Company Registration No. 06561073 (England and Wales)

ASPENS-SERVICES LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2023

ASPENS SERVICES LIMITED

COMPANY INFORMATION

Directors	John Roe Ben Wood (resigned 15 September 2023) Jason Carter Paul Adey Maurice Livesey Kathy White Michelle O'Connor
Company number	06561073
Registered office	Teme House Whittington Hall Whittington Worcester Worcestershire WR5 2RY
Auditor	Kendall Wadley LLP Granta Lodge 71 Graham Road Malvern WR14 2JS
Bankers	HSBC PO Box 4 6 Broad Street Worcester WR1 2EJ

ASPENS SERVICES LIMITED

CONTENTS

ASPENS-SERVICES LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 30 SEPTEMBER 2023

The directors present the strategic report and financial statements for the year ended 30th September 2023.

Business and Financial Review

The company had a successful year operationally as we continued the process of working with schools returning to a normal provision of catering, following the impact of the Covid-19 pandemic. We also navigated the challenge of very high food inflation and subsequent increases in wage rates. The challenge of inflation continues to be met with only limited support for additional funding from central government.

We work alongside our clients to minimise the impacts of food inflation by adjusting menus, whilst always ensuring we exceed the standards required in food nutrition, portion sizes and variety. Our clients are supportive as we have aimed to minimise the impact of rising prices to both schools and parents, whilst retaining our reputation for excellent value for money.

Our financial performance has recovered strongly post-pandemic, and the early trading in the 23/24 financial year follows this trend. We continue to increase our market share by ensuring we remain competitive on price and quality, growing our business in a sustainable fashion as we move to a market leadership position, building on our 14 years of industry-leading growth.

Key Finance performance indicators for the year:

The directors consider the key performance indicators of our business to be EBITDA and EBITDA as a percentage of revenue.

EBITDA Comparison	**12 Months to Sept 2023**	**12 Months to Sept 2022**
Revenue	104,900,759	82,094,610
Revenue Growth %	28%	33%
Profit/(Loss) for the year	611,415	(96,706)
Interest	242,493	129,458
Taxation	70,832	(154,965)
Depreciation	1,381,538	1,608,400
Amortisation	98,641	39,914
EBITDA	**2,404,919**	**1,526,101**
EBITDA as a % of Revenue	**2.3%**	**1.9%**

Given the challenging trading environment in the year we are pleased with our overall result and a return to sustainable profit, as we exit the impact of the pandemic. We are on track to increase our PBIT and EBITDA in future years, further strengthening our balance sheet whist continuing to offer our clients a market specific approach to their individual needs.

Principal Risks and Uncertainties

The company continually monitors the risks to our business and our directors recognise and manage those risks appropriately.

Health and Safety

Food hygiene and Health and Safety statistics are compiled daily and are reported to board members regularly. We train our teams on how to manage and mitigate risks within our environment of kitchen and catering facilities. There is a constant emphasis on retraining and, where incidents occur, investigation and feedback to prevent future issues.

All areas of health and safety are documented and actioned upon to ensure we minimise risks to our team members.

Our audit teams manage our H&S and Food Hygiene reporting systems, whist also checking compliance and liaising with local inspectors. We operate to the highest standards of health and safety within our catering areas and are delighted to report that over 99% of our business has an EHO food safety score of 4 or 5 stars.

Financial

Our key financial risks are cash liquidity within our business and the security of our supply chain.

We actively manage our cash liquidity and during the year we have reviewed and changed our bank funding and we are now working alongside new lending partners. We have repaid all Covid related loans (£1m) and closed a Revolving Credit Facility (£3m), replacing it with a £2.5m term loan for two years and an increased invoice financing facility. These changes have ensured we have appropriate cash headroom as we continue to grow our business. We monitor our cash position on a weekly basis through our Treasury function to ensure we make best use of the funding available.

Within our supply chain we continue to ensure we have multiple sources of supply, so that any failure although unlikely due to our up-front due diligence can be mitigated in a timely manner. This is a risk that continues to be monitored regularly by our supply chain partner A.V.E (Added Value Enterprises) as they fully understand the pressures that much of the hospitality market is experiencing and how that may impact on our service delivery.

Economic Environment

We understand that the current economic environment is extremely challenging and presents risks to all business, particularly those in the hospitality sector. We manage our risk by choosing to operate in a sector which has lower commercial risk as pupils will always require a food service whilst attending school, and clients are protected from commercial pressures such as rent, rates and cashflow challenges. Although the sector does offer lower returns than the higher risk business and industry market, the outsourcing trend in education catering continues to accelerate. We are comfortable to operate in a lower margin environment as we have an intimate knowledge of service provision to schools and how to maximise value to our clients, gained over many years of specialism. In addition, we do not have exposure to large central contracts from local councils, unlike many of our competitors. Our single largest contract represented 6.5% of our debt book and we have virtually no bad debt issues.

