

BOLLIN GROUP LIMITED
REPORT AND CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022



 **mha**
MOORE & SMALLEY

Company Registration No. 02404333 (England and Wales)

BOLLIN GROUP LIMITED

OFFICERS AND PROFESSIONAL ADVISERS

YEAR ENDED 31 DECEMBER 2022

Directors

S J Cann
H A Cann

Company secretary

S J Cann

Registered Office

Bailey Court
Green Street
Macclesfield
SK10 1JQ

Auditor

MHA Moore and Smalley
Richard House
9 Winckley Square
Preston
PR1 3HP

BOLLIN GROUP LIMITED

STRATEGIC REPORT

YEAR ENDED 31 DECEMBER 2022

The Directors present their Strategic report and results of the Group for the year ended 31 December 2022.

Principal Activity

The Group continued to manufacture, market, and distribute premium branded consumer clothing and accessories. The Company continued to be a holding company.

Review of the business

The results for the year were in line with the Directors expectations but there were several issues.

- Sales fell below expectations in the second six months of the year due to the uncertainty in the economy and this resulted in stock being above expectations.
- The weakness of the £ and adverse transport costs having a negative impact on margin.
- Overhead levels rising due to increase in headcount and inflationary pressures.

Development and performance of the business

The forecast is that 2023 will be a difficult year with weaker demand, higher costs due to inflationary pressures leading to a reduction in profitability. However, the actions that are being taken will result in the profitability stabilising in 2024.

The Group is continually reviewing its portfolio of brands and businesses and is focusing on aligning stock levels with turnover and its customer service objectives. This will lead to stock levels reducing over the next 18 months .

The business continues to focus on its B2C activities developing and its export business. Both the North American and the European subsidiaries continue to perform above expectations.

The business looks to implement best practice in its supply chain and its principal subsidiary is a member of Fairwear Foundation with Leadership status. This status is for member companies who are doing exceptionally well regarding conditions for workers in its suppliers and are operating at an advanced level. The company is also working with Small World Consulting to establish principles to measure its carbon footprint and set targets to allow it to meet the goals set in the Paris agreement. This continues to be a focus of the business and we have continued to invest in areas where we can reduce our carbon footprint.

Key performance indicators

The Group's key financial indicators during the year were as follows:

	2022	2021
Turnover	£99.2m	£93.4m
Gross profit	£31.1m	£29.9m
Gross profit %	31.3%	32.0%
Operating charges	£22.3m	£20.8m
EBITDA	£10.5m	£10.3m
Stock	£38.6m	£23.4m
Net assets	£37.7m	£31.3m

The directors monitor revenues, margins, controllable costs, trade debtors and inventory.

Turnover – revenues increased by £5.8m in the year.

- a) UK - (£4.7m)
- b) Overseas - £10.5m

The rate of sales growth slowed down in the second half of the year and this trend is expected to continue in 2023. The business is forecasting that sales will remain static / decline in 2023 before returning to growth in 2024 .

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STRATEGIC REPORT

YEAR ENDED 31 DECEMBER 2022

Gross profit and margins decreased by 0.7% points due to the impact of currency, and transport costs. It is anticipated that margins will continue to be under pressure in 2023 before stabilising in 2024.

Operating charges increased by £1.5m as the business moved out of the main lockdowns associated with the Covid pandemic, the business increased its headcount to support the increase in activities and inflationary pressures caused costs to rise in several areas.

Inventory - In the previous year stock was very low as the business had managed its cash resources carefully due to the Covid pandemic and supply side issues caused deliveries to be behind schedule. In 2022 the decision was taken to increase stock to facilitate turnover growth and reduce risks associated with late supply as we did not achieve the forecast we are now overstocked at the end of the year and this position is being addressed over the next 18 months. However it has resulted in customer service being improved in most areas.

Significant swings in reported profits are created because of the FRS102 requirement to account for the market to market derivative foreign exchange contracts. The effect of such accounting adjustments is shown below the operating profit line.

The directors consider that there are no non-financial key performance indicators that are relevant to the business.

Position at the end of the period

The balance sheet at the end of the period shows that the Group's net assets have increased by £6.4m to £37.7m.

The business has repaid its £5 million CLIBILS loan 11 months early. It has increased its 5-year loan and has a new stock financing line in place to meet its working capital requirements.

Principal risks and uncertainties

The Board carefully considers existing and new challenges and opportunities for the Group within the markets in which it operates. The key risks that the Group faces are the economic situation, public health, currency risk, weather, and cyber risks.

The risks that were highlighted last year were.

Ukraine conflict

The issues arising from the conflict in Ukraine have been addressed and have resulted in the business resourcing some products and turning down significant orders from Russia.

Supply side issues

The supply side issues have now been largely resolved and the results of our decision to invest in stock to manage this risk and weakening demand have resulted in the business now being overstocked. This position is now being addressed.

The Board endeavours to manage risks wherever possible. The ongoing operational and financial performance of the business is a key part of every Board meeting. In addition, training is given to all staff to help mitigate these risks.

As at the date of signing the directors consider the largest uncertainties to trade being:

Political risk

The business is in the process of managing risk associated with its factories in Myanmar. It is monitoring other areas of concern carefully.

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STRATEGIC REPORT

YEAR ENDED 31 DECEMBER 2022

Inflationary pressures

The inflationary pressure that exists with higher pricing of food, energy and commodities are causing an increase in overheads, putting pressure on margins and weakening demand for the Groups products as people have less disposable income. The business is managing both stock levels and overheads prudently because of this perceived risk.

Macro weaknesses in the UK economy.

The impact of this on demand and exchange rates. The business has covered a % of its currency exposure and is reviewing its policies in this area.

Cyber risks.

The risk that the companies' systems will be impacted by a cyber-attack. The company has obtained cyber essentials plus and is working towards ISO 27001 accreditation.

Employees

The Group is committed to employment policies which follow best practice and are based on equal opportunities for all employees, irrespective of gender, religion or belief, age, racial or ethnic origin, sexual orientation, or disability.

The principal business units are committed to Investors in People and the business regards the development of staff as key to achieving its objectives. The Group passed Investors in people assessments at its three key subsidiaries in 2022.

BOLLIN GROUP LIMITED

STRATEGIC REPORT

YEAR ENDED 31 DECEMBER 2022

Streamline carbon and energy reporting

UK Greenhouse gas emissions and energy use data for the period 1st January 2022 to 31st December 2022.

