Consolidated Financial Statements** *(continued)*

**Year ended 30 June 2022**

### **4. Accounting policies** *(continued)*

#### **Investments**

Fixed asset investments are initially recorded at cost, and subsequently stated at cost less any accumulated impairment losses.

Listed investments are measured at fair value with changes in fair value being recognised in profit or loss.

#### **Stocks**

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items. Cost is computed on a first in first out basis.

#### **Government grants**

Government grants are recognised at the fair value of the asset received or receivable. Grants are not recognised until there is reasonable assurance that the company will comply with the conditions attaching to them and the grants will be received.

Government grants are recognised using the accrual model and the performance model.

Under the accrual model, government grants relating to revenue are recognised on a systematic basis over the periods in which the company recognises the related costs for which the grant is intended to compensate. Grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the entity with no future related costs are recognised in income in the period in which it becomes receivable.

Grants relating to assets are recognised in income on a systematic basis over the expected useful life of the asset. Where part of a grant relating to an asset is deferred, it is recognised as deferred income and not deducted from the carrying amount of the asset.

Under the performance model, where the grant does not impose specified future performance-related conditions on the recipient, it is recognised in income when the grant proceeds are received or receivable. Where the grant does impose specified future performance-related conditions on the recipient, it is recognised in income only when the performance-related conditions have been met. Where grants received are prior to satisfying the revenue recognition criteria, they are recognised as a liability.

Other operating income relates to research and development grant income receivable in the year of £nil (2021 - £69,363) and CJRS income of £nil (2021 - £27,621).

# Pico Technology (Holdings) Limited

## Notes to the Consolidated Financial Statements *(continued)*

Year ended 30 June 2022

### 4. Accounting policies *(continued)*

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

#### Financial instruments

A financial asset or a financial liability is recognised only when the entity becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the transaction price, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Debt instruments are subsequently measured at amortised cost.

Financial assets that are measured at cost or amortised cost are reviewed for objective evidence of impairment at the end of each reporting date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss immediately.

#### 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.

### 5. Turnover

Turnover arises from:

	2022	2021
	£	£
Sale of goods	<u>29,634,111</u>	<u>30,754,154</u>

# Pico Technology (Holdings) Limited

## Notes to the Consolidated Financial Statements *(continued)*

Year ended 30 June 2022

### 5. Turnover *(continued)*

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

	2022 £	2021 £
United Kingdom	6,914,857	5,675,207
Europe	8,054,584	7,760,397
Rest of the World	14,664,670	17,318,550
	<u>29,634,111</u>	<u>30,754,154</u>

### 6. Other operating income

	2022 £	2021 £
Government grant income	—	96,984

Other operating income relates to research and development grant income receivable in the year of £nil (2021 - £69,363) and CJRS income of £nil (2021 - £27,621).

### 7. Operating profit

Operating profit or loss is stated after charging/crediting:

	2022 £	2021 £
Amortisation of intangible assets	—	8,742
Depreciation of tangible assets	344,852	266,492
Loss/(gains) on disposal of tangible assets	483	(10,381)
Impairment of trade debtors	38,631	(7,043)
Foreign exchange differences	<u>(545,004)</u>	<u>(625,502)</u>

### 8. Auditor's remuneration

	2022 £	2021 £
Fees payable for the audit of the consolidated financial statements	<u>15,400</u>	<u>14,000</u>
Fees payable to the company's auditor and its associates for other services:		
Other non-audit services	<u>15,900</u>	<u>16,765</u>

# Pico Technology (Holdings) Limited

## Notes to the Consolidated Financial Statements *(continued)*

Year ended 30 June 2022

### 9. Staff costs

The average number of persons employed by the group during the year, including the directors, amounted to:

	2022 No.	2021 No.
Administrative staff	20	18
Directors	3	3
Sales, marketing and distribution	34	34
Production and purchasing	29	26
Development	71	68
Technical support	13	12
	<u>170</u>	<u>161</u>

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

	2022 £	2021 £
Wages and salaries	8,214,533	7,773,548
Social security costs	658,179	606,987
Other pension costs	651,343	557,495
	<u>9,524,055</u>	<u>8,938,030</u>