Statement by the directors on the performance of their statutory duties in accordance with Section 172(1) of the Companies Act 2006

The board of directors of Aspens-Services Limited consider, both individually and collectively, that they have acted in good faith to promote the success of the company for the benefit of its stakeholders and employees (as set out in s172(1) of the Act) in the decisions they made during the year ended 30 September 2023.

Aspens-Services Limited Vision and Values of Respect, Continuous Improvement and Ownership are the foundation of our approach in business and underpin our colleague and customer interactions. Our success has been built upon a business culture focused upon our customers and the children we serve. Whilst our business strategy and our operational performance evolve, our vision and values remain constant.

The directors and senior leadership teams regularly engage across a range of stakeholders to understand how they can help and challenge, ensuring our customers are at the heart of everything we do. Forums and discussions at all levels, help to shape the key decisions and strategies during the financial year and longer-term plan.

We are committed to ensuring that all our food concepts address the requirements of our diverse customer needs and that of the wider community. We have a process of continuously improving our menus incorporating feedback from our customers, along with addressing special dietary requirements and the technicalities of allergen management and Natasha's law compliance.

Key stakeholders also include our suppliers, (who are predominantly British based) ensuring good provenance and sustainability, an area which is of importance to us, our customers, and the children we serve. The way in which we engage is tailored to meet the requirements of individual suppliers, ranging from holding supplier forums to regular reviews of our service and menu proposition.

Our valued colleagues form the basis of our business and are the key to how we ensure we are different to our competition. Emerging from a pandemic, colleague safety has and will always be paramount, along with an increasing focus on mental health and wellbeing. We have put in place a series of programmes to ensure we address the needs of our diverse workforce whilst listening and acting upon their views.

We recognise our colleagues as our most important asset and are a responsible employer in our approach to wellbeing, hybrid working, pay and benefits. The company continues to offer learning and development opportunities to colleagues in the form of apprenticeships and internal and external training courses, with a significant commitment to both on and off job training.

The health, safety of our colleagues is of the highest importance and key metrics are monitored at board level. We continue to provide additional investment in our QHSE team in line with our success in gaining new schools.

Aspens continues to invest in our long-term support infrastructure and systems, and have further improved our finance, and menu management systems to improve our customer and colleagues' interactions.

On behalf of the board

John Roe
Director

21 December 2023

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 SEPTEMBER 2023

The directors present their annual report and financial statements for the year ending 30 September 2023.

Principal activities

The principal activity of the company continues to be the provision of catering, cleaning and consultancy services in the education sector.

Results and dividends

The results for the year are set out on pages 14 through to 28.

No Ordinary dividends were paid during the year. The directors do not recommend payment of a final dividend.

Directors

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

- John Roe
- Ben Wood (resigned 15 September 2023)
- Jason Carter
- Paul Adey
- Maurice Livesey
- Kathy White
- Michelle O'Connor

Financial instruments, liquidity, interest rate and credit risk

The company operates in a low debt risk market as our clients are state funded Primary & Secondary Schools. Our contracts allow us to renegotiate terms to ensure appropriate payment for our services as was demonstrated during the pandemic.

We operate with many suppliers and ensure that we understand their liquidity position and ability to serve our geographically dispersed client base.

In addition, we operate a robust approach to financial management risk policies, ensuring that we achieve our best price and credit terms with our main bankers. We undertake regular reviews on our short and long-term liquidity position and cash flow risk, ensuring the right balance between working capital and capital investment funding for growth. During the year we repaid all pandemic related loans (£1m) and closed a Revolving Credit Facility (£3m), replacing it with a £2.5m term loan for two years and an increased invoice financing facility.

Disabled persons

The company's policy is not to discriminate on grounds of disability when recruiting workers. All necessary assistance with initial training courses is provided. Once employed, assistance is given to ensure suitable opportunities for disabled people. Arrangements are made, wherever possible, for retraining employees who become disabled, to enable them to perform work identified as appropriate to their aptitudes and abilities.

Employee involvement

The company's policy is to consult and discuss with employees, through colleague forums and at meetings, matters likely to affect employees' interests.

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

Future developments

The directors are committed to supporting the company's strategy via the implementation of our 5-year plan.

Auditor

In accordance with the company's articles, a resolution proposing that Kendall Wadley LLP be reappointed as auditor of the company will be put at a General Meeting.

Corporate governance

The directors have adopted their own corporate governance provisions, based upon the Wates principles adapted to the needs of our business and our industry.

Principle 1: Purpose and Leadership

The directors are responsible for ensuring that the company's purpose, vision and values are enumerated beginning with our corporate induction programme and subsequently communicated throughout our workforce meetings, training material and other mechanisms to ensure awareness and adherence at all levels of our organisation.