	2022	2021
Energy consumption used to calculate emissions (kWh)	3,517,377	3,856,892
Energy consumption break down (kWh):		
Natural Gas	1,949,956	2,414,119
Electricity	1,045,796	1,038,340
Transport fuel	521,625	404,433
Scope 1 emissions in metric tonnes CO₂e		
Natural Gas consumption	355.94	442.17
Owned transport business mileage	124.78	95.25
Total Scope 1	480.72	537.42
Scope 2 emissions in metric tonnes CO₂e		
Purchased electricity	202.56	220.47
Total gross emissions in metric tonnes CO ₂ e	682.13	757.90
Gross intensity ratio - tonnes CO ₂ e per £million(revenue)	6.849	8.115
Through the purchase of zero-carbon electricity, Bollin Group Limited was able to reduce its total emissions by 5.24%.		
Emission reductions in metric tonnes CO₂e		
Electricity purchased on zero-carbon contracts	-21.73	-39.75
Total net emissions in metric tonnes CO ₂ e	660.40	718.14
Net intensity ratio – tonnes CO ₂ e per £million(revenue)	6.631	7.689

BOLLIN GROUP LIMITED

STRATEGIC REPORT

YEAR ENDED 31 DECEMBER 2022

Energy efficiency action

We are pleased that we have been able to continue to reduce our total energy consumption, our total scope 1 emissions and our scope 2 emissions as well as our intensity per £million by 14%. We believe this may reverse to some extent next year as it is a factor of both energy usage and turnover, but we are confident the underlying trend is positive.

We continue to replace vehicles with electric and hybrid vehicles and now have electric chargers at the major sites. *We have ordered our first fully electric van.*

We have modified our cycle to work scheme so that employees can purchase electric bikes and have acquired some bikes for people to test to encourage this mode of transport. This combined with hybrid working is reducing the carbon footprint of people travelling to work.

We have continued to invest in LED lighting with two sites being upgraded and a further one approved for upgrade.

We are looking at the feasibility of solar panels for further sites. Currently we have solar panels at two sites.

As well as these actions we have established a sustainability working group at one of our subsidiaries to investigate further ways of reducing our carbon footprint. This working group is in the process of reporting its findings and already several staff have increased train travel and reduced travel by plane to make their own contribution to reducing emissions.

Compliance with duty

This statement by the board describes how the responsibilities under S172(1)(a) to (f) of the Companies Act 2006 have been approached in the financial period ended 31st December 2022.

The directors consider that they have acted in good faith to promote the success of the group on behalf of the stakeholders, in relation to matters set out in S172 of the Act.

The stakeholders of the business include the employees, clients, and suppliers of the business.

The directors monitor and review strategic objectives against long term growth plans and regular reviews at departmental and board level are held across the business in the key areas. These areas being Financial performance, Operations, Human Resources and Risks and Opportunities.

The fundamental principle in the governance of Bollin Group Limited is the clear, fair, and trusting approach to all interactions with employees, clients, and suppliers. This is reflected in the length of service of employees and management teams and the longevity of the relationships with our clients and suppliers.

The group has built, and continues to grow, the business on a reputation for delivering excellent customer service. The group, through the senior management and employees, strives continuously to improve in every aspect of the products and services it provides, for the mutual benefit of all stakeholders.

The group enjoys good relationships with suppliers in relation to credit arrangements and takes a firm approach to debtor management. Payment terms reduce the risk to the business whilst the process for debt collection minimises the risk of non-payments.

The directors have overall responsibility for delivering the group's strategy and values and for ensuring high standards of governance. The primary aim of the directors is to promote the long-term sustainable success of the group to generate benefit for the stakeholders. Throughout the next financial year, the directors will continue to review, improve, and challenge the engagement with all stakeholders.

The group's employees, clients and suppliers are critical to the success of the business and so it is recognised that engagement is an important aspect in those relationships.

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STRATEGIC REPORT

YEAR ENDED 31 DECEMBER 2022

The directors recognise and understand that it is important to keep employees informed of all matters concerning them and does this in several ways including newsletters, meetings, verbal and written communications. The views and interests of employees are considered in consultation with them through working groups or forums, which evolve over time to meet the needs of all parties. The policy of the group is to consult and discuss with employees any issues that arise in accordance with relevant procedures or legislation.

The group has an equal opportunities policy and is committed to the principles within the policy in respect of all stakeholders.



S J Cann
Director

Approved by the directors on 12/05/2023

BOLLIN GROUP LIMITED

DIRECTORS' REPORT

YEAR ENDED 31 DECEMBER 2022

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

Results and dividends

The profit for the year, after taxation, amounted to £6,707k (2021: £7,322k). The directors have not recommended a dividend.

Financial risk management objectives and policies

The Group uses financial instruments including derivatives, borrowings, cash and other liquid resources and various other items such as trade debtors and creditors that arise directly from its operations. The main purpose of these financial instruments is to raise finance for the Group's operations and to minimise foreign exchange risk. The main risks arising from the Group financial instruments are interest rate risk, foreign currency risk and credit risk. The directors review and agree policies for managing each of these risks and they are summarised below. The policies have remained unchanged from previous periods.

Interest rate risk

The Group finances its operations through a mixture of retained profits and bank and other borrowings. The Group's exposure to interest rate fluctuations on its borrowings is managed on a Group basis using both fixed and floating facilities.

Liquidity risk

The Group seeks to manage liquidity risk by ensuring sufficient liquidity is available to meet foreseeable needs and to invest cash assets safely and profitably. Primarily this is achieved through loans arranged at Group level.

Currency risk

The Group is exposed to transaction and translation foreign exchange risk. Transaction exposures are mitigated when known, mainly using the forward contracts.

Credit risk

In order to manage credit risk, the directors set limits for customers based on a combination of payment history and third-party credit references. Credit limits are reviewed by the Group's credit controllers on a regular basis in conjunction with debt ageing and collection history. The Group also uses invoice discounting facility.

Directors

The directors who served the Group during the year and up to date of signature of the financial statements were as follows:

S J Cann
H A Cann

Going concern

The directors refer to note 1 and have concluded that it is appropriate to prepare the accounts on a going concern basis.

BOLLIN GROUP LIMITED

DIRECTORS' REPORT (CONTINUED)

YEAR ENDED 31 DECEMBER 2022

Employee involvement

The Group's policy is to consult and discuss with employees on a regular basis matters likely to affect employees' interests.

Information about matters of concern to employees is given through regular updates which seek to achieve a common awareness on the part of all employees of the financial and economic factors affecting the company's performance.

Staff are incentivised through bonus schemes linked to Group performance where appropriate.