### 10. Directors' remuneration

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

	2022 £	2021 £
Remuneration	187,069	185,537
Company contributions to defined contribution pension plans	16,976	2,220
	<u>204,045</u>	<u>187,757</u>

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

	2022 No.	2021 No.
Defined contribution plans	<u>4</u>	<u>3</u>

# Pico Technology (Holdings) Limited

## Notes to the Consolidated Financial Statements *(continued)*

Year ended 30 June 2022

### 11. Other interest receivable and similar income

	2022	2021
	£	£
Interest on loans and receivables	935	935
Interest on cash and cash equivalents	3,671	2,314
Interest on bank deposits	11,127	7,237
Gain on fair value adjustment of financial assets at fair value through profit or loss	425,858	–
	<u>441,591</u>	<u>10,486</u>

### 12. Tax on profit

#### Major components of tax expense

	2022	2021
	£	£
<b>Current tax:</b>		
UK current tax expense	530,000	571,050
Adjustments in respect of prior periods	–	(251)
Total UK current tax	530,000	570,799
Foreign current tax income	348,970	472,001
Adjustments in respect of prior periods	42,794	5,434
Total foreign tax	391,764	477,435
Total current tax	<u>921,764</u>	<u>1,048,234</u>
<b>Deferred tax:</b>		
Origination and reversal of timing differences	47,830	116,254
<b>Tax on profit</b>	<u>969,594</u>	<u>1,164,488</u>

# Pico Technology (Holdings) Limited

## Notes to the Consolidated Financial Statements *(continued)*

Year ended 30 June 2022

### 12. Tax on profit *(continued)*

#### Reconciliation of tax expense

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

	2022 £	2021 £
Profit on ordinary activities before taxation	<b>6,969,674</b>	7,265,028
Profit on ordinary activities by rate of tax	<b>1,324,238</b>	1,380,355
Effect of expenses not deductible for tax purposes	<b>7,044</b>	(48)
Effect of capital allowances and depreciation	<b>(96,236)</b>	75,504
Enhanced research and development relief	<b>(68,318)</b>	(144,017)
Patent box claim	<b>(61,413)</b>	(62,188)
Other items including adjustments as a result of consolidation	<b>(135,721)</b>	(85,118)
Tax on profit	<b>969,594</b>	1,164,488

### 13. Dividends

Dividends paid during the year (excluding those for which a liability existed at the end of the prior year):

	2022 £	2021 £
Equity dividends on ordinary shares	<b>200,000</b>	1,350,000

### 14. Intangible assets

Group	Goodwill £
<b>Cost</b>	
At 1 July 2021 and 30 June 2022	<b>122,557</b>
<b>Amortisation</b>	
At 1 July 2021 and 30 June 2022	<b>122,557</b>
<b>Carrying amount</b>	
At 1 July 2021 and 30 June 2022	-
At 30 June 2021	-

The company has no intangible assets.

# Pico Technology (Holdings) Limited

## Notes to the Consolidated Financial Statements *(continued)*

Year ended 30 June 2022

### 15. Tangible assets

Group	Land and buildings £	Plant and machinery £	Fixtures, fittings and equipment £	Motor vehicles £	Investment property £	Total £
<b>Cost or valuation</b>						
At 1 Jul 2021	3,134,973	727,779	1,049,461	180,568	1,943,572	<b>7,036,353</b>
Additions	713,171	29,482	280,977	59,490	–	<b>1,083,120</b>
Disposals	–	–	(1,575)	–	–	<b>(1,575)</b>
Revaluations	–	–	–	–	425,858	<b>425,858</b>
Other movements	53,869	1,594	12,809	2,857	–	<b>71,129</b>
<b>At 30 Jun 2022</b>	<b>3,902,013</b>	<b>758,855</b>	<b>1,341,672</b>	<b>242,915</b>	<b>2,369,430</b>	<b>8,614,885</b>
<b>Depreciation</b>						
At 1 Jul 2021	732,141	420,294	863,519	131,967	–	<b>2,147,921</b>
Charge for the year	86,186	79,787	150,753	28,126	–	<b>344,852</b>
Disposals	–	–	(525)	–	–	<b>(525)</b>
Other movements	10,143	963	(2,226)	1,953	–	<b>10,833</b>
<b>At 30 Jun 2022</b>	<b>828,470</b>	<b>501,044</b>	<b>1,011,521</b>	<b>162,046</b>	<b>–</b>	<b>2,503,081</b>
<b>Carrying amount</b>						
<b>At 30 Jun 2022</b>	<b>3,073,543</b>	<b>257,811</b>	<b>330,151</b>	<b>80,869</b>	<b>2,369,430</b>	<b>6,111,804</b>
At 30 Jun 2021	2,402,832	307,485	185,942	48,601	1,943,572	4,888,432