Sharing our Visions and Values throughout our business ensures that a common approach to interpersonal communication and stakeholder engagement is applied by all.

Principle 2: Board Composition

The company operates a Statutory Directors board that meets regularly and includes input from our non-executive directors, along with sub-boards concentrating on specific areas of interest to the company.

Statutory Directors meet 10 times a year to review business performance. The Managing Director and Commercial Director present information packs ahead of the meetings, including but not limited to, financial and compliance insight, measuring areas of accountability against performance metrics periodically agreed in strategy meetings.

Additional board meetings are held throughout the year concentrating on strategy, business planning and subcommittee work to facilitate board decision making.

Principle 3: Directors Responsibilities

The Managing Directors and departmental heads take responsibility for the performance of the business under their control, including additional projects or other activity and the output of collaborative working initiatives where they are the business lead. The board will provide challenge and constructive comment, chaired on a revolving basis by individual senior board members.

Votes are taken periodically via 'one person one vote', with the CEO having the casting vote.

Principle 4: Opportunity and Risk

The company operates Business Continuity Plans both for the main activity of the company and in conjunction with a small number of clients where this is a requirement.

The directors scrutinise every aspect of our business coupled with the experience and capability of board members contributes significantly to our successful management of risk, with non-executive directors providing scrutiny and guidance where required. External advisors (principally our retained legal counsel and employed consultants) are used where their expertise can provide benefit.

Principle 5: Remuneration

Our remuneration committee headed by one of our non-executive directors monitors all salary, bonus and other payments in line with our remuneration policy. Where incentive plans are in place, they are designed to reward individuals in line with KPI achievement against targets aligned to the company's strategy.

Pay and benefits for all levels within the organisation are reviewed periodically and benchmarked against industry norms.

Principle 6: Stakeholder Engagement

The directors recognise the importance of fostering effective stakeholder relationships, aligned to our vision and values and conduct stakeholder mapping exercises to ensure visibility of action and measurement of progress.

We engage with our partners via periodic sampling of stakeholder experience and have engagement managers in our business to facilitate this activity and to report to the board. The way in which we engage varies and is tailored to meet the requirements of the individuals or groups involved.

Energy and Carbon Report

Greenhouse gas emissions, energy consumption and energy efficiency action

This disclosure provides the emission data and supporting information required by The Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 and The Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018; the latter commonly referred to as Streamlined Energy & Carbon Reporting (SECR).

Footprint Boundary

An operational control approach has been used to define the Greenhouse Gas (GHG) emissions boundary, as defined in the UK Government's latest Environmental Reporting guidelines: "Your organisation has operational control over an operation if it, or one of its subsidiaries, has the full authority to introduce and implement its operating policies at the operation".

For Aspens-Services Limited, these capture emissions associated with the operation of all buildings plus company owned and leased transport.

Emission Sources

All material scope one and two emissions are included. These include emissions associated with:

- Fuel combustion: stationary (natural gas); mobile (vehicle fuel), and
- Purchased electricity.

Scope 3 emissions are included for transmission and distribution (T&D') losses associated with purchased electricity. No other scope 3 nor out of scope emissions are included.

Methodology and Emissions Factors

This report was calculated using the methodology set out in Environmental Reporting Guidelines (ref. PB13944), published in March 2019.

Emissions factors are taken from the Streamlined Energy and Carbon Reporting (SECR) emissions factor update published in June 2023.

There are no notable omissions from the mandatory scope 1 and 2 emissions. 2% of emissions are based on estimated data.

Greenhouse gas emissions and energy use data for the year October 2022 to September 2023:

	FY 2022-23	FY 2021-22
Energy consumption used to calculate emissions (kWh)	4,527,358	4,670,607
Energy consumption breakdown (kWh)	**Oct 2022 to Sep 2023**	**Oct 2021 to Sep 2022**
• Grid Electricity	397,569	309,490
• LPG	0	0
• Company Fleet (Diesel)	45,908	363,787
• Petrol	0	0
• Grey fleets	4,083,881	3,997,430
Scope 1 emissions in metric tonnes CO_2e	**Oct 2022 to Sep 2023**	**Oct 2021 to Sep 2022**
• LPG	0	0
• Company Fleet (Diesel)	94	90
• Petrol	0	0
Scope 2 emissions in metric tonnes CO_2e	**Oct 2022 to Sep 2023**	**Oct 2021 to Sep 2022**
• Grid Electricity	10	60
Scope 3 emissions in metric tonnes CO_2e	**Oct 2022 to Sep 2023**	**Oct 2021 to Sep 2022**
• Electricity T & D	-	7
• Grey fleets	990	986
Total Gross emissions in metric tonnes CO_2e	**Oct 2022 to Sep 2023**	**Oct 2021 to Sep 2022**
	1,094	1,142
	FY 2022-23	
Intensity ratio Kg CO_2e/ Unit 2022 – 2023	1,146	
Intensity ratio Kg CO_2e/ Unit 2021 – 2022	1,502	
Intensity ratio Kg CO_2e/ Unit 2020 – 2021	488	
Intensity ratio Kg CO_2e/ Unit 2019 – 2020	383	

Quantification and reporting methodology

Aspens-Service Ltd have engaged with an external energy management consultant, utilising their internally derived methodology to ensure compliance with the SECR requirements. The government issued "Greenhouse gas reporting: conversion factors 2022" conversion figures for CO_2e were used along with the fuel property figures to determine the kWh.