Disabled employees

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

The Group's policy is to recruit disabled workers for those vacancies that they can fill. All necessary assistance with initial training courses is given. Once employed, a career plan is developed to enable suitable opportunities for each disabled person. Arrangements are made, where possible, for retraining employees who become disabled, to enable them to perform work identified as appropriate to their aptitudes and abilities.

Statement of disclosure to auditor

So far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware. Additionally, the directors have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditors are aware of that information.

Auditor

The auditor, MHA Moore and Smalley, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

Strategic Report

In accordance with section 414C(11) of the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 the company has chosen to set out in the company's strategic report information required by schedule 7 of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008.

By order of the board



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S J Cann
Director

BOLLIN GROUP LIMITED

DIRECTORS' RESPONSIBILITIES IN THE PREPARATION OF FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2022

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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law).

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and the company and of the profit and loss of the Group for that period.

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

- a) select suitable accounting policies and then apply them consistently.
- b) make judgements and estimates that are reasonable and prudent.
- c) state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements.
- d) prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group and the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Group's and company's transactions and disclose with reasonable accuracy at any time the financial position of the Group and the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Group and the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

BOLLIN GROUP LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS

Opinion

We have audited the financial statements of Bollin Group Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2022 which comprise the Group Profit And Loss Account, the Group Statement of Comprehensive Income, the Group Balance Sheet, the Company Balance Sheet, the Group Statement of Changes in Equity, the Company Statement of Changes in Equity, the Group Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent company's affairs as at 31 December 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 Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in 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.

Opinions on other matters prescribed by the Companies Act 2006

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

BOLLIN GROUP LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS

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 and the Directors' Report.

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

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, 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 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 company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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 specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud, are detailed below:

- Enquiries with management about any known or suspected instances of non-compliance with laws and regulations.
- Enquires with management about any known or suspected instances of fraud.
- Review of legal and professional expenditure to identify any evidence of ongoing litigation or enquiries.
- Challenging assumptions and judgements made by management in their significant accounting estimates, in particular in relation to stock provisions; and
- Auditing the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness

Because of the field in which the client operates we identified that employment law, health and safety legislation and compliance with the UK Companies Act are the areas most likely to have a material impact on the financial statements.

Owing to the inherent limitations of an audit, there is an unavoidable risk that some material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK). For instance, the further removed non-compliance is from the events and transactions reflected in the financial statements, the less likely the auditor is to become aware of it or to recognise the non-compliance.

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

BOLLIN GROUP LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS

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.

Damian Walmsley

Damian Walmsley (Senior Statutory Auditor)
For and on behalf of MHA Moore and Smalley
Chartered Accountants
Statutory Auditor

Richard House
9 Winckley Square
Preston
PR1 3HP

Date: 12/05/2023

BOLLIN GROUP LIMITED**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

	Note	2022 £000	2021 £000
Turnover	2	99,227	93,401
Cost of sales		(68,129)	(63,512)
Gross profit		<u>31,098</u>	<u>29,889</u>
Exceptional costs	3	(355)	(327)
Other operating charges		(22,274)	(20,883)
Other operating income		1,766	1,630
Depreciation		(582)	(652)
Amortisation		(501)	(509)
Operating profit	4	<u>9,152</u>	<u>9,148</u>
Interest receivable		50	74
Fair value profit on foreign exchange contracts		184	460
Interest payable and similar charges	7	(718)	(467)
Profit on ordinary activities before taxation		<u>8,668</u>	<u>9,215</u>
Tax on profit on ordinary activities	8	(1,961)	(1,893)
Profit on ordinary activities after taxation		<u><u>6,707</u></u>	<u><u>7,322</u></u>
Attributable to:			
Owners of the parent		6,707	6,754
Non-controlling interests		-	568
Profit for the financial year		<u><u>6,707</u></u>	<u><u>7,322</u></u>
Other comprehensive income			
Profit for the financial year		6,707	7,322
Foreign exchange differences on net investments		(263)	(167)
Total comprehensive income for the year		<u><u>6,444</u></u>	<u><u>7,155</u></u>

BOLLIN GROUP LIMITED**STATEMENTS OF FINANCIAL POSITION****YEAR ENDED 31 DECEMBER 2022****COMPANY REGISTRATION NO. 02404333**

		Group		Company	
	Note	2022	2021	2022	2021
		£000	£000	£000	£000
Fixed Assets					
Intangible assets	10	1,662	2,140	1,132	1,255
Tangible assets	11	3,158	3,079	807	862
Investments	12	500	500	12,729	12,729
		5,320	5,719	14,668	14,847
Current Assets					
Stock	13	38,609	23,403	-	-
Debtors	14	18,519	17,730	19,034	15,061
Cash at bank and in hand		4,176	12,902	126	5,865
		61,304	54,035	19,160	20,926
Creditors					
Amounts falling due within one year	15	(22,383)	(16,625)	(11,970)	(12,021)
Net Current Assets		38,291	37,410	7,190	8,905
Total Assets less Current Liabilities		44,242	43,129	21,858	23,752
Creditors					
Amounts falling due after more than one year	16	(6,337)	(11,707)	(5,200)	(9,009)
Provisions for liabilities					
Deferred tax	19	(196)	(158)	40	35
Net assets		37,708	31,264	16,698	14,778
Capital and Reserves					
Share capital	24	1,054	1,054	1,054	1,054
Revaluation reserve		741	752	457	457
Profit and loss account		35,913	29,458	15,187	13,267
Total equity		37,708	31,264	16,698	14,778

These financial statements on pages 14 to 40 were approved by the directors and authorised for issue and are signed on their behalf by:



S J Cann (Director)

Date: 12/05/2023

BOLLIN GROUP LIMITED**STATEMENTS OF CHANGES IN EQUITY****YEAR ENDED 31 DECEMBER 2022****COMPANY REGISTRATION NO. 02404333****Group**

	Share capital £000	Revaluation reserve £000	Profit & loss account £000	Non- controlling interest £000	Total £000
Balance at 1 January 2021	1,054	763	22,860	(568)	24,109
Profit for the year	-	-	6,754	568	7,322
Foreign currency translation	-	-	(167)	-	(167)
Transfer	-	(11)	11	-	-
Total comprehensive income for the year	-	(11)	6,598	568	7,155
Balance at 31 December 2021	1,054	752	29,458	-	31,264
Profit for the year	-	-	6,707	-	6,707
Foreign currency translation	-	-	(263)	-	(263)
Transfer	-	(11)	11	-	-
Total comprehensive income for the year	-	(11)	6,455	-	6,444
Balance at 31 December 2022	1,054	741	35,913	-	37,708

