Company Registration No. 01513353 (England and Wales)

HOHNER AUTOMATION LIMITED

UNAUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2023

PAGES FOR FILING WITH REGISTRAR

HOHNER AUTOMATION LIMITED

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HOHNER AUTOMATION LIMITED

ACCOUNTANTS' REPORT TO THE BOARD OF DIRECTORS ON THE PREPARATION OF THE UNAUDITED STATUTORY FINANCIAL STATEMENTS OF HOHNER AUTOMATION LIMITED FOR THE YEAR ENDED 31 JULY 2023

In order to assist you to fulfil your duties under the Companies Act 2006, we have prepared for your approval the financial statements of Hohner Automation Limited for the year ended 31 July 2023 which comprise, the balance sheet and the related notes from the company's accounting records and from information and explanations you have given us.

As a practising member firm of the Institute of Chartered Accountants in England and Wales (ICAEW), we are subject to its ethical and other professional requirements which are detailed at https://www.icaew.com/regulation.

This report is made solely to the board of directors of Hohner Automation Limited, as a body, in accordance with the terms of our engagement letter. Our work has been undertaken solely to prepare for your approval the financial statements of Hohner Automation Limited and state those matters that we have agreed to state to the board of directors of Hohner Automation Limited, as a body, in this report in accordance with ICAEW Technical Release 07/16 AAF. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Hohner Automation Limited and its board of directors as a body, for our work or for this report.

It is your duty to ensure that Hohner Automation Limited has kept adequate accounting records and to prepare statutory financial statements that give a true and fair view of the assets, liabilities, financial position and profit of Hohner Automation Limited. You consider that Hohner Automation Limited is exempt from the statutory audit requirement for the year.

We have not been instructed to carry out an audit or a review of the financial statements of Hohner Automation Limited. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the statutory financial statements.

UHY Hacker Young

Chartered Accountants

5 April 2024

St Johns Chambers
Love Street
Chester
Cheshire
CH1 1QN

HOHNER AUTOMATION LIMITED

BALANCE SHEET

AS AT 31 JULY 2023

	Notes	2023 £	2023 £	2022 £	2022 £
Fixed assets					
Tangible assets	4		293,748		266,162
Investments	5		241,610		271,342
			535,358		537,504
Current assets					
Stocks		477,278		238,730	
Debtors	6	2,362,535		2,408,267	
Cash at bank and in hand		962,175		318,143	
		3,801,988		2,965,140	
Creditors: amounts falling due within one year	7	(1,361,814)		(1,032,666)	
Net current assets			2,440,174		1,932,474
Total assets less current liabilities			2,975,532		2,469,978
Creditors: amounts falling due after more than one year	8		(21,655)		(285,298)
Provisions for liabilities			(70,382)		(35,656)
Net assets			2,883,495		2,149,024
Capital and reserves					
Called up share capital			10,000		10,000
Capital redemption reserve			10,000		10,000
Profit and loss reserves			2,863,495		2,129,024
Total equity			2,883,495		2,149,024

The directors of the company have elected not to include a copy of the profit and loss account within the financial statements.

For the financial year ended 31 July 2023 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The member has not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies regime.

HOHNER AUTOMATION LIMITED

BALANCE SHEET (CONTINUED)

AS AT 31 JULY 2023

The financial statements were approved by the board of directors and authorised for issue on 5 April 2024 and are signed on its behalf by:

Mr P Blochle
Director

Company registration number 01513353 (England and Wales)

1 Accounting policies

Company information

Hohner Automation Limited is a private company l mited by shares incorporated in England and Wales. The registered office is Whitegate Industrial Estate, Whitegate Road, Wrexham, Clwyd, Wales, LL13 8UG.

1.1 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 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

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 £.

The financial statements have been prepared under the historical cost convention, [modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value]. The principal accounting policies adopted are set out below.

1.2 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

When cash inflows are deferred and represent a financing arrangement, the fair value of the consideration is the present value of the future receipts. The difference between the fair value of the consideration and the nominal amount received is recognised as interest income.

Revenue 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 dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Revenue from contracts for the provision of professional services is recognised by reference to the stage of completion when the stage of completion, costs incurred and costs to complete can be estimated reliably. The stage of completion is calculated by comparing costs incurred, mainly in relation to contractual hourly staff rates and materials, as a proportion of total costs. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that it is probable will be recovered.

1.3 Research and development expenditure

Research expenditure is written off against profits in the year in which it is incurred. Identifiable development expenditure is capitalised to the extent that the technical, commercial and financial feasibility can be demonstrated.

1.4 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

1 Accounting policies **(Continued)**

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Leasehold improvements	10% straight line
Plant and equipment	10% straight line
Fixtures and fittings	33% straight line
Computers	33% straight line
Motor vehicles	25% straight line

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 credited or charged to profit or loss.

1.5 Fixed asset investments

Interests in subsidiaries, associates and jointly controlled entities 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 so as 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 to participate in the financial and operating decisions of the associate.

Entities in which the company has a long term interest and shares control under a contractual arrangement are classified as jointly controlled entities.

1.6 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible 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 in order 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) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1 Accounting policies **(Continued)**

1.7 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.

Stocks held for distribution at no or nominal consideration are measured at the lower of cost and replacement cost, adjusted where applicable for any loss of service potential.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

1.8 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and 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.

1.9 Financial instruments

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

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Classification of financial liabilities

Financial liabilities and equity instruments are classified 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 company after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

1 Accounting policies **(Continued)**

1.10 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.11 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

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.