Intensity measurement

The chosen intensity measurement ratio is number of Units.

Measures taken to improve energy efficiency:

Aspens-Services Limited continue to strive for energy and carbon reduction arising from their activities. During this reporting year, Aspens-Services Limited have:

- Reviewed the fleet policy with a move to hybrid and low emission vehicles at each lease renewal.
- Minimised the number of people travelling to the offices each day.

Materiality

Aspens-Services Limited are reporting upon all the required fuel sources as per SECR requirements. Estimations used within this report have been ascertained by the energy management consultant.

Environmental Statement

Aspens-Services Limited is committed to sustainable business practices that ensure we have a diligent approach to our corporate responsibility that is demonstrated through our value and culture and measured through our actions and results.

Our Sustainable Objectives:

We will identify, qualify, measure and reduce our impact on the environment.

- Implemented a Green House Gas reduction program and utilised both a consultancy and software package in order to identify Scope 1-3 emissions and develop a baseline carbon footprint.
- All non-sustainable packaging where possible directly removed from the supply chain.
- Implemented a waste reduction system and cascaded this to the business with waste targets and incentives to become waste champions.
- Utilised electric vehicles within the supply chain across non-food and smaller suppliers.
- Help suppliers and customers minimise their environmental impact.
- Drive efficiencies in the supply chain by reducing deliveries.

We have realised the following benefits and implemented the below initiatives:

- Reduce our single use plastics in schools with an aim of further reducing in 2023 by utilising a drinks vend-only solution utilising a bring your own reusable receptacle.
- Used renewable energy supply within both the supply chain and office.
- Reduce plastic packaging within our supply chain - removing all non-recyclable products.
- Removed over 9 tonnes of packaging waste within the supply chain.
- Work with our suppliers to use returnable crates and backhaul cardboard to recycle.
- Reduce deliveries in our supply network removing over 1,950 tonnes of carbon.
- Purchased Farm Assured UK meat to Red Tractor accreditation.
- Recycled over 188,000 litres of cooking oil.
- 106 tonnes of CO_2 emissions saved from recycling oil.
- Committed to end caged egg sourcing.
- Produced a dynamic fish sourcing strategy in line with MCS and MSC guidelines.
- Use only recyclable cutlery and keep behind the counter for use only when required.
- Launched Food Waste campaign.
- Talking with WRAP - signing "plastic commitment" commitment.

Our Sustainable Objectives *(continued)*:

- Replaced paper HACCP manuals with online digital logbook.
- Created internal Environmental working group - currently finalising our NET ZERO 2049 policy – Implemented ECO Desk for our Carbon Emission baseline and measurement.
- Committed to 100% electric car policy by 2025.

As a board of directors, our intention is always to behave responsibly and to ensure that our business operates and adheres to high standards and good governance. We recognise that maintaining our reputation and unique position in our market is fundamental to our continuing ability to achieve sustainable profitable growth for the benefit of all our stakeholders, both now and in the future.

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

On behalf of the board

John Roe
Director

21 December 2023

ASPENS-SERVICES LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 30 SEPTEMBER 2023

The directors are responsible 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 company and of the profit or loss of the company for that year. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then 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
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF ASPENS-SERVICES LIMITED

Opinion

We have audited the financial statements of Aspens-Services Limited (the 'company') for the year ended 30 September 2023 which comprise the statement of comprehensive income, the balance sheet, the statement of changes in equity, the statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 September 2023 and of its profit for the year then ended, and
- 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.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report. We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

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

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

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.

The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Extent to which the audit was considered capable of detecting irregularities including fraud

We gained an understanding of the legal and regulatory framework applicable to the company and the sector in which it operates and considered the risk of acts by the company that were contrary to applicable laws and regulations, including fraud. We designed audit procedures to respond to the risk, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

We focused on laws and regulations which could give rise to a material misstatement in the financial statements, including, but not limited to the Companies Act 2006, taxation legislation, data protection, anti-bribery, employment, environmental and health and safety legislation.

