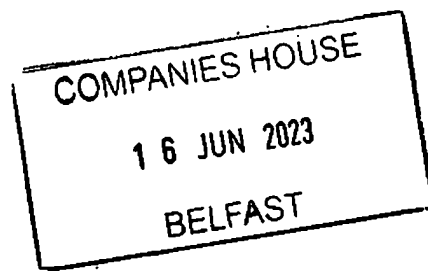


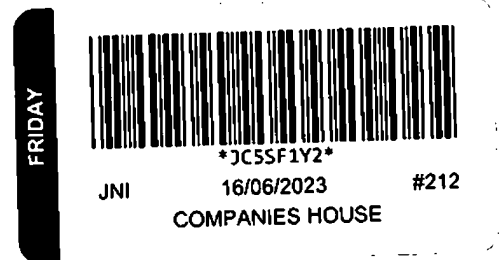
Registered number: 00147014



John Hogg Technical Solutions Limited

Directors' Report and Financial Statements

For the Year Ended 30 September 2022



John Hogg Technical Solutions Limited

Company Information

Directors	RM Webb (resigned 31 October 2022) WR Webb SP Wright Dr PJ Double
Company secretary	L Case
Registered number	00147014
Registered office	Mellors Road Newbridge Trafford Park Manchester M17 1PB
Independent auditors	ASM (B) Ltd Chartered Accountants and Statutory Auditor Glendinning House 6 Murray Street Belfast Co. Antrim BT1 6DN
Bankers	Natwest Bank plc Third Avenue Trafford Park Manchester M17 1NW

John Hogg Technical Solutions Limited

Contents

	Page
Strategic Report	1 - 2
Directors' Report	3 - 5
Independent Auditors' Report	6 - 9
Statement of Comprehensive Income	10
Balance Sheet	11
Statement of Changes in Equity	12
Notes to the Financial Statements	13 - 27
The following pages do not form part of the statutory financial statements:	
Detailed Profit and Loss Account and Summaries	28 - 31

John Hogg Technical Solutions Limited

Strategic Report For the Year Ended 30 September 2022

Introduction

The directors present their Strategic report on the company for the year ended 30 September 2022. The comparative period presented in the financial statements is for the 12 month period ending 30 September 2021.

Business review

The directors consider the results for the year and the position of the company at the year end to be satisfactory and expect the company to maintain its present level of activity in the foreseeable future.

Further commentary is provided in the Directors' report of the ultimate parent undertaking, John Hogg & Co, Limited.

Principal risks and uncertainties

The company's operations expose it to a variety of financial risks that include the effects of changes in commodity prices, foreign exchange risk, liquidity risk and interest rate risk. The company has in place a risk management programme that seeks to limit the adverse effects on the financial performance of the company by monitoring levels of debt finance and the related finance costs.

Financial risk management

Given the size of the company, the directors have not delegated the responsibility of monitoring financial risk management to a sub committee of the board. The policies set by the board of directors are implemented by the company's finance department.

Price risk

The company is exposed to commodity price risk as a result of its operations. However, given the size of the company's operations, the costs of managing exposure to commodity price risk exceed any potential benefits. The directors will revisit the appropriateness of this policy should the company's operation change in size or nature. The company has no exposure to equity securities price risk as it holds no listed or other equity investments.

Foreign exchange risk

While a significant part of the company's revenues and expenses are denominated in Sterling, the company is exposed to some foreign exchange risk in the normal course of business, principally on purchases and sales in Euros and US Dollars.

Credit risk

Credit risk arises from cash and cash equivalents with banks and financial institutions, as well as credit exposure to customers. The company has implemented policies that require appropriate credit checks on potential customers before sales are made. The amount of exposure to individual customers is subject to a limit, which is reassessed regularly by the board. The financial position of banks and financial institutions utilised is regularly assessed by the board of directors.

Liquidity risk

The company actively maintains a mixture of long term and short term debt finance options that are designed to ensure the company has sufficient available funds for operations and planned expansions.

John Hogg Technical Solutions Limited

Strategic Report (continued) For the Year Ended 30 September 2022

Interest rate risk

The company has both interest bearing assets and interest bearing liabilities. Interest bearing assets consist of cash balances which earn interest at variable rates. Interest bearing liabilities consist of bank loans on which the company pays interest at variable rates and other loans, including loans from group undertakings on which the company pays interest at fixed rates. The company has a policy of maintaining debt at a mixture of fixed and variable rates. The directors will revisit the appropriateness of this policy should the company's operations change in size or nature.