# Pico Technology (Holdings) Limited

## Notes to the Consolidated Financial Statements *(continued)*

**Year ended 30 June 2022**

### 15. Tangible assets *(continued)*

Company	Long leasehold property £	Plant and machinery £	Investment property £	Total £
<b>Cost or valuation</b>				
At 1 July 2021	1,874,469	15,000	1,943,572	3,833,041
Additions	3,105	–	–	3,105
Revaluations	–	–	425,858	425,858
<b>At 30 June 2022</b>	<u>1,877,574</u>	<u>15,000</u>	<u>2,369,430</u>	<u>4,262,004</u>
<b>Depreciation</b>				
At 1 July 2021	208,215	–	–	208,215
Charge for the year	44,442	–	–	44,442
<b>At 30 June 2022</b>	<u>252,657</u>	<u>–</u>	<u>–</u>	<u>252,657</u>
<b>Carrying amount</b>				
<b>At 30 June 2022</b>	<u>1,624,917</u>	<u>15,000</u>	<u>2,369,430</u>	<u>4,009,347</u>
At 30 June 2021	<u>1,666,254</u>	<u>15,000</u>	<u>1,943,572</u>	<u>3,624,826</u>

Included in Land and buildings is land totalling £37,718 (2021 - £37,718) which is not subject to depreciation.

The group and company hold investment properties in Southwold, Horning and the Peak District which have been made available to all UK group employees as holiday accommodation. The group and company also hold further investment property. The investment properties have been valued by the directors at open market value.

### 16. Investments

Group	Other investment s £
<b>Cost</b>	
At 1 July 2021	432
Revaluations	(1)
<b>At 30 June 2022</b>	<u>431</u>
<b>Impairment</b>	
At 1 July 2021 and 30 June 2022	<u>–</u>

# Pico Technology (Holdings) Limited

## Notes to the Consolidated Financial Statements *(continued)*

Year ended 30 June 2022

### 16. Investments *(continued)*

Group	Other investments £
Carrying amount At 30 June 2022	431
At 30 June 2021	432
Company	Shares in group undertakings £
Cost At 1 July 2021 and 30 June 2022	916,722
Impairment At 1 July 2021 and 30 June 2022	-
Carrying amount At 1 July 2021 and 30 June 2022	916,722
At 30 June 2021	916,722

### Subsidiaries

Details of the investments in which the group and the parent company have an interest of 20% or more are as follows:

	Class of share	Percentage of shares held
<b>Subsidiary undertakings</b>		
Pico Technology Limited	Ordinary	100
Pico North America Holdings Inc.	Ordinary	100
Pico North America Inc.	Ordinary	65
Eltesta	Ordinary	50
Pico Gmbh	Ordinary	100

# Pico Technology (Holdings) Limited

## Notes to the Consolidated Financial Statements *(continued)*

Year ended 30 June 2022

### 17. Stocks

	Group		Company	
	2022	2021	2022	2021
	£	£	£	£
Raw materials and consumables	5,167,048	1,397,713	–	–
Work in progress	2,825,898	1,550,471	–	–
Finished goods and goods for resale	2,467,373	2,558,096	–	–
	<u>10,460,319</u>	<u>5,506,280</u>	<u>–</u>	<u>–</u>

### 18. Debtors

	Group		Company	
	2022	2021	2022	2021
	£	£	£	£
Trade debtors	3,625,662	2,609,930	–	–
Amounts owed by group undertakings	–	–	513,722	277,014
Prepayments and accrued income	187,028	288,923	–	–
Other debtors	262,990	331,336	2,080	6,388
	<u>4,075,680</u>	<u>3,230,189</u>	<u>515,802</u>	<u>283,402</u>