Audit response to risks identified

Our tests included agreeing the financial statement disclosures to underlying supporting documentation, analytical review, the relevance and accuracy of accounting estimates, enquiries with management and reviewing meeting minutes of those charged with governance. There are inherent limitations in the audit procedures described above and, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. We did not identify any key audit matters relating to irregularities, including fraud. As in all our audits, we also addressed the risk of management override of internal controls, including testing journals and evaluating whether there was evidence of bias by the directors that represent a risk of material misstatements due to fraud.

It should be noted that Auditing standards limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

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.

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.

Elizabeth Needham ACA CTA (VAT) (Senior Statutory Auditor)
For and on behalf of Kendall Wadley LLP

21 December 2023

Chartered Accountants
Statutory Auditor

Granta Lodge
71 Graham Road
Malvern
WR14 2JS

ASPENS-SERVICES LIMITED

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 SEPTEMBER 2023

	Notes	Year ended 30 September 2023 £	Year ended 30 September 2022 £
Turnover	3	104,900,759	82,094,610
Cost of sales		(83,171,104)	(67,225,584)
Gross profit		**21,729,655**	**14,869,026**
Administrative expenses		(20,804,915)	(14,991,239)
Other operating income		-	-
Operating profit	4	**924,740**	**(122,213)**
Interest receivable and similar income	8	62,491	57,025
Interest payable and similar expenses	9	(304,984)	(186,483)
Profit/(loss) before taxation		**682,247**	**(251,671)**
Tax on profit/(loss)	10	(70,832)	154,965
Profit/(loss) for the financial year		**611,415**	**(96,706)**

EBITDA

Profit/(loss) for the financial year	611,415	(96,706)
Interest receivable and similar income	(62,491)	(57,025)
Interest payable and similar expenses	304,984	186,483
Tax on profit	70,832	(154,965)
Depreciation - owned assets	270,444	204,279
Depreciation - school investments	1,111,094	1,404,121
Amortisation	98,641	39,914
Total EBITDA	**2,404,919**	**1,526,101**

The profit and loss account has been prepared on the basis that all operations are continuing operations.

ASPENS-SERVICES LIMITED

BALANCE SHEET
AS AT 30 SEPTEMBER 2023

	Notes	2023 £	2023 £	2022 £	2022 £
Fixed assets					
Intangible assets	**12**		427,167		385,752
Tangible assets	**13**		1,767,441		1,455,571
			2,194,608		**1,841,323**
Current assets					
Stocks	**14**	2,922,956		2,387,633	
Debtors	**15**	15,592,344		14,391,528	
Cash at bank and in hand		647,580		489,067	
		19,162,880		**17,268,228**	
Creditors: amounts falling due within one year	**16**	**(19,368,568)**		**(18,355,391)**	
Net current assets			**(205,688)**		**(1,087,163)**
Total assets less current liabilities			**1,988,920**		**754,160**
Creditors: amounts falling due after more than one year	**17**		**(1,059,938)**		**(725,091)**
Net assets			**928,982**		**29,069**
Capital and reserves					
Called up share capital	**22**		638		624
Capital redemption reserve			376		376
Share Premium Account			288,484		-
Profit and loss reserves			639,484		28,069
Total equity			**928,982**		**29,069**

The financial statements were approved by the board of directors and authorised for issue on 21 December 2023 and are signed on its behalf by:

John Roe
Director

Company Registration No. 06561073

ASPENS-SERVICES LIMITED

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 SEPTEMBER 2023

	Notes	Share capital	Capital redemption reserve	Share premium account	Profit and Loss reserves	Total
		£	£	£	£	£
Balance at 30 September 2021		651	349	-	634,775	635,775
Year ended 30 September 2022:						
Loss and total comprehensive income for the year		-	-	-	(96,706)	(96,706)
Dividends	**11**	-	-	-	-	-
Redemption of shares	**22/23**	(27)	27	-	(510,000)	(510,000)
Balance at 30 September 2022		**624**	**376**	**-**	**28,069**	**29,069**
Year ended 30 September 2023:						
Profit and total comprehensive income for the year		-	-	-	611,415	611,415
Dividends	**11**	-	-	-	-	-
Issue of shares	**22/23**	14	-	-	-	14
Share premium account		-	-	288,484	-	288,484
Balance at 30 September 2023		**638**	**376**	**288,484**	**639,484**	**928,982**

ASPENS-SERVICES LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 SEPTEMBER 2023