Financial key performance indicators

The directors consider the key performance indicators to be turnover and operating profit. Turnover for the year was £27,133,398 (2021: £24,729,754) and operating profit was £3,367,793 (2021: £3,001,120).

This report was approved by the board on 17 April 2023 and signed on its behalf.



L Case
Secretary

**Directors' Report
For the Year Ended 30 September 2022**

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

Directors' responsibilities statement

The directors are responsible for preparing the Strategic Report, the 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies for the Company's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the 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 to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Principal activity

The company is a leading supplier of high quality, high performance chemical technology for industries needing colour, brand protection and regulatory fuel marking expertise.

Business review

The business review is set out in the Strategic Report.

Results and dividends

The profit for the year, after taxation, amounted to £2,853,989 (2021 - £2,605,529).

A dividend of £7,290,000 (2021: £2,800,000) was paid during the financial year.

John Hogg Technical Solutions Limited

Directors' Report (continued) For the Year Ended 30 September 2022

Directors

The directors who served during the year were:

RM Webb (resigned 31 October 2022)
WR Webb
SP Wright
Or PJ Double

Political contributions

The company did not make any political contributions during the financial year (2021: Nil).

Principal risks and uncertainties

Health and safety of employees

The company is committed to achieving the highest practicable standards in health and safety management and strives to make all sites and offices safe environments for employees and customers alike.

Environmental matters

The company recognises its corporate responsibility to carry out its operations whilst minimising environmental impacts. The directors' continued aim is to comply with all applicable environmental legislation, prevent pollution and reduce waste wherever possible.

Future developments

The directors consider the results for the year and the position of the company at the year end to be satisfactory and expect the company to maintain its present level of activity in the foreseeable future.

Research and development activities

The company is strongly committed to research and development activities in order to secure and enhance its position in the market.

Directors' indemnities

The Company has made qualifying third party indemnity provisions for the benefit of its directors which were made during the period and remain in force at the date of this report.

Disclosure of information to auditors

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

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

John Hogg Technical Solutions Limited

**Directors' Report (continued)
For the Year Ended 30 September 2022**

Post balance sheet events

There have been no significant events affecting the Company since the year end.

Auditors

The auditors, ASM (B) Ltd, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 17 April 2023 and signed on its behalf.



L Case
Secretary

Independent Auditors' Report to the Members of John Hogg Technical Solutions Limited (continued)

Other information

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the 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 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 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, 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 3, 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.

John Hogg Technical Solutions Limited

Independent Auditors' Report to the Members of John Hogg Technical Solutions Limited

Opinion

We have audited the financial statements of John Hogg Technical Solutions Limited (the 'Company') for the year ended 30 September 2022, which comprise the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 30 September 2022 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

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

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

Independent Auditors' Report to the Members of John Hogg Technical Solutions Limited (continued)

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditors' 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.

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:

We gained an understanding of the legal and regulatory framework applicable to the Company and the industry in which they operate, and considered the risk of acts by the Company that were contrary to applicable laws and regulations, including fraud. We considered the opportunities and incentives that may exist within the Company for fraud and identified the greatest potential for fraud in the following areas: management override of controls and fraud risk relating to revenue.

We designed audit procedures to respond to these risks, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. Our audit procedures included: enquiries of management about their own identification and assessment of risks of irregularities, testing the design and implementation of controls relating to the risks, sample testing of journals posted during the year, revenue cut off testing and agreeing a sample of revenue items to dispatch documentation.

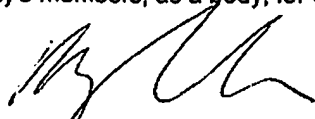
Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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

Independent Auditors' Report to the Members of John Hogg Technical Solutions Limited (continued)

Use of our report

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an Auditors' 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.



