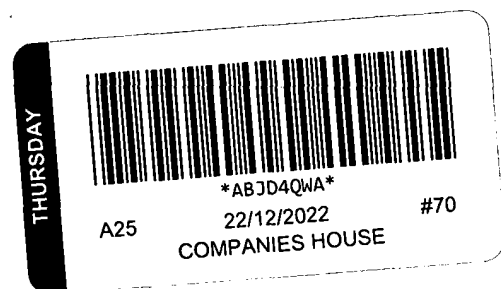


**AHK Holdings Limited**  
**Annual Report and Consolidated Financial Statements**  
**Year Ended 30 June 2022**  
Registration number: 11833025



# **AHK Holdings Limited**

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# **AHK Holdings Limited**

## **Company Information**

<b>Directors</b>	Mr P Canning Mr S Copeland Mr K Grundon Mr A Hilliard Mr S Holness Mr M O'Sullivan Mr A White
<b>Registered office</b>	Unit 4 Cavalier Road Heathfield Industrial Estate Newton Abbot Devon TQ12 6TQ
<b>Auditors</b>	PKF Francis Clark Statutory Auditor Centenary House Peninsula Park Rydon Lane Exeter EX2 7XE

# AHK Holdings Limited

## Strategic Report

Year Ended 30 June 2022

The directors present their strategic report for the year ended 30 June 2022.

### Principal activity

The principal activity of the company is that of a holding company.

The principal activity of the group is the design, manufacture, and sale of high-performance data centers, virtual workstations, zero client and software agnostic thin clients for secure remote access and multi-screen supported workplaces.

The group's class leading solutions power the world's mission critical IT in national defence and Global 2000 enterprise infrastructures by solving key challenges in:

- Agile working with highest security and performance; and
- High performance data centers with integrated GPU chip acceleration and proprietary smart thermal power management designs to deliver best in class density and performance for virtualization, AI, Edge and other intensive data applications.

This provides users with break-through competitive advantages and operational resilience at lower run cost and environmental impact. By solving the most demanding mission critical requirements, the group supports its partners access to large pools of general commercial and government IT spend and win long term defence contracts.

### Fair review of the business

The directors measure the development, performance and position of the group through several key performance indicators;

	2022 £ / %	2021 £ / %	Variances %
Turnover	25,699,046	18,297,976	40
Gross profit	5,748,097	6,102,867	(6)
Gross profit margin percentage	22	33	(11)
Adjusted EBITDA (Earnings before interest, tax, depreciation, amortisation, exceptional items and after R&D tax credits)	658,176	1,184,831	(44)
Net current assets	1,503,200	3,218,887	(53)

# AHK Holdings Limited

## Strategic Report

### Year Ended 30 June 2022

Following private equity investment, the group has pursued its plan of investing heavily to develop a range of proprietary IT solutions that advance the group's positioning in growing markets and to develop its global manufacturing, sales and support infrastructure to support planned revenue growth.

The group continued to see strong growth for secure remote hosting products into the defence sector and mission critical remote or agile working situations. Resurgent demand for advanced on-premises IT infrastructure, deferred by the Covid pandemic, is expected to be met with the group's next generation GPU enabled solutions that have been under development during the year.

The group's significant R&D activity attracts subsidies administered as tax credits which are recorded in these financial statements as Taxation. Adjusting EBITDA for exceptional costs and adding R&D subsidies results in Adjusted EBITDA of £658,176 (2021: £1,184,831).

The financial position of the group is robust as at the balance sheet date with cash of £2,958,808 (2021: £7,967,382), net current assets of £1,503,200 (2021: £3,218,887) and a current ratio of 1.21:1 (2021: 1.29:1).

#### Principal risks and uncertainties

In developing its strategy, the group takes full account of the need to minimise the impact of the risks associated with its business. The group's risk appetite and exposure are regularly reviewed as part of the monthly meetings held by the board of directors.

The principal risks and uncertainties affecting the group are:

- (a) the continued impact of the global electronic component supply chain on profits and cash flow;
- (b) the state of the markets in which it operates and the competitive pressures within those markets;
- (c) the concentration and strength of relationships with major customers and suppliers; and
- (d) the ability to recruit, retain and motivate key employees.

The board have examined the risks associated with the business in its entirety and confirm robust risk mitigation policies.

#### Research and development and future developments

The group continues to develop its range of market leading products and solutions for remote hosting, Edge, and on and off premises markets and invested £1,328,804 (2021: £1,318,568) in the year into research and development projects, representing 23% of gross profit (2021: 22%). Product developments have widened the product portfolio and diversified addressable markets for future fiscal years and resulted in a growing pipeline of opportunity. This is coinciding with customers IT infrastructure budget allocations becoming more predictable following the hiatus to planned IT investment caused by the Covid pandemic.

Approved by the Board on 06.12.22 and signed on its behalf by:

  
.....  
Mr M O'Sullivan  
Director

# AHK Holdings Limited

## Directors' Report

### Year Ended 30 June 2022

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

#### **Directors of the group**

The directors who held office during the year were as follows:

Mr P Canning

Mr S Copeland

Mr K Grundon (resigned 12 August 2021 and reappointed as a non-executive director on 5 January 2022)

Mr A Hilliard

Mr S Holness

Mr A Jackson (resigned 28 September 2022)

Mr M O'Sullivan

Mr A White

Mr M Stevens (appointed 24 August 2021 and resigned 22 July 2022)

#### **Dividends**

No ordinary dividends were paid in the period. The directors do not recommend a final dividend payment in respect of the financial year ended 30 June 2022.

