

Company registration number 07994296 (England and Wales)

AUCTUS MANAGEMENT GROUP LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2023

Haslehursts
ACCOUNTING & FINANCIAL SERVICES

AUCTUS MANAGEMENT GROUP LIMITED

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AUCTUS MANAGEMENT GROUP LIMITED

COMPANY INFORMATION

Directors	Mr R Toy Mr S Harrison Mr J Handley
Company number	07994296
Registered office	Tech Block Gee Business Centre Holborn Hill Aston Birmingham United Kingdom B7 5JR
Auditor	Haslehursts Limited 88 Hill Village Road Four Oaks Sutton Coldfield West Midlands B75 5BE

AUCTUS MANAGEMENT GROUP LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 30 SEPTEMBER 2023

The directors present the strategic report for the year ended 30 September 2023.

Review of the business

We aim to present a brief but comprehensive review of our group. Our review is consistent with the size and nature of our group.

The group's strategic aim over the past year has been to further establish and develop each of our operational divisions, strengthening the diversification of the services that we offer and expand the range of support provided to the wider infrastructure sector. We are focussed on the development of long-term partnerships via our core beliefs of respect, professionalism, inclusivity and pushing the boundaries.

Overall, turnover for this financial year was relatively flat, with an increase of c.1% to £29.5m (2022 - £29.3m) which was considered a positive result given the significant impact the business felt in Q1 as a result of the RMT industrial action which affected the rail sector as a whole. The group is confident, that but for this impact, a revenue result greater than £30m would have been achieved for the first time.

The group is pleased to report that the overall gross margin achieved of 24.4% was marginally in excess of the level achieved in 2022 (23.8%). This result was achieved despite the previously referenced challenges faced due to the RMT industrial action and also wider UK economic uncertainty.

The group delivered a solid operating profit result of £0.86m (2022 - £1.21m) which supported an improved net asset position of £3.63m (2022 - £3.03m). Operating profit fell in comparison with FY22 as a consequence of the group's investment in additional headcount (overhead) to support future growth plans.

During the year the group continued on a programme of capital investment, spending £0.67m across the period on predominately plant and equipment.

EBITDA generated for the year was £1.34m (2022 - £1.61m).

This financial year saw the rail sector enter the final year of the current five-year control period (CP6). This control period includes a record level of budget spend across the sector of £42 billion and continues to bring opportunities with both current and new clients. CP7, which is due to commence in April 2024 contains a similar level of budget spend.

Beyond the group's traditional rail customer base, work continues to be delivered in support of some of the UK's largest infrastructure projects, including HS2, TransPennine Route Upgrade and Transport for Wales (CVL Transformation).

The group has continued to invest across the year in our people and recruitment development programmes, supporting both our clients and our own social value strategy

Principal risks and uncertainties

Statutory and regulatory changes to worker engagement continue to be monitored for potential impact on the group and the wider UK labour market.

Future targeted industrial action (RMT) impacting on the wider UK rail and construction sector remains a key risk and uncertainty. Experience in this financial year is that such action has a significant impact on not just the targeted entity, but also the supply chain that supports it.

UK economic uncertainty, in terms of high inflation and UK labour rates rising at levels beyond this due to sector specific skills shortages, continue to create a level of risk.

Timing issues within Network Rail in terms of the release of budget spend during the CP6 to CP7 transition period.

Key performance indicators

The directors of the group monitor key performance indicators on an ongoing basis, particularly in relation to sales growth, margin performance, customer concentration and EBITDA.

AUCTUS MANAGEMENT GROUP LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2023

On behalf of the board

Mr R Toy
Director

26 March 2024

AUCTUS MANAGEMENT GROUP LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 SEPTEMBER 2023

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

Principal activities

The principal activity of the company and group continued to be that of civil engineering and support solutions to the rail industry and wider UK infrastructure sector.

Results and dividends

The results for the year are set out on page 9.

No ordinary dividends were paid. The directors do not recommend payment of a further dividend.

Directors

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

Mr R Toy
Mr S Harrison
Mr J Handley

Auditor

The auditor, Haslehursts Limited, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

Statement of directors' responsibilities

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 group and 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 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 ;
- prepare the on the going concern basis unless it is inappropriate to presume that the group and company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group's and company's transactions and disclose with reasonable accuracy at any time the financial position of the group and 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 company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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 auditor of the company is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the auditor of the company is aware of that information.

Medium-sized companies exemption

This report has been prepared in accordance with the provisions applicable to companies entitled to the medium-sized companies exemption.

AUCTUS MANAGEMENT GROUP LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2023

On behalf of the board

Mr R Toy
Director

26 March 2024

AUCTUS MANAGEMENT GROUP LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF AUCTUS MANAGEMENT GROUP LIMITED

Opinion

We have audited the financial statements of Auctus Management Group Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 30 September 2023 which comprise the group statement of comprehensive income, the group statement of financial position, the company statement of financial position, the group statement of changes in equity, the company statement of changes in equity, the group statement of cash flows and notes to the financial statements, including 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 September 2023 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the group and parent 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 group's and parent 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.

AUCTUS MANAGEMENT GROUP LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF AUCTUS MANAGEMENT GROUP LIMITED

Matters on which we are required to report by exception

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

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the directors are responsible for assessing the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the parent 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.