Michael Nixon (Senior Statutory Auditor)

for and on behalf of
ASM (B) Ltd

Chartered Accountants and Statutory Auditor

Glendinning House
6 Murray Street
Belfast
Co. Antrim
BT1 6DN

17 April 2023

John Hogg Technical Solutions Limited

**Statement of Comprehensive Income
For the Year Ended 30 September 2022**

	Note	2022 £	2021 £
Turnover	4	27,133,898	24,729,754
Cost of sales		(19,975,962)	(18,497,374)
Gross profit		7,157,936	6,232,380
Administrative expenses		(3,790,143)	(3,240,732)
Other operating income	5	-	9,472
Operating profit	6	3,367,793	3,001,120
Interest receivable and similar income	10	60,231	54,446
Interest payable and similar expenses	11	(392)	(2,200)
Profit before tax		3,427,632	3,053,366
Tax on profit	12	(573,643)	(447,837)
Profit for the financial year		2,853,989	2,605,529

There was no other comprehensive income for 2022 (2021:£NIL).


The notes on pages 13 to 27 form part of these financial statements.


John Hogg Technical Solutions Limited
Registered number: 00147014

Balance Sheet
As at 30 September 2022

	Note	2022 £	2022 £	2021 £	2021 £
Fixed assets					
Intangible assets	14		-		29,993
Tangible assets	15		1,564,990		1,686,480
Investments	16		2		2
			<u>1,564,992</u>		<u>1,716,475</u>
Current assets					
Stocks	17	4,792,566		4,870,356	
Debtors	18	7,034,565		11,606,146	
Cash at bank and in hand	19	6,044,801		3,704,365	
		<u>17,871,932</u>		<u>20,180,867</u>	
Creditors: amounts falling due within one year	20	(6,335,280)		(4,360,820)	
Net current assets			<u>11,536,652</u>		<u>15,820,047</u>
Total assets less current liabilities			<u>13,101,644</u>		<u>17,536,522</u>
Provisions for liabilities					
Deferred tax	21		(12,648)		(17,515)
Net assets			<u><u>13,088,996</u></u>		<u><u>17,519,007</u></u>
Capital and reserves					
Called up share capital	22		117,264		111,264
Share premium account	23		42,114		42,114
Capital redemption reserve	23		2,500		2,500
Profit and loss account	23		12,927,118		17,363,129
			<u><u>13,088,996</u></u>		<u><u>17,519,007</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 17 April 2023.


SP Wright
Director


WR Webb
Director

The notes on pages 13 to 27 form part of these financial statements.

John Hogg Technical Solutions Limited

**Statement of Changes in Equity
For the Year Ended 30 September 2022**

	Called up share capital	Share premium account	Capital redemption reserve	Profit and loss account	Total equity
	£	£	£	£	£
At 1 October 2020	111,264	42,114	2,500	17,557,600	17,713,478
Profit for the year	-	-	-	2,605,529	2,605,529
Dividends: Equity capital	-	-	-	(2,800,000)	(2,800,000)
At 1 October 2021	111,264	42,114	2,500	17,363,129	17,519,007
Profit for the year	-	-	-	2,853,989	2,853,989
Dividends: Equity capital	-	-	-	(7,290,000)	(7,290,000)
Shares issued during the year	6,000	-	-	-	6,000
At 30 September 2022	117,264	42,114	2,500	12,927,118	13,088,996

The notes on pages 13 to 27 form part of these financial statements.

**Notes to the Financial Statements
For the Year Ended 30 September 2022**

1. General information

The principal activities of the company is providing technology-driven marking systems for companies and governments throughout the world to protect the value of branded products against laundering, adulteration and other fraudulent activities.

The company is a private company limited by shares, incorporated in England and Wales and domiciled in the United Kingdom. The address of the registered office is Mellors Road, Newbridge, Trafford Park, Manchester, M17 1PB.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The directors have taken the decision to change the statutory profit and loss presentation as the new format more accurately reflects the results of the company and the KPI's used by management to monitor performance. In addition, this format, on a group basis, will better represent the results due to the diversity of operations presented.

Certain comparative balances have been restated to enable comparison with the current year.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Financial Reporting Standard 102 - reduced disclosure exemptions

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

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of John Hogg & Co, Limited as at 30 September 2022 and these financial statements may be obtained from Companies House, Second Floor, The Linenhall, 32-38 Linenhall Street, Belfast, BT2 8BG.

**Notes to the Financial Statements
For the Year Ended 30 September 2022**

2. Accounting policies (continued)

2.3 Exemption from preparing consolidated financial statements

The Company is a parent company that is also a subsidiary included in the consolidated financial statements of a larger group by a parent undertaking established under the law of any part of the United Kingdom and is therefore exempt from the requirement to prepare consolidated financial statements under section 400 of the Companies Act 2006.