Company

	Share capital £000	Revaluation reserve £000	Profit & loss account £000	Total £000
Balance at 1 January 2021	1,054	457	10,916	12,427
Total comprehensive income for the year	-	-	2,351	2,351
Balance at 31 December 2021	1,054	457	13,267	14,778
Total comprehensive income for the year	-	-	1,920	1,920
Balance at 31 December 2022	1,054	457	15,187	16,698

BOLLIN GROUP LIMITED**CONSOLIDATED STATEMENT OF CASH FLOWS****FOR THE YEAR ENDED 31 DECEMBER 2022**

	Notes	2022 £000	2021 £000
Cash flows from operating activities			
Cash generated from operations	26	(3,924)	5,127
Interest paid		(718)	(367)
Income taxes paid		(2,670)	(1,062)
Net cash used in operating activities		(7,312)	3,698
Investing activities			
Purchase of intangible fixed assets		(24)	(28)
Purchase of tangible fixed assets		(674)	(477)
Proceeds on disposal of tangible fixed assets		105	39
Interest received		50	74
Net cash used in investing activities		(543)	(392)
Financing activities			
Repayment of other creditors		(291)	(926)
Redemption of preference shares		-	(1,250)
Repayment of bank loans		(5,000)	(1,412)
Issue of bank loans		7,608	-
Introduction of other unsecured loans		-	672
(Issue)/repayment of invoice discounting facility		(3,030)	805
(Issue)/repayment of hire purchase contracts and finance leases		(158)	52
Preference dividends paid		-	(100)
Net cash used in financing activities		(871)	(2,159)
Net (decrease)/ increase in cash and cash equivalents	27	(8,726)	1,147
Cash and cash equivalents at beginning of year		12,902	11,755
Cash and cash equivalents at end of year		4,176	12,902

BOLLIN GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

General information

Bollin Group Limited ("the Company") is a private company limited by shares incorporated in England and Wales.

The address of the Company's registered office and place of business is Bailey Court, Green Street, Macclesfield, SK10 1JQ.

The Group consists of Bollin Group Limited and all its subsidiaries.

Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006, including the provisions of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, and under the historical cost convention, modified to include deemed cost.

Functional and presentational currencies

The financial statements are presented in sterling which is also the functional currency of the Group. Monetary amounts in the financial statements are rounded to the nearest whole £1,000, except where otherwise indicated.

Reduced disclosures

This company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements:

- Section 4 'Statement of Financial Position' – Reconciliation of the opening and closing number of shares.
- The requirements of Section 7 Statement of Cash Flows and Section 3 Financial Statement Presentation paragraph 3.17(d).
- The requirement of Section 33 Related Party Disclosures – Compensation for key management personnel.
- Section 11 'Basic Financial Instruments' & Section 12 'Other Financial Instrument Issues' - Carrying amounts, interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income.

The financial statements of the Company are consolidated in the financial statements of Bollin Group Limited.

Going concern

The directors have considered the financial position of the company at 31 December 2022 and forecasts for a period of 12 months from the date of signing these financial statements. In light of these forecasts, they consider that the Company and Group have adequate resources to continue in operational existence for the foreseeable future.

BOLLIN GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies (continued)

Basis of consolidation

The consolidated financial statements incorporate those of Bollin Group Limited and all its subsidiaries (i.e. entities that the Group controls through its power to govern the financial and operating policies so as to obtain economic benefits). All financial statements are made up to 31 December 2022.

Goodwill arising on consolidation, representing the excess of the fair value of consideration given over the fair values of the identifiable net assets acquired, is capitalised and is amortised on a straight line basis over its estimated useful life of 10 - 20 years or impaired if the carrying value cannot be supported.

All intra-Group transactions, balances, and unrealised gains on transactions between Group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

A subsidiary is no longer consolidated when control is lost. The difference between any disposal proceeds and the carrying amount of the subsidiary's net assets (including related goodwill) is recognised in profit or loss as a gain or loss on disposal.

Turnover

Turnover is measured at the fair value of consideration received excluding discounts, rebates, VAT and other sales taxes or duty. Turnover from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on despatch of the goods.

Interest income

Interest income is accrued on a time-apportioned basis, by reference to the principal outstanding at the effective interest rate.

Intangible fixed assets - goodwill

Goodwill is the difference between the fair value of consideration paid for an entity and the aggregate of the fair value of that entity's identifiable assets and liabilities.

Amortisation is recognised to write off the cost of assets less their residual values over their useful lives on the following bases:

Goodwill	-	10 - 20 years
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Intangible fixed assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Intangible assets acquired on business combinations are recognised separately from goodwill at the acquisition date if the fair value can be measured reliably.

Amortisation is recognised to write off the cost of assets less their residual values over their useful lives on the following bases:

Brands and trademarks -	10 - 20 years
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BOLLIN GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies (continued)

Tangible fixed assets and depreciation

Tangible fixed assets are initially measured at cost and subsequently measured at cost or deemed cost, net of depreciation and any other impairment losses. Depreciation is recognised on a straight-line basis as to write off the cost or deemed cost of assets less their residual values over their useful lives on the following bases:

Freehold buildings	-	2 - 10% per annum
Freehold land	-	not depreciated
Motor vehicles	-	25% per annum
Fixtures and fittings	-	10% to 25% per annum
Equipment	-	10% to 33% per annum
Plant and machinery	-	10% to 25% per annum

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset and is recognised in the income statement.

Impairment of fixed assets

At each reporting end date, the group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount.

An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease. Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried in at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

Stocks

Stock is stated at the lower of cost and estimated selling price less costs to complete and sell. Cost is determined on a weighted average basis and a first in first out basis. Where necessary, provision is made for obsolete, slow moving, and defective stocks.

At each reporting date, the Group assesses whether stocks are impaired or if an impairment loss recognised in prior periods has reversed. Any excess of the carrying amount of stock over its estimated selling price less costs to complete and sell is recognised as an impairment loss in the profit and loss.

BOLLIN GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies (continued)

Leases

The Group as Lessee – Finance leases

An asset and corresponding liability are recognised for leasing agreements that transfer to the Group substantially all the risks and rewards incidental to ownership ("finance leases"). The amount capitalised is the fair value of the leased asset or, if lower, the present value of the minimum lease payments payable during the lease term, both determined at inception of the lease. Lease payments are treated as consisting of capital and interest elements. The interest is charged to profit or loss to produce a constant periodic rate of interest on the remaining balance of the liability.