#### **Financial instruments**

##### ***Objectives and policies***

The group's principal financial instruments comprise bank balances, bank loans and overdrafts, loan notes, trade creditors and trade debtors. The group manages the risks arising from financial instruments, including working capital risks, in the following ways;

##### ***Credit risk***

Credit risk is the risk of financial loss to the group if a customer fails to meet its contractual obligations. The group is mainly exposed to credit risk from credit sales. It is group policy to assess the credit risk of new customers before offering credit terms, and each new customer is assessed individually for creditworthiness before the group's standard payment and delivery terms and conditions are offered. Credit limits are established for each customer, which represents the maximum outstanding amount owed by customers without requiring additional payments. The nature of the group's customer base, being typically large corporates, has resulted in low levels of bad debt. No customer debt has been written off in the current or prior year.

A monthly review of trade debtors' aging analysis is undertaken and reviewed by the board. Customers' credit is reassessed periodically. Existing customers that become 'high risk' as a result of the periodic reassessment are placed on a restricted customer list and future credit sales are made only with Director approval, otherwise payment in advance is required.

Credit risk also arises from cash and cash equivalents held with banks and financial institutions, where only independently rated parties with minimum rating 'A' are accepted.

# AHK Holdings Limited

## Directors' Report

Year Ended 30 June 2022

### ***Liquidity risk***

Liquidity risk arises from the group's management of working capital and is the risk that the group will encounter difficulty in meeting its financial obligations as they fall due. The board receives information regarding cash balances and cash flow projections monthly.

To help manage liquidity the group maintains an overdraft facility, which incurs interest at floating rates. Careful management of discretionary investment activities, alongside the group's funding facilities, ensures sufficient cash liquidity is maintained.

### ***Price risk***

Price risk arises on the group's management of pricing strategies and is the risk that the group may be adversely impacted by increased competition in the market. Management regularly review pricing strategies to ensure pricing is competitive.

### ***Foreign exchange risk***

The group is exposed to currency exchange rate risk which is largely naturally hedged with sales and purchases across the group predominantly being in both sterling and US dollars. The net exposure of each currency is monitored and managed using foreign exchange contracts. No forward contracts were entered into during the year ended 30 June 2022 because of the group's naturally hedged position.

### **Disclosure of information to the auditor**

Each director has taken steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information. The directors confirm that there is no relevant information that they know of and of which they know the auditor is unaware.

Approved by the Board on 06.12.22 and signed on its behalf by:



Mr M O'Sullivan  
Director

## AHK Holdings Limited

### Statement of Directors' Responsibilities

The directors acknowledge their responsibilities for preparing the Annual 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 or loss of the group for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements 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; and
- 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 group's and the 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.



# AHK Holdings Limited

## Independent Auditor's Report to the Members of AHK Holdings Limited

### Opinion

We have audited the financial statements of AHK Holdings Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 30 June 2022, which comprise the Consolidated Profit and Loss Account, Consolidated Statement of Comprehensive Income, Consolidated Balance Sheet, Company Balance Sheet, Consolidated Statement of Changes in Equity, Company Statement of Changes in Equity, Consolidated 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 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 group's and the parent company's affairs as at 30 June 2022 and of the group's loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the 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 director's 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 original financial statements were authorised for issue.

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

### Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

## AHK Holdings Limited

### Independent Auditor's Report to the Members of AHK Holdings Limited

#### **Opinion on other matter 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 Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and Directors' Report have been prepared in accordance with applicable legal requirements.

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

In the light of our knowledge and understanding of the group and 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 Statement of Directors' Responsibilities set out on page 6, 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 group's and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

## AHK Holdings Limited

### Independent Auditor's Report to the Members of AHK Holdings Limited

#### **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 extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

As part of our audit planning, we gained an understanding of the group and the industry in which the group operates as part of this assessment to identify the key laws and regulations affecting the group. The key regulations we identified were health and safety regulations, breaches of quality control regulations and export compliance. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006 and relevant tax legislation.

We discussed with management how the compliance with these laws and regulations is monitored and discussed policies and procedures in place. We also identified the individuals who have responsibility for ensuring that the group complies with laws and regulations and deals with reporting any issues if they arise. As part of our planning procedures, we assessed the risk of any non-compliance with laws and regulations on the group's ability to continue trading and the risk of material misstatement to the accounts.

We also evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements and determined that the principal risks were related to the overstatement of profit, either through overstating revenue, understating expenditure or management bias in accounting estimates.

Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures involved the following:

- Enquiries of management regarding their knowledge of any non-compliance with laws and regulations that could affect the financial statements. As part of these enquiries we also discussed with management whether there have been any known instances of fraud, of which there were none.
- Discussed with the health and safety manager the policies and procedures in place in relation to health and safety. We reviewed the health and safety policy of the group, health and safety risk assessments carried out and incident log maintained in the year.

## AHK Holdings Limited

### Independent Auditor's Report to the Members of AHK Holdings Limited

- Discussed with the export compliance officer policies and procedures in place and reviewed documentation including an audit report on the group's compliance with export regulations.
- Examined legal and professional costs to identify any possible non-compliance or legal costs in respect of non-compliance.
- Reviewed management/board meeting minutes.
- Audited the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness, and evaluating the business rationale of significant transactions outside the normal course of business.
- Reviewed estimates and judgements made in the accounts for any indication of bias and challenged assumptions used by management in making estimates.