2.4 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Sale of goods

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the Company has transferred the significant risks and rewards of ownership to the buyer;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

2.5 Intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

2.6 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

At each reporting date the company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

**Notes to the Financial Statements
For the Year Ended 30 September 2022**

2. Accounting policies (continued)

2.6 Tangible fixed assets (continued)

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Freehold property	- 2-5 %
Plant and machinery	- 7-50%

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

2.7 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.8 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a weighted average basis. Work in progress and finished goods include labour and attributable overheads.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

2.9 Debtors

Short-term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.10 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

**Notes to the Financial Statements
For the Year Ended 30 September 2022**

2. Accounting policies (continued)

2.11 Financial Instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

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

Financial assets and liabilities are offset and the net amount reported in the Balance Sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

2.12 Creditors

Short-term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.13 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

2.14 Pensions

Group pension plan

Where the risks of a defined benefit plan are shared between entities under common control, each entity recognises the net defined benefit cost charged in its own financial statements.

2.15 Interest Income

Interest income is recognised in profit or loss using the effective interest method.

2.16 Borrowing costs

All borrowing costs are recognised in profit or loss in the year in which they are incurred.

Notes to the Financial Statements
For the Year Ended 30 September 2022

2. Accounting policies (continued)

2.17 Research and development

In the research phase of an internal project it is not possible to demonstrate that the project will generate future economic benefits and hence all expenditure on research shall be recognised as an expense when it is incurred. Intangible assets are recognised from the development phase of a project if and only if certain specific criteria are met in order to demonstrate the asset will generate probable future economic benefits and that its cost can be reliably measured. The capitalised development costs are subsequently amortised on a straight-line basis over their useful economic lives, which range from 3 to 6 years.

If it is not possible to distinguish between the research phase and the development phase of an internal project, the expenditure is treated as if it were all incurred in the research phase only.

2.18 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

2.19 Going concern

The directors have a reasonable expectation that the Company has adequate resources available to it to continue operations for the foreseeable future and, accordingly, the directors continue to adopt the going concern basis in preparing the financial statements.

2.20 Government grants

Grants are accounted under the accruals model as permitted by FRS 102. Grants relating to expenditure on tangible fixed assets are credited to profit or loss at the same rate as the depreciation on the assets to which the grant relates. The deferred element of grants is included in creditors as deferred income.

Grants of a revenue nature are recognised in the Statement of Comprehensive Income in the same period as the related expenditure.

John Hogg Technical Solutions Limited

Notes to the Financial Statements For the Year Ended 30 September 2022

2. Accounting policies (continued)

2.21 Finance costs

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

3. Judgments in applying accounting policies and key sources of estimation uncertainty

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

(a) Critical judgements in applying the entity's accounting policies

There are no critical judgements in applying the entity's accounting policies.

(b) Key accounting estimates and assumptions

The nature of the company's activities result in it handling chemicals which are required to be registered with regulatory bodies. The process of registering these chemicals and maintaining the registration requires estimates to be made of the types of scientific tests required and the expected costs of completing these tests. The selection of these tests, work performed by laboratories and interactions with the regulatory bodies could result in changes to these estimates which could increase or decrease the eventual outcomes of these registrations. In making these estimates, the directors have drawn on their knowledge of the industry, prior experience of registering similar chemicals and on-going discussions with external consultants.

4. Turnover

The whole of the turnover is attributable to the company's principal activities.

Turnover relates to the company's main activity which is carried out in the United Kingdom. The directors have not provided a further breakdown of this turnover as they deem it would be seriously prejudicial to the company.

5. Other operating income

	2022 £	2021 £
Other operating income	-	9,472
	-	9,472

**Notes to the Financial Statements
For the Year Ended 30 September 2022**

6. Operating profit

The operating profit is stated after charging:

	2022 £	2021 £
Stock recognised as an expense	18,842,235	17,727,995
Depreciation of tangible assets	121,490	105,928
Fees payable to the Company's auditors for the audit of the Company's financial statements	18,000	18,000
Research & development charged as an expense	161,878	79,043
Staff costs	3,090,683	2,920,303
Foreign exchange (gain)/loss	(590,024)	139,841
	<u> </u>	<u> </u>

7. Auditors' remuneration

The Company has taken advantage of the exemption not to disclose amounts paid for non-audit services as these are disclosed in the consolidated accounts of the parent Company.