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 profit and loss account, 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.

1.12 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.13 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.14 Leases

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

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to profit or loss so as to produce a constant periodic rate of interest on the remaining balance of the liability.

1 Accounting policies **(Continued)**

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss 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 leases asset are consumed.

1.15 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.

1.16 Foreign exchange

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

2 Judgements and key sources of estimation uncertainty

In the application of the company'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 considered to be 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 where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

3 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2023 Number	2022 Number
Total	18	17

4 Tangible fixed assets

	Leasehold improvements	Plant and equipment	Fixtures and fittings	Computers	Motor vehicles	Total
	£	£	£	£	£	£
Cost						
At 1 August 2022	36,425	908,160	21,350	81,286	143,005	1,190,226
Additions	-	115,174	1,151	32,697	-	149,022
Disposals	-	-	-	-	(83,514)	(83,514)
At 31 July 2023	36,425	1,023,334	22,501	113,983	59,491	1,255,734
Depreciation and impairment						
At 1 August 2022	33,500	743,620	18,830	61,478	66,636	924,064
Depreciation charged in the year	325	38,885	1,665	11,059	6,867	58,801
Eliminated in respect of disposals	-	-	-	-	(20,879)	(20,879)
At 31 July 2023	33,825	782,505	20,495	72,537	52,624	961,986
Carrying amount						
At 31 July 2023	2,600	240,829	2,006	41,446	6,867	293,748
At 31 July 2022	2,925	164,540	2,520	19,808	76,369	266,162

5 Fixed asset investments

	2023	2022
	£	£
Other investments other than loans	241,610	271,342

The investments above of £241,610 relate to 10% of the share capital of Geowellex Do Brasil Servicos Petroliferos Ltda, a company registered in Brazil (£140,871). Also a 20% share in Scomi Oil Tools Egypt £100,739). In 2022 it also included an investment in CVA Wells SAS Mud Logging (£29,732) which was sold for cost in the current year.

Movements in fixed asset investments

	Investments
	£
Cost or valuation	
At 1 August 2022	271,342
Disposals	(29,732)
At 31 July 2023	241,610
Carrying amount	
At 31 July 2023	241,610
At 31 July 2022	271,342

6 Debtors

	2023	2022
Amounts falling due within one year:	**£**	**£**
Trade debtors	1,908,828	2,033,836
Other debtors	453,707	374,431
	2,362,535	2,408,267

7 Creditors: amounts falling due within one year

	2023	2022
	£	**£**
Bank loans	-	59,788
Trade creditors	1,038,232	855,786
Corporation tax	239,223	7,028
Other taxation and social security	26,535	30,732
Other creditors	57,824	79,332
	1,361,814	1,032,666

Included in creditors due within one year are bank loans totalling £Nil (2022 - £50,000) secured by a debenture issued to NatWest Bank Plc. Included in other creditors due within one year are HP liabilities totalling £11,812 (2022 - £38,080) secured on the assets concerned.

8 Creditors: amounts falling due after more than one year

	2023	2022
	£	**£**
Bank loans and overdrafts	-	220,746
Other creditors	21,655	64,552
	21,655	285,298

Bank loans of £nil (2022 - £191,666) included in creditors due after more than one year are secured by a debenture issued to NatWest Bank Plc. Also included in creditors due in more than one year are HP liabilities of £21,655 (2022 - £64,552) secured on the assets concerned.

9 Related party transactions

Transactions with related parties

During the whole of the year, the company was under the control of Mr P Blochle, a director and majority shareholder of the company.

As Hohner Corporation, a company registered in Canada is controlled by Mr P Blochle's father, it is considered to be a related party to this company. During the year, the company made sales of £271,044 (2022 - £244,519) to Hohner Corporation and purchased goods to the value of £232,738(2022 - £179,514) from Hohner Corporation. At the year end the net amount owed to the company by Hohner Corporation was £490,701 (2022 - £603,917).

Another company that is considered to be related is GeoWellex Do Brazil Servicos Petroliferos Ltda, a company registered in Brazil, in which Hohner Automation Ltd owns 10% of the share capital. Included in debtors is a loan to Geowellex Do Brasil Servicos Petroliferos Ltda totalling $nil(2022 - $20,000) translating to £14,385 in 2022.

A further Company registered in Georgia, Hohner LLC, which is owned wholly by the director, Mr P Blochle is considered to be a related party of the company. Included in debtors was a loan to Hohner LLC Georgia of US$105,042. This loan has been written off in these accounts as it is no longer considered recoverable.

Also included in debtors is a loan of £Nil (2022 - £86,059) to a company called Measuresoft Oil Services. The shareholders of Measuresoft Oil Services are also shareholders in Geowellex International registered in Georgia. Mr P Blochle, the director and majority shareholder of Hohner Automation Ltd is also a shareholder of Geowellex International and it is therefore considered to be a related party.

The company hold a 20% share in a company called Scomi Oil Tools Egypt and included in debtors is a loan to this company of $19,200 (2022 - $19,200). The investment is shown in note 5 under investments. Hohner Automation Ltd have also paid £92,067 (2022 - £72,341) in respect of start up costs and initial running costs of a joint oil project in Texas in which they have a 5% interest.

10 Directors' transactions

Dividends totalling £140,317 (2022 - £66,054) were paid in the year in respect of shares held by the company's directors.