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. This risk increases the further removed non-compliance with laws and regulations from the events and transactions reflected in the financial statements as we are less likely to become aware of instances of non-compliance. 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, collusion, omission or misrepresentation.

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

#### Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

*PKF Francis Clark*

Tom Beable FCA (Senior Statutory Auditor)  
PKF Francis Clark, Statutory Auditor

Centenary House  
Peninsula Park  
Rydon Lane  
Exeter  
EX2 7XE

Date: *12 December 2022*

# AHK Holdings Limited

## Consolidated Profit and Loss Account

Year Ended 30 June 2022

	Note	2022 £	2021 £
Turnover	3	25,699,046	18,297,976
Cost of sales		<u>(19,950,949)</u>	<u>(12,195,109)</u>
Gross profit		5,748,097	6,102,867
Administrative expenses		<u>(5,509,105)</u>	<u>(5,323,036)</u>
<b>Earnings before interest, tax, depreciation, amortisation, impairment and exceptional items</b>		238,992	779,831
Amortisation and impairment of intangible assets		(1,422,841)	(1,142,727)
Depreciation		<u>(318,861)</u>	<u>(209,260)</u>
Operating loss before exceptional items	4	(1,502,710)	(572,156)
Exceptional administrative expenses	5	(159,820)	(172,139)
Other interest receivable and similar income		1,625	-
Interest payable and similar charges	9	<u>(678,070)</u>	<u>(599,582)</u>
Loss before tax		(2,338,975)	(1,343,877)
Taxation	10	<u>429,227</u>	<u>276,244</u>
<b>Loss for the financial year</b>		<u>(1,909,748)</u>	<u>(1,067,633)</u>
<b>Loss attributable to:</b>			
Owners of the group		<u>(1,909,748)</u>	<u>(1,067,633)</u>

The group has no recognised gains or losses for the year other than the results above (2021: £Nil).

## AHK Holdings Limited

### Consolidated Statement of Comprehensive Income

Year Ended 30 June 2022

	2022 £	2021 £
Loss for the year	<u>(1,909,748)</u>	<u>(1,067,633)</u>
Total comprehensive income for the year	<u>(1,909,748)</u>	<u>(1,067,633)</u>
<b>Total comprehensive income attributable to:</b>		
Owners of the group	<u>(1,909,748)</u>	<u>(1,067,633)</u>

The notes on pages 19 to 36 form an integral part of these financial statements.


# AHK Holdings Limited

## Consolidated Balance Sheet

30 June 2022

	Note	2022 £	2021 £
<b>Fixed assets</b>			
Intangible assets	11	3,587,439	3,781,476
Tangible assets	12	<u>647,386</u>	<u>785,143</u>
		<u>4,234,825</u>	<u>4,566,619</u>
<b>Current assets</b>			
Stocks	14	2,458,926	2,567,342
Debtors	15	3,237,629	3,605,971
Cash at bank and in hand	16	<u>2,958,808</u>	<u>7,967,382</u>
		8,655,363	14,140,695
<b>Creditors: Amounts falling due within one year</b>	18	<u>(7,152,163)</u>	<u>(10,921,808)</u>
<b>Net current assets</b>		<u>1,503,200</u>	<u>3,218,887</u>
<b>Total assets less current liabilities</b>		5,738,025	7,785,506
<b>Creditors: Amounts falling due after more than one year</b>	18	(7,846,527)	(7,798,260)
<b>Provisions for liabilities</b>	21	<u>(331,000)</u>	<u>(517,000)</u>
<b>Net liabilities</b>		<u>(2,439,502)</u>	<u>(529,754)</u>
<b>Capital and reserves</b>			
Called up share capital	25	430,465	430,465
Share premium reserve	25	154,437	154,437
Profit and loss account		<u>(3,024,404)</u>	<u>(1,114,656)</u>
Equity attributable to owners of the group		<u>(2,439,502)</u>	<u>(529,754)</u>
<b>Total equity</b>		<u>(2,439,502)</u>	<u>(529,754)</u>

Approved and authorised by the Board on 06.12.22 and signed on its behalf by:

  
 Mr M O'Sullivan  
 Director

Company Registration Number: 11833025

The notes on pages 19 to 36 form an integral part of these financial statements.

## AHK Holdings Limited

### Company Balance Sheet

30 June 2022

	Note	2022 £	2021 £
<b>Fixed assets</b>			
Investments	13	128,054	128,054
<b>Current assets</b>			
Debtors	15	751,671	700,030
<b>Net assets</b>		<u>879,725</u>	<u>828,084</u>
<b>Capital and reserves</b>			
Called up share capital	25	430,465	430,465
Share premium reserve	25	154,437	154,437
Profit and loss account		<u>294,823</u>	<u>243,182</u>
<b>Total equity</b>		<u>879,725</u>	<u>828,084</u>

The company made a profit after tax for the financial year of £51,641 (2021: £35,356).

Approved and authorised by the Board on 06.12.22 and signed on its behalf by:

  
Mr M O'Sullivan  
Director

Company Registration Number: 11833025



## AHK Holdings Limited

### Consolidated Statement of Changes in Equity

Year Ended 30 June 2022

	Share capital £	Share premium £	Profit and loss account £	Total equity £
At 1 July 2021	430,465	154,437	(1,114,656)	(529,754)
Loss for the year			(1,909,748)	(1,909,748)
Total comprehensive income			(1,909,748)	(1,909,748)
At 30 June 2022	430,465	154,437	(3,024,404)	(2,439,502)

	Share capital £	Share premium £	Profit and loss account £	Total equity £
At 1 July 2020	428,134	152,177	(47,023)	533,288
Loss for the year			(1,067,633)	(1,067,633)
Total comprehensive income			(1,067,633)	(1,067,633)
New share capital subscribed	2,331	2,260		4,591
At 30 June 2021	430,465	154,437	(1,114,656)	(529,754)

The notes on pages 19 to 36 form an integral part of these financial statements.