The debtors above include the following amounts falling due after more than one year:

	Group		Company	
	2022	2021	2022	2021
	£	£	£	£
Amounts owed by group undertakings	–	–	157,476	164,291

### 19. Creditors: amounts falling due within one year

	Group		Company	
	2022	2021	2022	2021
	£	£	£	£
Trade creditors	1,368,317	1,498,050	–	–
Amounts owed to group undertakings	–	–	–	302,370
Accruals and deferred income	1,217,636	1,205,255	25,660	25,560
Corporation tax	174,103	408,094	1,663	1,664
Social security and other taxes	273,742	173,030	–	–
Other creditors	128,995	49,627	–	–
	<u>3,162,793</u>	<u>3,334,056</u>	<u>27,323</u>	<u>329,594</u>

# Pico Technology (Holdings) Limited

## Notes to the Consolidated Financial Statements *(continued)*

Year ended 30 June 2022

### 20. Provisions

Group	Deferred tax (note 21) £
At 1 July 2021	135,484
Additions	35,702
<b>At 30 June 2022</b>	<b>171,186</b>
Company	Deferred tax (note 21) £
At 1 July 2021	17,800
Additions	106,465
<b>At 30 June 2022</b>	<b>124,265</b>

### 21. Deferred tax

The deferred tax included in the statement of financial position is as follows:

	Group		Company	
	2022	2021	2022	2021
	£	£	£	£
Included in provisions (note 20)	<u>171,186</u>	<u>135,484</u>	<u>124,265</u>	<u>17,800</u>

The deferred tax account consists of the tax effect of timing differences in respect of:

	Group		Company	
	2022	2021	2022	2021
	£	£	£	£
Accelerated capital allowances	212,120	194,647	–	–
Fair value adjustment of investment property	124,265	17,800	124,265	17,800
Pension plan obligations	(9,804)	(9,429)	–	–
Profit on inter-group stock	<u>(155,395)</u>	<u>(67,534)</u>	<u>–</u>	<u>–</u>
	<u>171,186</u>	<u>135,484</u>	<u>124,265</u>	<u>17,800</u>

### 22. Employee benefits

#### Defined contribution plans

The amount recognised in profit or loss as an expense in relation to defined contribution plans was £634,367 (2021: £555,310).

### 23. Key management remuneration

The total compensation paid to key management personnel in the year was £350,628 (2021 - £208,311).

# Pico Technology (Holdings) Limited

## Notes to the Consolidated Financial Statements *(continued)*

Year ended 30 June 2022

### 24. Government grants

The amounts recognised in the Consolidated Financial Statements for government grants are as follows:

	Group		Company	
	2022	2021	2022	2021
	£	£	£	£
Recognised in other operating income:				
Government grants recognised directly in income	<u>—</u>	<u>96,984</u>	<u>—</u>	<u>—</u>

### 25. Called up share capital

Issued, called up and fully paid

	2022		2021	
	No.	£	No.	£
Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>

### 26. Reserves

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.

Revaluation reserve - This reserve records the value of asset revaluations and fair value movements on assets recognised in other comprehensive income.

### 27. Analysis of changes in net debt

	At 1 Jul 2021	Cash flows	At 30 Jun 2022
	£	£	£
Cash at bank and in hand	<u>13,427,492</u>	<u>(1,626,396)</u>	<u>11,801,096</u>

# Pico Technology (Holdings) Limited

## Notes to the Consolidated Financial Statements *(continued)*

Year ended 30 June 2022

### 28. Operating leases

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

	Group		Company	
	2022	2021	2022	2021
	£	£	£	£
Not later than 1 year	118,667	118,925	—	—
Later than 1 year and not later than 5 years	400,000	400,000	—	—
Later than 5 years	208,333	304,167	—	—
	<u>727,000</u>	<u>823,092</u>	<u>—</u>	<u>—</u>

### 29. Related party transactions

#### Company

The group was under the control of A Tong throughout the current and previous year. A Tong is the managing director and majority shareholder.

The group has taken advantage of the exemption available under Financial Reporting Standard 102 not to disclose related party transactions with wholly owned subsidiaries within the group.

Transactions between group entities which have been eliminated on consolidation are not disclosed within the financial statements.