8. Employees

Staff costs were as follows:

	2022 £	2021 £
Wages and salaries	3,090,683	2,920,303
	<u>3,090,683</u>	<u>2,920,303</u>

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

	2022 No.	2021 No.
Administrative	10	11
Production	27	28
Sales	14	13
	<u>51</u>	<u>52</u>

John Hogg Technical Solutions Limited

**Notes to the Financial Statements
For the Year Ended 30 September 2022**

9. Directors' remuneration

	2022	2021
	£	£
Directors' emoluments	447,041	429,416
Company contributions to defined contribution pension schemes	43,740	44,988
	490,781	474,404

During the year retirement benefits were accruing to 3 directors (2021 - 3) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £161,968 (2021 - £155,692).

The value of the Company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £15,840 (2021 - £16,258).

10. Interest receivable

	2022	2021
	£	£
Bank and other interest receivable	60,231	54,446
	60,231	54,446

11. Interest payable and similar expenses

	2022	2021
	£	£
Bank interest payable	392	2,200
	392	2,200

Notes to the Financial Statements
For the Year Ended 30 September 2022

12. Taxation

	2022 £	2021 £
Corporation tax		
Current tax on profits for the year	578,510	460,141
Adjustments in respect of previous periods	-	(20,105)
Total current tax	578,510	440,036
Deferred tax		
Origination and reversal of timing differences	(4,867)	4,734
Changes to tax rates	-	3,067
Total deferred tax	(4,867)	7,801
Taxation on profit on ordinary activities	573,643	447,837

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2021 - lower than) the standard rate of corporation tax in the UK of 19% (2021 - 19%). The differences are explained below:

	2022 £	2021 £
Profit on ordinary activities before tax	3,427,632	3,053,366
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2021 - 19%)	651,250	580,140
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	587	20,326
Capital allowances for year/period in excess of depreciation	57,614	(13,872)
Adjustments to tax charge in respect of prior periods	-	(20,105)
Adjustment in research and development tax credit leading to a decrease in the tax charge	(130,941)	(124,868)
Capital gains	-	(21)
Changes in provisions leading to a decrease in the tax charge	-	(1,563)
Change in tax rates	-	3,067
Deferred tax charge	(4,867)	4,733
Total tax charge for the year	573,643	447,837

Factors that may affect future tax charges

**Notes to the Financial Statements
For the Year Ended 30 September 2022**

12. Taxation (continued)

Legislative changes have been passed to set the main rate of corporation tax at 25% for the year beginning 1 April 2023, with a small company rate of 19% remaining in force for profits under £50,000. This will have a consequential effect on the company's future tax charges.

13. Dividends

	2022 £	2021 £
Dividends paid	7,290,000	2,800,000
	<u>7,290,000</u>	<u>2,800,000</u>

14. Intangible assets

	Other intangible assets £	Goodwill £	Total £
Cost			
At 1 October 2021	383,538	4,156,129	4,539,667
Additions	-	241,951	241,951
Reclassification	(29,993)	-	(29,993)
At 30 September 2022	<u>353,545</u>	<u>4,398,080</u>	<u>4,751,625</u>
Amortisation			
At 1 October 2021	353,545	4,156,129	4,509,674
Charge for the year on owned assets	-	241,951	241,951
At 30 September 2022	<u>353,545</u>	<u>4,398,080</u>	<u>4,751,625</u>
Net book value			
At 30 September 2022	<u>-</u>	<u>-</u>	<u>-</u>
At 30 September 2021	<u>29,993</u>	<u>-</u>	<u>29,993</u>

John Hogg Technical Solutions Limited

**Notes to the Financial Statements
For the Year Ended 30 September 2022**

15. Tangible fixed assets

	Freehold property £	Plant and machinery £	Total £
Cost or valuation			
At 1 October 2021	1,687,287	1,859,669	3,546,956
At 30 September 2022	1,687,287	1,859,669	3,546,956
Depreciation			
At 1 October 2021	514,993	1,345,483	1,860,476
Charge for the year on owned assets	43,625	77,865	121,490
At 30 September 2022	558,618	1,423,348	1,981,966
Net book value			
At 30 September 2022	1,128,669	436,321	1,564,990
At 30 September 2021	1,172,294	514,186	1,686,480

The net book value of land and buildings may be further analysed as follows:

	2022 £	2021 £
Freehold	1,128,669	1,172,294
	<u>1,128,669</u>	<u>1,172,294</u>

John Hogg Technical Solutions Limited

Notes to the Financial Statements For the Year Ended 30 September 2022

16. Fixed asset Investments

	Investments in subsidiary companies £
Cost or valuation	
At 1 October 2021	2
At 30 September 2022	2

The subsidiary undertaking of the Company is Dreams & Drapes Limited which has a registered office at Mellors Road, Newbridge, Trafford Park, Manchester, M17 1PB. The Company holds 100% of the ordinary shares in the subsidiary undertaking.