## AHK Holdings Limited

### Company Statement of Changes in Equity

Year Ended 30 June 2022

	Share capital £	Share premium £	Profit and loss account £	Total £
At 1 July 2021	430,465	154,437	243,182	828,084
Profit for the year			51,641	51,641
Total comprehensive income			51,641	51,641
At 30 June 2022	430,465	154,437	294,823	879,725

	Share capital £	Share premium £	Profit and loss account £	Total £
At 1 July 2020	428,134	152,177	207,826	788,137
Profit for the year			35,356	35,356
Total comprehensive income			35,356	35,356
New share capital subscribed	2,331	2,260		4,591
At 30 June 2021	430,465	154,437	243,182	828,084

The notes on pages 19 to 36 form an integral part of these financial statements.

# AHK Holdings Limited

## Consolidated Statement of Cash Flows

Year Ended 30 June 2022

	Note	2022 £	2021 £
<b>Cash flows from operating activities</b>			
Loss for the year		(1,909,748)	(1,067,633)
Adjustments to cash flows from non-cash items			
Depreciation and amortisation		1,674,309	993,397
Loss on disposal of tangible assets		-	10,818
Impairment and disposal of intangible assets		67,393	358,590
Finance income		(1,625)	-
Finance costs	9	678,070	599,582
Income tax credit	10	(429,227)	(276,244)
		<u>79,172</u>	<u>618,510</u>
Working capital adjustments			
Decrease in stocks		108,416	444,198
Decrease/(increase) in trade debtors		303,354	(533,896)
(Decrease)/increase in trade creditors		(3,889,748)	4,083,249
Decrease in deferred income		<u>(199,307)</u>	<u>(159,970)</u>
Cash generated from operations		(3,598,113)	4,452,091
Income taxes received	10	<u>321,926</u>	<u>465,321</u>
Net cash flow from operating activities		<u>(3,276,187)</u>	<u>4,917,412</u>
<b>Cash flows from investing activities</b>			
Interest received		1,625	-
Acquisition of tangible assets	12	(181,104)	(613,152)
Cost of development of intangible assets	11	(1,328,804)	(1,318,568)
Purchase price adjustment arising from previous acquisitions		<u>100,000</u>	<u>-</u>
Net cash flows from investing activities		<u>(1,408,283)</u>	<u>(1,931,720)</u>
<b>Cash flows from financing activities</b>			
Interest paid	9	(55,305)	(35,011)
Proceeds from issue of ordinary shares		-	4,591
Proceeds from bank borrowing draw downs		-	800,000
Repayment of bank borrowing		(93,331)	-
Repayment of other borrowing		(19,998)	-
Receipts from finance lease providers		55,400	351,935
Payments to finance lease providers		<u>(197,159)</u>	<u>(120,017)</u>
Net cash flows from financing activities		<u>(310,393)</u>	<u>1,001,498</u>

The notes on pages 19 to 36 form an integral part of these financial statements.

## AHK Holdings Limited

### Consolidated Statement of Cash Flows

Year Ended 30 June 2022

	Note	2022 £	2021 £
Net (decrease)/increase in cash and cash equivalents		(4,994,863)	3,987,190
Cash and cash equivalents at 1 July		7,967,382	3,976,427
Effect of exchange rate fluctuations on cash held		(13,711)	3,765
Cash and cash equivalents at 30 June	16	<u>2,958,808</u>	<u>7,967,382</u>

The notes on pages 19 to 36 form an integral part of these financial statements.

# AHK Holdings Limited

## Notes to the Financial Statements

Year Ended 30 June 2022

### 1 General information

The company is a private company limited by share capital, incorporated in England and Wales.

The address of its registered office and principal place of business is:

Unit 4

Cavalier Road

Heathfield Industrial Estate

Newton Abbot

Devon

TQ12 6TQ

### 2 Accounting policies

#### Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented, unless otherwise stated.

#### Statement of compliance

These financial statements were prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. There are no material departures from FRS 102.

#### Basis of preparation

These financial statements have been prepared using the historical cost convention except that as disclosed in the accounting policies certain items are shown at fair value.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest pound.

#### Basis of consolidation

The consolidated financial statements consolidate the financial statements of the company and its subsidiary undertakings drawn up to 30 June 2022.

As a consolidated profit and loss account is published, a separate profit and loss account for the parent company is omitted from the group financial statements by virtue of section 408 of the Companies Act 2006.

Inter-company transaction balances and unrealised gains on transactions between the company and its subsidiaries, which are related parties, are eliminated in full.

The purchase method of accounting is used to account for business combinations that result in the acquisition of subsidiaries by the group. The cost of a business combination is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the business combination. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Any excess of the cost of the business combination over the acquirer's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognised is recorded as goodwill.

# AHK Holdings Limited

## Notes to the Financial Statements

Year Ended 30 June 2022

### Going concern

At the balance sheet date, the group had net liabilities of £2,439,502 (2021: £529,754). This includes Loan notes of £6,713,740 (2021: £6,110,973), payable to the ultimate controlling party and to the directors of the company. The directors have considered the impact of the group's principle risks and uncertainties on its forecasts and projections and have a reasonable expectation that the group has adequate resources, cash headroom and working capital flexibility to continue in operational existence for the foreseeable future. The group therefore continues to adopt the going concern basis in preparing its consolidated financial statements.