	Notes	2023		2022	
		£	£	£	£
Cash flows from operating activities					
Cash generated from operations	27		3,093,762		(2,159,993)
Interest paid			(304,984)		(186,483)
Income taxes paid			-		(174,761)
Net cash inflow/(outflow) from operating activities			**2,788,778**		**(2,521,237)**
Investing activities					
Purchase of intangible assets		(140,056)		(211,392)	
Purchase of tangible fixed assets		(1,693,408)		(1,171,314)	
Disposal of tangible fixed assets		675		1,500	
Interest received		62,491		57,025	
Net cash used in investing activities			**(1,770,298)**		**(1,324,181)**
Financing activities					
Redemption of shares		-		(510,000)	
Proceeds of invoice financing		735,143		1,821,711	
Proceeds of new bank loans		-		-	
(Repayment) / increase of bank loans		(1,592,464)		837,717	
Directors' loan		-		288,498	
Payment of finance leases obligations		(2,646)		(45,618)	
Dividends paid		-		-	
Net cash (used in)/generated from financing activities			**(859,967)**		**2,392,308**
Net increase/(decrease) in cash and cash equivalents			**158,513**		**(1,453,110)**
Cash and cash equivalents at beginning of year			489,067		1,942,177
Cash and cash equivalents at end of year			**647,580**		**489,067**

1 Accounting policies

Company information

Aspens-Services Limited is a private company limited by shares incorporated in England and Wales. The registered office is Teme House, Whittington, Worcester, Worcestershire, WR5 2RY.

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.

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. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus, the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Reporting year

The reporting year is for 1st October 2022 to 30th September 2023.

1.4 Turnover

Turnover represents amounts receivable for goods and services net of VAT.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (the provision of services), 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.

1.5 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.

Amortisation 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:

Software	straight line over 5 years

1.6 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.

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	straight line over 3 years
Fixtures, fittings & equipment	straight line over 3 years
Design and build	over the life of the contract
Motor vehicles	straight line over 3 years

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.

1.7 Impairment of fixed assets

At each reporting year end date, the company 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 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.

1.8 Stocks

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

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.

1.9 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.

1.10 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 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.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, 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.

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 its liabilities.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans 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.

Basic financial liabilities (continued)

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.

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 its liabilities.

Derecognition of financial liabilities
Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

1.11 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.

1.12 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 year 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.

1.13 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 year 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.

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

The company participates in several defined benefit schemes, with the assets and liabilities of the scheme held separately from those of the company in separate trustee administered funds. The company's contributions are affected by the surplus or deficit in the schemes; however, it is not possible to identify the company's share of the underlying assets and liabilities in the schemes on a consistent and reasonable basis. Therefore, in accordance with FRS102 28.40A, the schemes are accounted for as if they were defined contribution schemes.

1.15 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.

1.16 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.

1.17 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the year are included in profit or loss.

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 year in which the estimate is revised where the revision affects only that year, or in the year of the revision and future periods where the revision affects both current and future years.

3 Turnover and other revenue

An analysis of the company's turnover is as follows:	2023 £	2022 £
Turnover by class of business		
Catering income	104,900,759	82,094,610
Other significant revenue		
Interest income	62,491	57,025
Turnover analysed by geographical market		
UK Sales	104,900,759	82,094,610

4 Operating profit

Operating profit for the year is stated after charging/(crediting):	2023 £	2022 £
Depreciation of owned tangible fixed assets	1,381,538	1,608,400
Amortisation of Intangible Assets	98,641	39,914
Operating lease charges	594,815	628,163

5 Auditor's remuneration

Fees payable to the company's auditor and associates:	2023	2022 £
For audit services		
Audit of the company's financial statements	18,500	10,000
For other services		
All other non-audit services	-	-

6 Employees

The average monthly number of persons (including directors) employed by the company during the year was:	**2023 Number**	**2022 Number**
Head Office	222	179
Catering and Cleaning	3,694	3,315
	3,916	**3,494**

Their aggregate remuneration comprised:	£	£
Wages and salaries	55,885,922	47,087,640
Social security costs	3,422,231	2,592,571
Pension Costs	2,890,988	2,472,503
	62,199,141	**52,152,714**
Redundancy payments or committed in the year:	102,082	49,990

7 Directors' remuneration

	2023	**2022**
	£	£
Remuneration for qualifying services	1,150,149	1,000,971
Number of directors for whom retirement benefits are accruing under defined contribution schemes:	6	6
Remuneration disclosed above includes the following amounts paid to the highest paid director:	£	£
Remuneration for qualifying services	494,695	383,084

8 Interest receivable and similar income

	2023	**2022**
Interest income	£	£
Interest on bank deposits and other interest income	62,491	57,025
Investment income includes the following:		
Interest on financial assets not measured at fair value through profit or loss	62,491	57,025

9 Interest payable and similar expenses

Interest on financial liabilities measured at amortised cost:	**2023** £	**2022** £
Interest on bank overdrafts and loans	304,984	186,483

10 Taxation

	2023	2022
Current tax	**£**	**£**
UK corporation tax on profits for the current year	42,107	(104,041)
Adjustments in respect of prior years	-	-
Total current tax	**42,107**	**(104,041)**
Deferred tax		
Origination and reversal of timing differences	114,135	(5,199)
Changes in tax rates	(85,410)	(45,725)
Total tax charge	**70,832**	**(154,965)**

The change in UK corporation tax rate from 19% to 25% enacted in the Finance Act 2021 for profits arising after 1 April 2023 has led to the deferred tax asset and liability being revalued base on these rates changes.