The aggregate of the share capital and reserves as at 30 September 2022 and the profit or loss for the year ended on that date for the subsidiary undertaking was as follows:

17. Stocks

	2022 £	2021 £
Raw materials and consumables	3,048,705	2,710,278
Finished goods and goods for resale	1,743,861	2,160,078
	<u>4,792,566</u>	<u>4,870,356</u>

18. Debtors

	2022 £	2021 £
Trade debtors	5,151,218	3,596,374
Amounts owed by group undertakings	-	6,020,105
Other debtors	1,524,376	1,490,825
Prepayments and accrued income	358,971	498,842
	<u>7,034,565</u>	<u>11,606,146</u>

Notes to the Financial Statements
For the Year Ended 30 September 2022

19. Cash and cash equivalents

	2022 £	2021 £
Cash at bank and in hand	6,044,801	3,704,365
Less: bank overdrafts	(422,172)	-
	<u>5,622,629</u>	<u>3,704,365</u>

20. Creditors: Amounts falling due within one year

	2022 £	2021 £
Bank overdrafts	422,172	-
Trade creditors	2,821,650	2,286,003
Corporation tax	585,072	466,702
Other taxation and social security	80,466	72,558
Other creditors	1,132,353	1,063,984
Accruals and deferred income	1,293,567	471,573
	<u>6,335,280</u>	<u>4,360,820</u>

21. Deferred taxation

	2022 £	2021 £
At beginning of year	(17,515)	(9,714)
Charged to profit or loss	4,867	(7,801)
At end of year	<u>(12,648)</u>	<u>(17,515)</u>

The provision for deferred taxation is made up as follows:

	2022 £	2021 £
Accelerated capital allowances	(12,648)	(17,515)
	<u>(12,648)</u>	<u>(17,515)</u>

John Hogg Technical Solutions Limited

Notes to the Financial Statements For the Year Ended 30 September 2022

22. Share capital

	2022 £	2021 £
Allotted, called up and fully paid		
111,264 (2021 - 105,264) Ordinary "A" shares of £1.00 each	111,264	105,264
0 (2021 - 6,000) Ordinary "B" shares of £1.00 each	-	6,000
6,000 (2021 - 0) Ordinary "C" shares of £1.00 each	6,000	-
	<hr/>	<hr/>
	117,264	111,264
	<hr/>	<hr/>

On 30 September 2022, 6,000 Ordinary B shares were redesignated as 6,000 Ordinary A shares. On the same date 6,000 Ordinary C shares were issued.

23. Reserves

Capital redemption reserve

Upon a purchase of own shares by the company, out of distributable reserves, an amount equal to the nominal value of the share capital purchased was transferred to the capital redemption reserve.

24. Other financial commitments

Pension commitments

The company participates in a pension scheme operated by John Hogg & Co, Limited. The scheme is a funded scheme of the defined benefit type with assets held in separate trustee administered funds. The scheme provides retirement benefits on the basis of members' final salary and is closed to new entrants. The company has no contractual obligation to make future payments to John Hogg & Co, Limited on an annual basis.

25. Related party transactions

The company has taken advantage of the exemptions under paragraph 33.1 A from the provisions of FRS 102, on the grounds that all of the voting rights of the company are controlled within the group.

26. Post balance sheet events

There have been no significant events affecting the Company since the end of the financial year.

**Notes to the Financial Statements
For the Year Ended 30 September 2022**

27. Controlling party

The company's immediate and ultimate parent undertaking, and the undertaking of the smallest and largest group undertakings of which the company is a member and for which consolidated financial statements are prepared is John Hogg & Co, Limited, a company incorporated in Northern Ireland. Copies of the group financial statements are available to the public from the Companies House, Second Floor, The Linenhall, 32-38 Linenhall Street, Belfast, BT2 88G.

The ultimate controlling parties are the shareholders of John Hogg & Co, Limited.