The Group as Lessee – Operating leases

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed.

Retirement benefits

The Group operates a defined contribution scheme and the amount charged to profit or loss is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments.

Fixed asset investments

Interests in subsidiaries and associates are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

A subsidiary is an entity controlled by the company. Control is the power to govern the financial and operating policies of the entity to obtain benefits from its activities.

An associate is an entity, being neither a subsidiary nor a joint venture, in which the company holds a long-term interest and where the company has significant influence. The company considers that it has significant influence where it has the power.

Taxation

The tax expense represents the sum of the current tax expense and deferred tax expense. Current tax assets are recognised when tax paid exceeds the tax payable.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and 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. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

BOLLIN GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies (continued)

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the year, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

Financial instruments

The Group has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102, in full, to all its financial instruments.

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument, and are offset only when the Group currently has a legally enforceable right to set off the recognised amounts and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Financial assets

Trade, other debtors, and group debtors

Trade and other debtors which are receivable within one year and which do not constitute a financing transaction are initially measured at the transaction price. Trade debtors are subsequently measured at amortised cost, being the transaction price less any amounts settled and any impairment losses.

Where the arrangement with a trade debtor constitutes a financing transaction, the debtor is initially and subsequently measured at the present value of future payments discounted at a market rate of interest for a similar debt instrument.

A provision for impairment of trade debtors is established when there is objective evidence that the amounts due will not be collected according to the original terms of the contract. Impairment losses are recognised in profit or loss for the excess of the carrying value of the trade debtor over the present value of the future cash flows discounted using the original effective interest rate. Subsequent reversals of an impairment loss that objectively relate to an event occurring after the impairment loss was recognised, are recognised immediately in profit or loss.

Bank overdrafts

Bank overdrafts are presented within creditors: amounts falling due within one year.

Financial liabilities and equity

Financial instruments are classified as liabilities and equity instruments according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all its liabilities.

Basic financial liabilities are initially measured at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Other financial liabilities classified as fair value through profit or loss are measured at fair value.

BOLLIN GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies (continued)

Equity instruments

Financial instruments classified as equity instruments are recorded at the fair value of the cash or other resources received or receivable, net of direct costs of issuing the equity instruments.

Trade and other creditors

Trade and other creditors payable within one year that do not constitute a financing transaction are initially measured at the transaction price and subsequently measured at amortised cost, being the transaction price less any amounts settled.

Where the arrangement with a trade creditor constitutes a financing transaction, the creditor is initially and subsequently measured at the present value of future payments discounted at a market rate of interest for a similar instrument.

Borrowings

Borrowings are initially recognised at the transaction price, including transaction costs, and subsequently measured at amortised cost using the effective interest method. Interest expense is recognised based on the effective interest method and is included in interest payable and other similar charges.

Derecognition of financial assets and liabilities

A financial asset is derecognised only when the contractual rights to cash flows expire or are settled, or substantially all the risks and rewards of ownership are transferred to another party, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party. A financial liability (or part thereof) is derecognised when the obligation specified in the contract is discharged, cancelled, or expires.

Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense. The cost of any unused entitlement is recognised in the period in which the employee's services are received.

Foreign exchange

Transactions in currencies other than the functional currency (foreign currencies) are initially recorded at the exchange rate prevailing on the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date. Non-monetary assets and liabilities denominated in foreign currencies are translated at the rate ruling at the date of the transaction or, if the asset or liability is measured at fair value, the rate when that fair value was determined.

All translation differences are taken to profit or loss, except to the extent that they relate to gains or losses on non-monetary items recognised in other comprehensive income, when the related translation gain or loss is also recognised in other comprehensive income.

Assets and liabilities of overseas subsidiaries (including goodwill and fair value adjustments in relation to overseas subsidiaries) are translated into the Group's presentation currency at the rate ruling at the reporting date. Income and expenses of overseas subsidiaries are translated at the average rate for the year as the directors consider this to be a reasonable approximation to the rate at the date of the transaction. Translation differences are recognised in other comprehensive income and accumulated in equity.

BOLLIN GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies (continued)

Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

Purpose of reserves

Share capital represents total amount of nominal value of share held by the shareholders. The revaluation reserve is a non-distributable reserve and profit and loss reserves contain the balance of retained earnings to carry forward. Non-controlling interest represents equity instruments issued by a Group's subsidiaries to persons outside the Group.

Critical accounting estimates and areas of judgement

In the application of the Group's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The estimates and assumptions which have significant risk of causing material adjustment to the carrying amount of assets and liabilities are outlined below.

Critical judgements

The following judgements (apart from those involving estimates) have had the most significant effect on the amounts recognised in the financial statements.

Provision for impairment of intangibles

The recoverable amount of goodwill and other intangible assets is based on value in use which requires estimates in respect of the allocation of goodwill to cash generating units, the future cash flows, and an appropriate discount rate. The key inputs to the value in use calculations are the discount rate and the future earnings growth.

Provision for slow moving stock

The amount provided in the stock provision is a judgement due to the nature of the business. No earlier stock write down has been reversed during the current or preceding period.

Provision for irrecoverable debtors

The amount provided in the bad debt provision is a judgement due to the nature of the business. The directors have considered these debts to be doubtful and have provided accordingly for what they consider the Group's exposure to be.

BOLLIN GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

2 Turnover

An analysis of turnover by geographical market is given below:

	2022 £000	2021 £000
United Kingdom	56,496	61,240
Overseas	42,731	32,161
	<u>99,227</u>	<u>93,401</u>

3 Exceptional costs

	2022 £000	2021 £000
Restructuring and other costs	-	327
Loss on insurance	355	-
	<u>355</u>	<u>327</u>

4 Operating profit

Operating profit is stated after charging/(crediting):

	2022 £000	2021 £000
Depreciation of fixed assets		
- of owned assets	390	431
- held under finance leases and hire purchase	192	221
Amortisation of positive goodwill	333	382
Amortisation of intangible fixed assets	168	126
Profit on disposal of fixed assets	(34)	(4)
Foreign exchange gains	(1,807)	(897)
Government grants	(42)	(270)
Operating lease costs	1,074	970
	<u></u>	<u></u>

Auditors' remuneration

Amounts payable in respect of both audit and non-audit services were as follows:

	2022 £000	2021 £000
Audit services – statutory audit of the Group	50	40
Audit services – statutory audit of the Company	6	5
Taxation compliance services	11	9
All other non-audit services	2	1
	<u>69</u>	<u>55</u>

BOLLIN GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

5 Particulars of employees

The average number of staff employed by the Group during the financial year amounted to:

	Group		Company	
	2022	2021	2022	2021
	No.	No.	No.	No.
Production staff	110	104	-	-
Distribution staff	82	77	-	-
Administrative staff	177	177	18	18
	369	358	18	18

Aggregate payroll costs of the above were:

	2022	2021
	£000	£000
Wages and salaries	10,714	10,570
Social security costs	874	779
Other pension costs	647	659
	12,235	12,008

The Group operates a defined contribution scheme for employees. The assets of the scheme are held separately from those of the Group.