### Key sources of estimation uncertainty

Amortisation of capitalised development costs:

At the completion of a development project the useful economic life is determined by estimating the number of years for which the group is expected to make sales of the products associated with that development work. Expectations are reviewed annually to take account of product demand and lifespan. Due to the innovative nature of the group's products and technology there is inherently some uncertainty as to the period of benefit relating to specific developments.

### Revenue recognition

Turnover comprises revenue receivable by the group in respect of goods or services supplied during the year, exclusive of value added tax and trade discounts and is recognised on the following basis:

#### Goods

Turnover from the sale of goods is recognised when substantially all the risks and rewards are transferred.

#### Services

Turnover from the sale of services is recognised over the period in which the service is provided.

### Foreign currency transactions and balances

Transactions in foreign currencies are initially recorded at the functional currency rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated into the respective functional currency of the entity at the rates prevailing on the reporting period date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rate on the date when the fair value is re-measured.

Non-monetary items measured in terms of historical cost in a foreign currency are not retranslated.

### Tax

Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

The corporation tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the group operates and generates taxable income.

# AHK Holdings Limited

## Notes to the Financial Statements

### Year Ended 30 June 2022

Deferred tax is recognised on all timing differences at the balance sheet date unless indicated below. Timing differences are differences between taxable profits and the results as stated in the consolidated profit and loss account and other comprehensive income. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

The carrying amount of deferred tax assets are reviewed at each reporting date and a valuation allowance is set up against deferred tax assets so that the net carrying amount equals the highest amount that is more likely than not to be recovered based on current or future taxable profit.

#### **Tangible assets**

Tangible assets are stated in the balance sheet at cost, less any subsequent accumulated depreciation and accumulated impairment losses.

The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

#### **Depreciation**

Depreciation is charged to write off the cost of assets, other than land and properties under construction over their estimated useful lives, as follows:

<b>Asset class</b>	<b>Depreciation method and rate</b>
Land and buildings leasehold	Over the term of the lease
Fixtures fittings and equipment	25% per annum on cost
Plant and machinery	25% per annum on cost

#### **Goodwill**

Goodwill is amortised over its useful life, which shall not exceed ten years if a reliable estimate of the useful life cannot be made.

#### **Intangible assets**

Research expenditure is written off as incurred. Development expenditure is also written off, except where the directors are satisfied as to the technical, commercial and financial viability of individual projects. In such cases, the identifiable expenditure is capitalised as an intangible asset.

#### **Amortisation**

Amortisation is provided on intangible assets so as to write off the cost, less any estimated residual value, over their useful life as follows:

<b>Asset class</b>	<b>Amortisation method and rate</b>
Development costs	Straight line over 1 - 10 years
Goodwill	Straight line over 5 years

#### **Investments**

In the parent company financial statements, investments in subsidiaries are initially measured at cost and subsequently measured at cost less accumulated impairment losses.

#### **Stocks**

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

Cost is calculated using the weighted average method.

# **AHK Holdings Limited**

## **Notes to the Financial Statements**

**Year Ended 30 June 2022**

### **Provisions**

Provisions are recognised when the group has an obligation at the reporting date as a result of a past event, it is probable that the group will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the balance sheet date, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

### **Warranties**

Where a warranty is included within the sales price of a product, the revenue is recognised at the point of product sale and provision is made for the estimated future costs to be incurred by the group under that warranty.

Where an extended warranty is sold and the income can be separated from the selling price of the product concerned, the income is spread over the warranty term on a straight-line basis.

### **Leases**

Leases in which substantially all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to profit or loss on a straight-line basis over the period of the lease.

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee.

Assets held under finance leases are recognised at the lower of their fair value at inception of the lease and the present value of the minimum lease payments. These assets are depreciated on a straight-line basis over the shorter of the useful life of the asset and the lease term. The corresponding liability to the lessor is included in the group Balance Sheet as a finance lease obligation.

Lease payments are apportioned between finance costs in the Profit and Loss Account and reduction of the lease obligation to achieve a constant periodic rate of interest on the remaining balance of the liability.

### **Defined contribution pension obligation**

A defined contribution plan is a pension plan under which fixed contributions are paid into a pension fund and the group has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised as employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.



# AHK Holdings Limited

## Notes to the Financial Statements

Year Ended 30 June 2022

### Financial instruments

#### Classification

The group and the company holds the following financial instruments:

- Short term trade and other debtors and creditors;
- Cash and bank balances;
- Loan notes; and
- Intercompany balances.

All financial instruments are classified as basic.

#### Recognition and measurement

The group has chosen to apply the recognition and measurement principles in FRS102.

Financial instruments are recognised when the group becomes party to the contractual provisions of the instrument and derecognised when in the case of assets, the contractual rights to cash flows from the assets expire or substantially all the risks and rewards of ownership are transferred to another party, or in the case of liabilities, when the group's obligations are discharged, expire or are cancelled.

Such instruments are initially measured at transaction price, including transaction costs, and are subsequently carried at the undiscounted amount of the cash or other consideration expected to be paid or received, after taking account of impairment adjustments.