The actual charge for the year can be reconciled to the expected charge for the year based on the profit or loss and the standard rate of tax as follows:

	2023	2022
	£	**£**
Profit before taxation	682,247	(251,671)
Expected tax charge based on the standard rate of corporation tax in the UK of 22.01% (2022:19.00%)	150,150	(47,817)
Tax effect of expenses that are not deductible in determining taxable profit	344	2,065
Permanent capital allowances in excess of depreciation	-	(66,047)
Depreciation on assets not qualifying for tax allowances	5,748	2,559
Rate change on deferred tax	(85,410)	(45,725)
Taxation charge for the year	**70,832**	**(154,965)**

11 Dividends

	2023	2022
	£	**£**
Interim paid	-	-

12 Intangible fixed assets

Cost	**Software**
At 1 October 2022	431,625
Additions	140,056
At 30 September 2023	**571,681**
Amortisation and impairment	
At 1 October 2022	45,873
Charged in the year	98,641
At 30 September 2023	**144,514**
Carrying amount	-
At 30 September 2022	385,752
At 30 September 2023	**427,167**

13 Tangible fixed assets

	Leasehold Improvements	Fixtures, fittings & equipment	Design and build	Motor vehicles	Total
Cost	£	£	£	£	£
At 1 October 2022	165,527	559,632	6,454,711	27,000	7,206,870
Additions	29,139	381,322	1,282,947	-	1,693,408
Disposals	-	-	(1,646,863)	-	(1,646,863)
At 30 September 2023	**194,666**	**940,954**	**6,090,795**	**27,000**	**7,253,415**
Depreciation and impairment					
At 1 October 2022	86,277	286,845	5,351,177	27,000	5,751,299
Depreciation charged in the year	60,841	209,603	1,111,094	-	1,381,538
Elimination on Disposal	-	-	(1,646,863)	-	(1,646,863)
At 30 September 2023	**147,118**	**496,448**	**4,815,408**	**27,000**	**5,485,974**
Carrying amount					
At 30 September 2022	79,250	272,787	1,103,534	-	1,455,571
At 30 September 2023	**47,548**	**444,506**	**1,275,387**	**-**	**1,767,441**

14 Stocks

	2023	2022
	£	£
Raw materials and consumables	2,922,956	2,387,633

15 Debtors

	2023	2022
Amounts falling due within one year:	£	£
Trade debtors	11,372,186	10,613,654
Other debtors	2,103,185	1,463,084
Corporation tax	61,934	104,041
Prepayments and accrued income	1,670,505	1,797,490
	15,207,810	13,978,269
Deferred tax asset (note 20)	384,534	413,259
	15,592,344	**14,391,528**

Trade debtors disclosed above are measured at amortised cost.

16 Creditors: amounts falling due within one year

	Notes	2023 £	2022 £
Bank loans and overdrafts	18	3,806,858	4,999,026
Obligations under finance leases	19	-	2,646
Trade creditors		7,373,378	5,784,216
Corporation tax		-	-
Other taxation and social security		3,915,778	3,597,392
Other creditors		1,909,364	1,563,044
Accruals and deferred income		2,363,190	2,120,569
Directors' loan		-	288,498
		19,368,568	**18,355,391**

Short-term loan secured by a fixed and floating charge over the assets of the company in favour of HSBC Invoice Finance (UK) LTD was settled on 30th June 2023.

Directors' loan was converted to share capital during the current financial year (see note 22).

17 Creditors: amounts falling due after more than one year

	Notes	2023 £	2022 £
Bank loans and overdrafts	18	1,059,938	725,091
Obligations under finance leases	19	-	-
		1,059,938	**725,091**

18 Loans and overdrafts

	2023 £	2022 £
Bank loans	2,309,942	3,902,406
Invoice financing	2,556,854	1,821,711
	4,866,796	**5,724,117**
Payable within one year	3,806,858	4,999,026
Payable after one year	1,059,938	725,091

Included in bank loans is a 24-month term loan with interest charged at 4.50% over Daily SONIA and an invoice financing facility.

The fixed term loan and invoice financing are secured with a fixed and floating charge being held over all present and future freehold and leasehold property, assets, book and other debts, chattels, goodwill and uncalled capital.

The Recovery loan Scheme loan held with HSBC Bank plc was settled on the 30th June 2023.

19 Finance lease obligations

	2023	2022
Future minimum lease payments due under finance leases:	£	£
Within one year	-	3,007
In two to five years	-	-
	-	3,007
Less: future finance charges	-	(361)
	-	**2,646**

Finance lease liabilities have been settled during 2023.