6 Directors' remuneration

	2022	2021
	£000	£000
Remuneration for qualifying services	163	202
	163	202

No directors accrued benefits under company pension schemes in the current or prior period.

The highest paid director received remuneration for qualifying services of £163,000 (2021: £202,000).

7 Interest payable and similar charges

	2022	2021
	£000	£000
Interest payable on borrowings	516	341
Interest on finance leases and hire purchase contracts	42	26
Other similar charges	160	100
	718	467

BOLLIN GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

8 Taxation

a) Analysis of charge in the year

	2022	2021
	£000	£000
Current tax:		
UK corporation tax on profits for the period at 19% (2021: 19%)	1,723	1,720
Foreign tax	203	174
	<u>1,926</u>	<u>1,893</u>
Deferred tax:		
Origination and reversal of timing differences	35	(1)
Total deferred tax	<u>35</u>	<u>(1)</u>
Total tax charge	<u>1,961</u>	<u>1,893</u>

b) Factors affecting tax charge

	2022	2021
	£000	£000
Profit on ordinary activities before taxation	8,668	9,215
Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 19% (2021 – 19%)	1,647	1,750
Expenses not deductible for tax purposes	212	45
Fixed assets differences	(32)	35
Tax chargeable at different rates	8	38
Other timing differences	(13)	2
Foreign tax	158	23
Super deduction	(19)	-
Total tax charge	<u>1,961</u>	<u>1,893</u>

c) Factors that may affect future tax charges

In March 2021 the Chancellor confirmed, in the budget, an increase in the corporation tax rate from 19% to 25%. The Finance Bill 2021 had its third reading on 24 May 2021 and is now considered substantively enacted. The timing differences expected to reverse on or after 1 April 2023 have been accounted for at 25%.

9 Profit attributable to members of the parent company

As permitted by s408 Companies Act 2006, the company has not presented its own profit and loss account and related notes. The profit dealt with in the financial statements of the parent company was £1,920,000 (2021: £2,351,000).

BOLLIN GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

10 Intangible fixed assets

	Positive goodwill £000	Negative goodwill £000	Brands and trademarks £000	Total £000
Group				
Cost				
At 1 January 2022	14,177	(248)	3,820	17,749
Additions	-	-	24	24
At 31 December 2022	14,177	(248)	3,844	17,773
Amortisation and impairment				
At 1 January 2022	12,708	(248)	3,149	15,609
Charge for the year	353	-	149	502
At 31 December 2022	13,061	(248)	3,298	16,111
Net book value				
At 31 December 2022	1,116	-	546	1,662
At 31 December 2021	1,469	-	671	2,140
			Brands and trademarks £000	
Company				
Cost				
At 1 January 2022				4,056
Additions				24
At 31 December 2022				4,080
Amortisation and impairment				
At 1 January 2022				2,800
Charge for the year				148
At 31 December 2022				2,948
Net book value				
At 31 December 2022				1,132
At 31 December 2021				1,256

BOLLIN GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

11 Tangible fixed assets

Group

	Freehold land and buildings £000	Fixtures and fittings £000	Motor vehicles £000	Equipment £000	Plant and machinery £000	Total £000
Cost or deemed cost						
At 1 January 2022	1,610	2,761	709	986	1,840	7,906
Additions	-	284	25	65	295	669
Disposals	-	(27)	(141)	(111)	(94)	(373)
Foreign exchange movement	-	5	11	(8)	-	8
At 31 December 2022	1,610	3,023	604	932	2,041	8,210
Depreciation						
At 1 January 2022	288	1,814	551	751	1,423	4,827
Charge for the year	36	154	154	104	133	583
Disposals	-	(27)	(137)	(111)	(83)	(358)
Foreign exchange movement	-	3	6	(7)	-	(2)
At 31 December 2022	324	1,944	574	737	1,473	5,052
Net book value						
At 31 December 2022	1,286	1,079	30	195	568	3,158
At 31 December 2021	1,322	947	158	235	417	3,079

Freehold properties comprise of freehold office buildings. The fair value of the group's properties at 31 December 2015 were arrived at based on valuations carried out at that date by Messrs. Sanderson Weatherall, Chartered Surveyors, on an open market valuation basis. Messrs. Sanderson Weatherall are not connected with the company. The valuation was arrived at by reference to market evidence of transaction prices for similar properties.

The directors consider there has been no material impairment in their assessment of the fixed assets held at valuation.

If land and buildings were stated on an historical cost basis rather than a deemed cost basis, the amounts would have been included as follows:

	2022 £000	2021 £000
Group		
Cost	1,265	1,265
Accumulated depreciation	(814)	(740)
Carrying amount	450	525

BOLLIN GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

11 Tangible fixed assets (continued)

Group

The net book value of assets held under finance leases or hire purchase contracts, included within tangible fixed assets, are as follows:

	2022 £000	2021 £000
Group		
Plant and machinery	446	442
Motor vehicles	132	265
	<u>578</u>	<u>707</u>

The depreciation of assets held under finance leases or hire purchase amounted to £174,000 (2021: £221,000).

Company

	Freehold property £000	Plant and machinery £000	Motor vehicles £000	Total £000
Cost or deemed cost				
At 1 January 2022	894	1,034	71	1,999
Additions	-	19	-	19
Disposals	-	-	(49)	(49)
At 31 December 2022	<u>894</u>	<u>1,053</u>	<u>22</u>	<u>1,969</u>
Depreciation				
At 1 January 2022	147	938	52	1,137
Charge for the year	19	37	18	74
Disposals	-	-	(49)	(49)
At 31 December 2022	<u>166</u>	<u>975</u>	<u>21</u>	<u>1,162</u>
Net book value				
At 31 December 2022	<u>728</u>	<u>78</u>	<u>1</u>	<u>807</u>
At 31 December 2021	<u>747</u>	<u>96</u>	<u>19</u>	<u>862</u>

Freehold property comprises freehold office buildings. The fair value of the company's property at 31 December 2015 was arrived at based on a valuation carried out at that date by Messrs. Sanderson Weatherall, Chartered Surveyors, on an open market valuation basis. Messrs. Sanderson Weatherall are not connected with the Group. The valuation was arrived at by reference to market evidence of transaction prices for similar properties.