### 3 Turnover

The analysis of the group's turnover for the year by class of business is as follows:

	2022	2021
	£	£
Technology solutions	25,699,046	18,297,976

The analysis of the group's turnover for the year by market is as follows:

	2022	2021
	£	£
EMEA	11,818,442	9,826,923
North America	12,715,085	7,726,639
Rest of world	1,165,519	744,414
	25,699,046	18,297,976

### 4 Operating loss

Arrived at after charging/(crediting)

	2022	2021
	£	£
Foreign exchange losses/(gains)	178,037	(18,519)
Operating lease expense	156,991	120,070

# AHK Holdings Limited

## Notes to the Financial Statements

Year Ended 30 June 2022

### 5 Exceptional administrative expenses

During the year the group incurred restructuring exceptional costs of £159,820 (2021: £172,139).

The directors consider these costs to be one off in nature and not expected to recur and have therefore been classified as exceptional.

### 6 Staff costs

The aggregate payroll costs (including directors' remuneration) were as follows:

	2022 £	2021 £
Wages and salaries	3,610,290	3,778,263
Social security costs	451,521	433,259
Pension costs, defined contribution scheme	156,117	140,246
	<u>4,217,928</u>	<u>4,351,768</u>

The above excludes staff costs that have been capitalised as development cost intangible assets.

The average number of persons employed by the group (including directors) during the year, analysed by category, was as follows:

	2022 No.	2021 No.
Production and operations	33	30
Administrative	9	11
Research and development	16	17
Sales, marketing and support	21	21
Directors	6	4
	<u>85</u>	<u>83</u>

# AHK Holdings Limited

## Notes to the Financial Statements

Year Ended 30 June 2022

### 7 Directors' remuneration

The directors' remuneration for the year was as follows:

	2022 £	2021 £
Remuneration	756,453	911,174
Contributions paid to money purchase schemes	10,751	8,769
	<u>767,204</u>	<u>919,943</u>

In respect of the highest paid director:

	2022 £	2021 £
Remuneration	<u>147,101</u>	<u>158,157</u>

### 8 Auditor's remuneration

	2022 £	2021 £
Audit of these financial statements	4,500	3,750
Audit of the financial statements of subsidiaries of the company pursuant to legislation	29,600	27,000
	<u>34,100</u>	<u>30,750</u>

### 9 Interest payable and similar expenses

	2022 £	2021 £
Interest on bank overdrafts and borrowings	31,203	7,858
Interest on obligations under finance leases and hire purchase contracts	20,668	17,360
Interest expense on other finance liabilities	626,199	574,364
	<u>678,070</u>	<u>599,582</u>

# AHK Holdings Limited

## Notes to the Financial Statements

Year Ended 30 June 2022

### 10 Taxation

Tax charged/(credited) in the profit and loss account

	2022 £	2021 £
<b>Current taxation</b>		
Corporation tax	(313,758)	(414,656)
Corporation tax adjustment to prior periods	<u>(313,758)</u>	<u>(25,182)</u>
	(313,758)	(439,838)
<b>Deferred taxation</b>		
Arising from origination and reversal of timing differences	<u>(115,469)</u>	<u>163,594</u>
Tax credit in the income statement	<u>(429,227)</u>	<u>(276,244)</u>

The tax on profit before tax for the year is the same as the standard rate of corporation tax in the UK of 19% (2021: 19%).

The differences are reconciled below:

	2022 £	2021 £
Loss before tax	<u>(2,338,975)</u>	<u>(1,343,877)</u>
Corporation tax at standard rate	(444,405)	(255,337)
Effect of expense not deductible in determining taxable profit (tax loss)	(9,101)	3,209
Effect of foreign tax rates	133,911	(74,569)
UK deferred tax (credit)/expense relating to changes in tax rates or laws	(75,126)	56,955
Deferred tax expense from unrecognised tax loss or credit	124,996	165,079
Other tax effects for reconciliation between accounting profit and tax expense	20,866	4,122
Tax decrease from effect of adjustment in research and development tax credit	<u>(180,368)</u>	<u>(175,703)</u>
Total tax credit	<u>(429,227)</u>	<u>(276,244)</u>

# AHK Holdings Limited

## Notes to the Financial Statements

Year Ended 30 June 2022

### 11 Intangible assets

#### Group

	Goodwill £	Development costs £	Total £
<b>Cost or valuation</b>			
At 1 July 2021	671,850	4,684,352	5,356,202
Additions		1,328,804	1,328,804
Purchase price adjustment	(100,000)		(100,000)
Impairment		(84,654)	(84,654)
At 30 June 2022	<u>571,850</u>	<u>5,928,502</u>	<u>6,500,352</u>
<b>Amortisation</b>			
At 1 July 2021	291,135	1,283,591	1,574,726
Amortisation charge	71,037	1,284,411	1,355,448
Impairment		(17,261)	(17,261)
At 30 June 2022	<u>362,172</u>	<u>2,550,741</u>	<u>2,912,913</u>
<b>Carrying amount</b>			
At 30 June 2022	<u>209,678</u>	<u>3,377,761</u>	<u>3,587,439</u>
At 30 June 2021	<u>380,715</u>	<u>3,400,761</u>	<u>3,781,476</u>

Intangible assets relate to the costs of developing the groups product portfolio, including active products and those in ongoing development. Intangible assets are measured at cost less accumulated amortisation, amortised over the life of the product, and any accumulated impairment losses. The useful economic life of these products are expected to be between 3 to 5 years.