20 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the company and movements thereon:

	Assets 2023	Assets 2022
Balances:	£	£
Accelerated Capital Allowances	14,743	190,523
Retirement Benefit Obligations	369,791	222,736
	384,534	**413,259**

Movements in the year:

Asset at 30 September 2022	413,259
Credit to profit or loss	(28,725)
Asset at 30 September 2023	**384,534**

Deferred tax assets and liabilities are offset where the company has a legally enforceable right to do so. The amount of the net reversal of deferred tax asset above expected to occur in the next year is £327,355 (2022 £41,564).

21 Retirement benefit schemes

Defined contribution schemes	2023	2022
	£	£
Charge to profit or loss in respect of defined contribution schemes:	2,890,988	2,472,503

The charge to profit or loss in respect of defined contribution schemes was £2,890,988 (2022 - £2,472,503), which includes the Local Authority defined benefit scheme contributions.

Local Authority Defined Benefit Schemes

As a result of outsourcing contracts with education authorities, sometimes referred to as 'best value arrangements' the company obtains Admitted Body Status in a number of Local Authority final salary pension schemes in respect of a number of designated employees for the duration of the outsourcing contract.

The company pays employers contributions as determined by the relevant scheme based on the scheme actuary's recommendation at the start of the contract in order to maintain an ongoing fully funded status, but under the terms of the Admission Agreements with certain authorities the company is protected by a bond from the risk of previous underfunding or additional liabilities arising on early retirement or redundancy.

Local Authority Defined Benefit Schemes (continued)

The company enters into bonds with HSBC Bank plc and various Local Authorities and can be invoked in connection with pension fund additional payments that might fall due in the event of redundancy, ill health or other prescribed events. As noted in the foregoing paragraph the company is itself protected by contract with the relevant authorities whereby such sums are permitted to be recovered from the contracting party under the terms of service agreements entered into.

The assets of the scheme are held separately from those of the company in independent Trust Funds administered by the relevant Local Authorities. Although the notional allocations of the assets are made in some schemes, the company does not have specific information about its share of the underlying assets and liabilities of the schemes or the extent of any deficits in those schemes.

Given the nature of the company's membership in these multi-employer final salary schemes, in accordance with FRS102 28.40A contributions are accounted for as it there were defined contribution schemes, the profit and loss charge being contributions payable in respect on the accounting year.

In cases where the company is in the process of seeking approval from the council the company deduct pension contributions and include them in other creditors.

22 Share capital

	2023	2022
Ordinary share capital issued and fully paid	**£**	**£**
638 (2022: 624) Ordinary shares of £1 each	638	624

It was agreed to discharge the directors' loan of £288,498 in return for the allotment and issue by the Company of 14 Ordinary Shares of £1.00 each (each share carrying a share premium of £20,606).

23 Financial commitments, guarantees and contingent liabilities

The company entered into an agreement to buy back share capital subject to the availability of reserves.

The agreed value was £510,000 (2022: £510,000). This amount was paid after the year end on 5th October 2023.

24 Operating lease commitments

Leases

The operating leases represent leases for property and equipment rental to third parties. The leases are negotiated over terms of between 4-6 years for property rentals and between 3-5 years for equipment rental.

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

	2023	2022
	£	**£**
Within one year	461,437	379,326
Between two and five years	440,835	500,726
	902,272	**880,052**

25 Related party transactions

At the year-end amounts owed to Aspens-Services Limited from companies in which certain directors have an interest was £1,492,783 (2022 £1,950,605).

26 Ultimate controlling party

The company is controlled by Mr J. Roe who holds 96% (2022: 96%) of the issued share capital.

27 Cash generated from operations

	2023	2022
	£	£
Profit/(loss) for the year after tax	611,415	(96,706)
Adjustments for:		
Taxation charged	70,832	(154,965)
Finance costs	304,984	186,483
Investment income	(62,491)	(57,025)
Depreciation and impairment of tangible fixed assets	1,381,538	1,608,400
Depreciation on disposal of tangible fixed assets	(675)	17,208
Amortisation of Intangible Assets	98,641	39,914
Movements in working capital:		
Increase in stocks	(535,325)	(772,298)
Increase in debtors	(1,271,647)	(5,448,107)
Increase in creditors	2,496,490	2,517,103
Cash generated from operations	**3,093,762**	**(2,159,993)**

28 Analysis of changes in net debt

	1st October 2022	Cash flows	30 September 2023
	£	£	£
Cash at bank and in hand	489,067	158,513	647,580
Borrowings excluding overdrafts	(5,724,117)	857,321	(4,866,796)
Obligations under finance leases	(2,646)	2,646	-
	(5,237,696)	**1,018,480**	**(4,219,216)**