The directors consider there has been no material impairment in their assessment of the fixed assets held at deemed cost.

BOLLIN GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

11 Tangible fixed assets (continued)

If land and buildings were stated on an historical cost basis rather than a deemed cost basis, the amounts would have been included as follows:

	2022	2021
Company	£000	£000
Cost	756	756
Accumulated depreciation	(495)	(471)
Carrying amount	261	285

Company

The net book value of assets held under finance leases or hire purchase contracts, included within tangible fixed assets, are as follows:

	2022	2021
Company	£000	£000
Motor vehicles	4	21
	4	21

The depreciation of assets held under finance leases or hire purchase amounted to £nil (2021: £30,000).

12 Fixed asset investment

Group	Investment in associate undertakings £000	Total £000
Cost		
At 1 January 2022	500	500
At 31 December 2022	500	500
Provision for impairment		
At 1 January 2022 and 31 December 2022	-	-
Net book value		
At 31 December 2022	500	500
At 31 December 2021	500	500

BOLLIN GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

12 Fixed asset investment (continued)

Company	Investment in associate undertakings £000	Investment in subsidiary undertakings £000	Total £000
Cost			
At 1 January 2022	500	12,229	12,729
At 31 December 2022	500	12,229	12,729
Provision for impairment			
At 1 January 2022 and 31 December 2022	-	-	-
Net book value			
At 31 December 2022	500	12,229	12,729
At 31 December 2021	500	12,229	12,729

BOLLIN GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

12 Fixed asset investment (continued)

The company owns shares in the following significant companies:

Company name	Country of incorporation	Class of share capital held	Percentage of shareholding	Description
Bridgedale Outdoor Limited	England and Wales	Ordinary £1	100	Manufacture and sale of hosiery items
Burton McCall Limited	England and Wales	Ordinary £1	100	Marketing and distribution of premium branded goods
Go Gas Limited	England and Wales	Ordinary £1	100	Manufacture and distribution of specialist gas appliances
Outdoor Accessories Limited	England and Wales	Ordinary £1	100	Dormant
PD (Holdings) Limited	England and Wales	Ordinary £0.01	100	Holding company
Montgomery Duffle Limited*	England and Wales	Ordinary £1	100	Distribution of outdoor clothing
Outdoor & Sports Company (Holdings) Limited*	England and Wales	Ordinary £1	100	Holding company
Outdoor & Sports Company Limited*	England and Wales	Ordinary £1	100	Merchanting and distribution of sports goods and outdoor clothing
Outdoor and Sports Company Inc*	USA	Ordinary \$1	100	Merchanting and distribution of sports goods and outdoor clothing
Outdoor & Sports Company GmbH*	Germany	Ordinary €1	100	Merchanting and distribution of sports goods and outdoor clothing
Advanced Technical Sock Industries (Pty) Limited	South Africa	SA Ordinary £1	100	Manufacture and sale of hosiery items
Satmap Systems Limited	England and Wales	Ordinary £1	77.74	Development of electrical equipment
Bollin Canada Inc	Canada	Ordinary	100	Merchanting and distribution of sports goods and outdoor clothing
Magic Mountain Limited	England and Wales	Ordinary £1	100	Sale of sports goods and outdoor clothing
Parthian Climbing Limited	England and Wales	Ordinary £1	25	Indoor climbing facility

BOLLIN GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

12 Fixed asset investment (continued)

* These investments are indirectly held by Bollin Group Limited through fellow subsidiary companies.

The subsidiary companies, Montgomery Duffle Limited, Satmap Systems Limited, and Magic Mountain Limited have taken the exemption in Section 479A of the Companies Act 2006 ("the Act") from the requirements in the Act for their individual accounts to be audited. The guarantee given by the company under Section 479A of the Act is disclosed in Note 23.

13 Stocks

	Group		Company	
	2022	2021	2022	2021
	£000	£000	£000	£000
Raw materials	2,555	2,637	-	-
Finished goods	36,054	20,766	-	-
	38,609	23,403	-	-

14 Debtors

	Group		Company	
	2022	2021	2022	2021
	£000	£000	£000	£000
Trade debtors,	14,475	15,975	-	-
Amounts owed by group undertakings	-	-	16,828	13,841
Corporation tax	1,238	-	1,238	549
Other debtors	2,168	1,335	825	534
Prepayments and accrued income	638	420	143	137
	18,519	17,730	19,034	15,061

BOLLIN GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

15 Creditors: Amounts falling due within one year

	Group		Company	
	2022	2021	2022	2021
	£000	£000	£000	£000
Bank loans and overdrafts	1,554	1,000	1,000	1,000
Obligations under finance leases	194	301	9	37
Trade creditors	3,027	3,174	81	213
Amounts owed by group undertakings	-	-	8,771	9,840
Other taxes and social security	2,639	2,981	8	3
Corporation tax	1,663	1,172	-	-
Other creditors	6,262	2,093	800	-
Foreign currency forward contracts	469	203	469	203
Accruals and deferred income	6,575	5,701	832	725
	22,383	16,625	11,970	12,021

The bank loans and overdrafts are secured by fixed and floating charges over the assets of the individual companies where the borrowings arise. The company has also provided an unlimited guarantee in respect of the bank borrowings of its subsidiaries.

Included within other creditors at the year-end was £3,905,000 (2021 - £875,000) regarding an invoice discounting facility with Lloyds Commercial Finance which was secured by a charge dated 20 June 2008 over the assets of Burton McCall Limited, Bridgedale Outdoor Limited and Outdoor and Sports Company Limited and a charge dated 12 August 2013 over the assets of Outdoor Accessories Limited.

Amounts due under finance leases are secured against the assets to which they relate.

16 Creditors: Amounts falling due after more than one year

	Group		Company	
	2022	2021	2022	2021
	£000	£000	£000	£000
Other creditors	1,200	2,513	1,200	2,000
Bank loans	4,831	8,837	4,000	7,000
Obligations under finance leases	306	357	-	9
	6,337	11,707	5,200	9,009

Amounts due under finance leases are secured against the assets to which they relate.

The bank loans and overdrafts are secured by fixed and floating charges over the assets of the individual companies where the borrowings arise. The company has also provided an unlimited guarantee in respect of the bank borrowings of its subsidiaries.