# AHK Holdings Limited

## Notes to the Financial Statements

Year Ended 30 June 2022

### 12 Tangible assets

#### Group

	Land and buildings leasehold £	Fixtures, fittings and equipment £	Plant and machinery £	Total £
<b>Cost or valuation</b>				
At 1 July 2021	132,169	563,246	491,627	1,187,042
Additions	15,310	93,549	72,245	181,104
At 30 June 2022	147,479	656,795	563,872	1,368,146
<b>Depreciation</b>				
At 1 July 2021	50,340	231,262	120,297	401,899
Charge for the year	51,239	145,374	122,248	318,861
At 30 June 2022	101,579	376,636	242,545	720,760
<b>Carrying amount</b>				
At 30 June 2022	45,900	280,159	321,327	647,386
At 30 June 2021	81,829	331,984	371,330	785,143

Included within the net book value of land and buildings above is £Nil (2021: £Nil) in respect of freehold land and buildings and £45,900 (2021: £81,829) in respect of long leasehold land and buildings.

#### Assets held under finance leases and hire purchase contracts

The net carrying amount of tangible assets includes the following amounts in respect of assets held under finance leases and hire purchase contracts:

	2022 £	2021 £
Tangible assets	336,638	434,847

## AHK Holdings Limited

### Notes to the Financial Statements

Year Ended 30 June 2022

#### 13 Investments

##### Company

At 30 June 2022 and 30 June 2021

£  
128,054

##### Details of undertakings

The parent company has investments in the following subsidiary undertakings:

Subsidiary undertaking	Registered office	Holding	Proportion of voting rights and shares held	
			2022	2021
AHK Bidco Limited	Unit 4 Cavalier Road Heathfield Industrial Estate Newton Abbot Devon TQ12 6TQ UK	Ordinary	100%	100%
Amulet Hotkey Limited*	Unit 4 Cavalier Road Heathfield Industrial Estate Newton Abbot Devon TQ12 6TQ UK	Ordinary	100%	100%
Amulet Hotkey Incorporated*	434 West 33rd Street New York NY 10001 USA	Ordinary	100%	100%
Amulet Hotkey PTY*	3 Albion Street Harris Park NSW 2150 Australia	Ordinary	100%	100%
Amulet Hotkey BV*	Barbara Strozzi laan 201 1083HN Amsterdam Netherlands	Ordinary	100%	100%

##### Subsidiary undertakings

###### *AHK Bidco Limited*

The principal activity of AHK Bidco Limited is that of an intermediate holding company.

###### *Amulet Hotkey Limited\**

The principal activities of Amulet Hotkey Limited\* are the design, manufacture and sale of specialist technology solutions.

## AHK Holdings Limited

### Notes to the Financial Statements

#### Year Ended 30 June 2022

##### *Amulet Hotkey Incorporated\**

The principal activities of Amulet Hotkey Incorporated\* are the sales and distribution of specialist technology solutions.

##### *Amulet Hotkey PTY\**

The principal activities of Amulet Hotkey PTY\* are the sales and distribution of specialist technology solutions.

##### *Amulet Hotkey BV\**

The principal activity of Amulet Hotkey BV\* is the distribution of specialist technology solutions.

\* Held indirectly via AHK Bidco Limited or Amulet Hotkey Limited.

#### 14 Stocks

	2022	Group	2022	Company
	£	2021	£	2021
		£		£
Raw materials	1,619,901	1,464,062		
Work in progress	160,673	165,582		
Finished goods and goods for resale	678,352	937,698		
	<u>2,458,926</u>	<u>2,567,342</u>		



# AHK Holdings Limited

## Notes to the Financial Statements

Year Ended 30 June 2022

### 15 Debtors

Current	Note	2022 £	Group 2021 £	2022 £	Company 2021 £
Trade debtors		1,988,150	2,735,098		
Amounts due from group undertakings				751,671	700,030
Other debtors		20,388	57,604		
Prepayments		130,501	152,525		
Amounts owed by related parties			32,592		
Deferred tax assets	10	132,418	184,766		
Income tax asset	10	430,746	443,386		
Other taxation receivable		535,426			
		<u>3,237,629</u>	<u>3,605,971</u>	<u>751,671</u>	<u>700,030</u>

### 16 Cash and cash equivalents

	2022 £	Group 2021 £	2022 £	Company 2021 £
Cash at bank	<u>2,958,808</u>	<u>7,967,382</u>		

### 17 Net (debt)/cash

	At 1 July 2021 £	Cash flow £	Non cash movements £	At 30 June 2022 £
Cash at bank and on hand	7,967,382	(5,008,574)		2,958,808
Finance leases	(437,203)	141,759		(295,444)
Bank loans	(800,000)	93,331		(706,669)
Other borrowings	(6,110,973)	19,998	(622,765)	(6,713,740)
Net cash/(debt)	<u>619,206</u>	<u>(4,753,486)</u>	<u>(622,765)</u>	<u>(4,757,045)</u>

# AHK Holdings Limited

## Notes to the Financial Statements

Year Ended 30 June 2022

### 18 Creditors

	Note	2022 £	Group 2021 £	2022 £	Company 2021 £
<b>Due within one year</b>					
Loans and borrowings	19	402,926	282,823		
Trade creditors		6,226,191	9,745,667		
Social security and other taxes		159,885	353,464		
Other creditors		21,291	23,020		
Accrued expenses		341,870	516,834		
		<u>7,152,163</u>	<u>10,921,808</u>		
<b>Due after one year</b>					
Loans and borrowings	19	7,312,927	7,065,353		
Deferred income		533,600	732,907		
		<u>7,846,527</u>	<u>7,798,260</u>		