BOLLIN GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

17 Financial instruments

	Group	
	2022	2021
	£000	£000
Debt instruments measured at amortised cost		
Debt instruments measured at amortised cost	16,643	17,310
	<u>16,643</u>	<u>17,310</u>
Debt instruments measured at fair value through profit or loss		
Foreign exchange contracts	(469)	(203)
	<u>(469)</u>	<u>(203)</u>
Carrying amount of financial liabilities		
Measured at amortised cost	26,088	26,127
	<u>26,088</u>	<u>26,127</u>

Foreign exchange forward contracts

5% (2021: 9%) of the Group turnover relates to transactions conducted in Euros, 38% (2021: 27%) relates to transactions conducted in US Dollars and 6% (2021: 8%) relates to transactions conducted in Swiss Francs. Therefore, the Group uses foreign exchange currency forward contracts to manage foreign currency risk of future transaction and cash flows.

The contracts are valued on available market data. The Group does not adopt hedge accounting for forward exchange contracts, consequently, fair value gains and losses are recognised in profit and loss.

At the year end, the total carrying amount of outstanding foreign exchange forward contracts that the Group has committed to is £10,768,000 (2021 - £12,036,000).

At the year end, the total carrying amount of outstanding foreign exchange put option contracts that the Group has committed to is £8,347,000 (2021 - £5,170,000), and call option contracts £18,821,000 (2021 - £2,585,000)

18 Borrowings

	Group		Company	
	2022	2021	2022	2021
	£000	£000	£000	£000
Bank loans and overdrafts	6,386	9,837	5,000	8,000
Invoice discounting facility	3,905	875	-	-
Other loans	2,000	2,513	2,000	2,000
Finance lease obligations	500	658	9	47
	<u>12,791</u>	<u>13,883</u>	<u>7,009</u>	<u>10,047</u>
Payable within one year	6,454	2,176	1,809	1,037
Payable after one year	6,337	11,707	5,200	9,010
	<u>12,791</u>	<u>13,883</u>	<u>7,009</u>	<u>10,047</u>

BOLLIN GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

18 Borrowings (continued)

Debt maturity analysis

A bank loan is due for repayment by November 2027. Repayments are made in ten consecutive semi-annual instalments of £500,000 in respect of principal only plus interest on the outstanding balance at an annual rate of 1.75% over Base.

A bank loan of £1,837,000 is due for repayment in June 2025. Repayments are being made quarterly starting 30 June 2020 of £156,000 in respect of principal and quarterly interest at a rate of 1.00%.

19 Provision for liabilities

	Group		Company	
	2022	2021	2022	2021
	£000	£000	£000	£000
Deferred tax asset/(liabilities)	(196)	(158)	40	35

20 Deferred taxation

Deferred tax assets and liabilities are offset where the company has a legally enforceable right to do so. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

	Group		Company	
	Liability	Liability	Liability	Liability
	2022	2021	2022	2021
	£000	£000	£000	£000
Balances:				
Accelerated capital allowances	(156)	(158)	40	35
Movements in the year:				
Asset/(liability) at 1 January 2022	(158)	(159)	35	(41)
Charge to profit and loss	(38)	1	5	76
Asset/(liability) at 31 December 2022	(196)	(158)	40	35

21 Commitments under operating leases

At the reporting end date, the Group had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	Group		Company	
	2022	2021	2022	2021
	£000	£000	£000	£000
Within 1 year	891	805	20	20
Between two and five years	860	1,395	-	-
	1,751	2,200	20	20

BOLLIN GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

22 Capital commitments

Amounts contracted for but not provided in the financial statements:

	Group		Company	
	2022 £000	2021 £000	2022 £000	2021 £000
Acquisition of tangible fixed assets	89	320	-	-

23 Contingent liability

The company has provided an unlimited guarantee in respect of the bank borrowings of fellow Group companies. At the year-end there is a potential liability of £nil (2021: £nil).

In order for the subsidiary companies, Montgomery Duffle Limited, Satmap Systems Limited, and Magic Mountain Limited to take the audit exemption in section 479A of the Companies Act 2006, the company has guaranteed all outstanding liabilities of those subsidiary companies at 31 December 2022 until those liabilities are satisfied in full.

24 Share capital

	2022		2021	
	No	£000	No	£000
Allotted, called up and fully paid				
1,053,778 equity shares of £1 each	1,053,778	1,054	1,053,778	1,054

25 Ultimate controlling party

The directors regard A Walker, H Turner and C Fahy as the ultimate controlling parties by virtue of their status as controlling trustees of a trust which holds a 100% interest in the equity share capital of Bollin Group Limited.

BOLLIN GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

26 Notes to Statement of Cash Flows

Reconciliation of profit after tax to net cash generated from operations:

	2022	2021
	£000	£000
Profit after tax	6,707	7,322
Depreciation of tangible fixed assets	582	652
Amortisation of intangible assets	542	509
Impairment of intangible assets	-	-
Loss on financial instruments	(184)	(460)
Foreign exchange gains/(losses)	56	(86)
Profit on disposal of fixed assets	(3)	(4)
Interest payable	718	367
Interest received	(50)	(74)
Preference dividend	-	100
Taxation	1,961	1,893
	<u>10,329</u>	<u>10,219</u>
Operating cash flows before movements in working capital		
Increase in stocks	(15,206)	(5,277)
Decrease/(increase) in debtors	451	(4,495)
Increase in creditors	502	4,680
	<u>(3,924)</u>	<u>5,127</u>

27 Analysis of changes in net debt

	1 January 2022	Cash flows	31 December 2022
	£'000	£'000	£'000
Operating cash flows before movements in working capital			
Cash at bank and overdrafts	12,902	(8,726)	4,176
Borrowings excluding overdrafts	(13,883)	4,776	(9,107)
	<u>(981)</u>	<u>(3,950)</u>	<u>(4,931)</u>

BOLLIN GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

28 Related party transactions

Remuneration of key management personnel

The total remuneration of the directors and other employees of the Group who are considered to be key management personnel was £1,988,000 (2021 - £1,856,000).

Transactions with related parties

During the year, the group entered into the following transactions with related parties:

Category	Description of transaction	Income		Expenditure	
		2022 £000	2021 £000	2022 £000	2021 £000
Entities significant influence over the company	Trade	9	11	-	69

Amounts owed to/by related parties

The following amounts were outstanding at the reporting end date:

Category	Amount owed by		Amounts owed to	
	2022 £000	2021 £000	2022 £000	2021 £000
Other related parties	-	-	2,000	2,000