# AHK Holdings Limited

## Notes to the Financial Statements

Year Ended 30 June 2022

### 19 Loans and borrowings

	2022 £	Group 2021 £	2022 £	Company 2021 £
<b>Current loans and borrowings</b>				
Bank borrowings	160,000	93,331		
Obligations under finance leases	202,930	189,492		
Other borrowings	39,996			
	<u>402,926</u>	<u>282,823</u>		
<b>Non-current loans and borrowings</b>				
Bank borrowings	546,669	706,669		
Obligations under finance leases	92,514	247,711		
Other borrowings	6,673,744	6,110,973		
	<u>7,312,927</u>	<u>7,065,353</u>		

#### Bank borrowings

During the prior year, the group received £800,000 in relation to the Coronavirus Business Interruption Loan Scheme (CBILS). This loan is interest free for the first 12 months and subsequently subject to an interest rate of 4.39% over base rate per annum. The term of the loan is 6 years, with principal repayments over 5 years commencing 12 months from drawdown.

The group has an unutilised bank overdraft facility totalling £750,000 (2021: £750,000). The bank holds a guarantee up to the limit of £1,550,000 and holds security over all assets of the group.

#### Other borrowings

Other borrowings consist of Loan notes payable to the ultimate controlling party and to the directors of the company. Loan notes are denominated in Sterling, accruing interest at a rate of 0-10% per annum with interest compounded quarterly and added to the principal monies outstanding. The principal amounts are due to be redeemed in December 2024. The principle amount of loan notes at the year end is £6,713,740 (2021: £6,110,973), which includes compound interest of £1,633,259 (2021: £1,010,495).

# AHK Holdings Limited

## Notes to the Financial Statements

Year Ended 30 June 2022

### 20 Obligations under leases and hire purchase contracts

#### Group

##### Finance leases

Finance lease payments represent rentals payable by the company or group for hire purchase contracts on plant and machinery. Leases include purchase options at the end of the lease period, and no restrictions are placed on the use of the assets. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments. The liabilities are secured on the assets concerned.

The total of future minimum lease payments is as follows:

	2022 £	2021 £
Not later than one year	202,930	189,492
Later than one year and not later than five years	<u>92,514</u>	<u>247,711</u>
	<u>295,444</u>	<u>437,203</u>

##### Operating leases

The total of future minimum lease payments is as follows:

	2022 £	2021 £
Not later than one year	119,244	116,296
Later than one year and not later than five years	<u>163,065</u>	<u>174,183</u>
	<u>282,309</u>	<u>290,479</u>

The amount of non-cancellable operating lease payments recognised as an expense during the year was £156,991 (2021: £120,070).

The company does not have any obligations under finance or operating leases.

### 21 Deferred tax and other provisions

#### Group

	Deferred tax £	Other provisions £	Total £
At 1 July 2021	507,000	10,000	517,000
Decrease in existing provisions	<u>(186,000)</u>	<u></u>	<u>(186,000)</u>
At 30 June 2022	<u>321,000</u>	<u>10,000</u>	<u>331,000</u>

## AHK Holdings Limited

### Notes to the Financial Statements

Year Ended 30 June 2022

#### Deferred tax

##### Group

Deferred tax assets and liabilities

	Asset £	Liability £
<b>2022</b>		
Taxable losses and other deductions	132,418	594,000
Accelerated capital allowances		(915,000)
	<u>132,418</u>	<u>(321,000)</u>
<b>2021</b>		
Taxable losses and other deductions	184,766	455,995
Accelerated capital allowances		(962,995)
	<u>184,766</u>	<u>(507,000)</u>

The deferred tax assets held in Amulet Hotkey Inc. are disclosed separately within current assets.

#### 22 Pension and other schemes

The group operates a defined contribution pension scheme. The pension charge for the year represents contributions payable by the group to the scheme and amounted to £156,117 (2021: £140,246).

#### 23 Parent and ultimate parent undertaking

The company's immediate parent is Treun Capital General Partners Limited, incorporated in England and Wales.

The ultimate controlling party is considered to be the funds managed by Treun Capital General Partner Limited by virtue of their shareholding in the company.

#### 24 Related party transactions

##### Group

During the year interest of £649,838 (2021: £552,543) was accrued or capitalised on loan notes held by shareholders of the company.

During the year Directors maintained current accounts, subject to monthly interest payments. No balances were owed at 30 June 2022 (2021: £32,592).

## AHK Holdings Limited

### Notes to the Financial Statements

Year Ended 30 June 2022

#### 25 Share capital

##### Allotted, called up and fully paid shares

	No.	2022 £	No.	2021 £
A Ordinary shares of £0.80 each	327,398	261,918	327,398	261,918
A1 Ordinary shares of £0.80 each	11,677	9,342	11,677	9,342
B Ordinary shares of £1 each	139,641	139,641	144,185	144,185
C Ordinary shares of £1 each	19,564	19,564	15,020	15,020
	<u>498,280</u>	<u>430,465</u>	<u>498,280</u>	<u>430,465</u>

During the period, 4,544 £1 B Ordinary shares were transferred with an aggregate nominal value of £4,544 to 4,544 £1 C Ordinary shares.

##### Rights, preferences and restrictions

Shares have the following rights, preferences and restrictions:

A Ordinary Shares and B Ordinary Shares carry voting rights and no right of redemption. A1 Ordinary Shares and C Ordinary Shares have no voting rights and no right of redemption. Dividends shall be distributed to the holders of shares, excluding C Ordinary Shares, pro rata according to the number of shares held by each of them as if they constituted one class of share.