We obtained an understanding of the company's legal and regulatory framework and the industry in which it operates. We considered the risk of acts by the company that might have contravened applicable laws and regulations, including fraud. Our audit procedures were designed 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 way of forgery, intentional representations or through collusion.

We focussed 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 and UK tax legislation. Our tests included agreeing the financial statement disclosures to underlying supporting documentation, enquiries with management and third party company representatives. 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 represented a risk of material misstatement due to fraud.

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.

AUCTUS MANAGEMENT GROUP LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF AUCTUS MANAGEMENT GROUP LIMITED

Stuart Penfold (Senior Statutory Auditor)
For and on behalf of Haslehursts Limited

2 April 2024

Chartered Accountants
Statutory Auditor

88 Hill Village Road
Four Oaks
Sutton Coldfield
West Midlands
B75 5BE

AUCTUS MANAGEMENT GROUP LIMITED

GROUP STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 SEPTEMBER 2023

	Notes	2023 £	2022 £
Turnover	3	29,493,159	29,275,740
Cost of sales		(22,282,709)	(22,310,887)
Gross profit		7,210,450	6,964,853
Administrative expenses		(6,358,055)	(5,885,452)
Other operating income		8,433	135,328
Operating profit	4	860,828	1,214,729
Interest payable and similar expenses	8	(11,785)	(10,525)
Amounts written off investments	9	(28,509)	-
Profit before taxation		820,534	1,204,204
Tax on profit	10	(225,066)	(236,117)
Profit for the financial year	27	595,468	968,087

Profit for the financial year is all attributable to the owners of the parent company.

Total comprehensive income for the year is all attributable to the owners of the parent company.

AUCTUS MANAGEMENT GROUP LIMITED

GROUP STATEMENT OF FINANCIAL POSITION

AS AT 30 SEPTEMBER 2023

		2023		2022	
	Notes	£	£	£	£
Fixed assets					
Tangible assets	12		924,396		713,324
Current assets					
Stocks	15	227,100		245,425	
Debtors	16	4,446,648		5,031,088	
Cash at bank and in hand		2,024,262		856,399	
		<u>6,698,010</u>		<u>6,132,912</u>	
Creditors: amounts falling due within one year	17	<u>(3,733,706)</u>		<u>(3,674,623)</u>	
Net current assets			2,964,304		2,458,289
Total assets less current liabilities			3,888,700		3,171,613
Creditors: amounts falling due after more than one year	18		(60,505)		(22,544)
Provisions for liabilities					
Deferred tax liability	21	200,792		117,134	
		<u>(200,792)</u>		<u>(117,134)</u>	
Net assets			<u>3,627,403</u>		<u>3,031,935</u>
Capital and reserves					
Called up share capital	23		618		618
Share premium account	24		187,692		187,692
Capital redemption reserve	25		41		41
Other reserves			26		26
Profit and loss reserves	27		3,439,026		2,843,558
Total equity			<u>3,627,403</u>		<u>3,031,935</u>

These financial statements have been prepared in accordance with the provisions relating to medium-sized groups.

The financial statements were approved by the board of directors and authorised for issue on 26 March 2024 and are signed on its behalf by:

Mr R Toy
Director

Company registration number 07994296 (England and Wales)

AUCTUS MANAGEMENT GROUP LIMITED

COMPANY STATEMENT OF FINANCIAL POSITION

AS AT 30 SEPTEMBER 2023

		2023		2022	
	Notes	£	£	£	£
Fixed assets					
Tangible assets	12		222,789		276,339
Investments	13		516,582		516,583
			<u>739,371</u>		<u>792,922</u>
Current assets					
Stocks	15	-		13,932	
Debtors	16	683,210		1,214,513	
Cash at bank and in hand		159,620		46,709	
			<u>842,830</u>	<u>1,275,154</u>	
Creditors: amounts falling due within one year	17	(893,719)		(1,441,782)	
Net current liabilities			<u>(50,889)</u>		<u>(166,628)</u>
Total assets less current liabilities			<u>688,482</u>		<u>626,294</u>
Provisions for liabilities					
Deferred tax liability	21	26,240		34,107	
			<u>(26,240)</u>	<u>(34,107)</u>	
Net assets			<u>662,242</u>		<u>592,187</u>
Capital and reserves					
Called up share capital	23		618		618
Share premium account	24		187,692		187,692
Capital redemption reserve	25		41		41
Other reserves			26		26
Profit and loss reserves	27		473,865		403,810
Total equity			<u>662,242</u>		<u>592,187</u>

As permitted by s408 Companies Act 2006, the company has not presented its own profit and loss account and related notes. The company's profit for the year was £70,055 (2022 - £190,612 profit).

These financial statements have been prepared in accordance with the provisions relating to medium-sized companies.

The financial statements were approved by the board of directors and authorised for issue on 26 March 2024 and are signed on its behalf by:

Mr R Toy
Director

Company registration number 07994296 (England and Wales)

AUCTUS MANAGEMENT GROUP LIMITED

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

	Share capital	Share premium account	Capital redemption reserve	Treasury shares	Profit and loss reserves	Total
	£	£	£	£	£	£
Balance at 1 October 2021	618	187,692	41	26	1,875,471	2,063,848
Year ended 30 September 2022:						
Profit and total comprehensive income	-	-	-	-	968,087	968,087
Balance at 30 September 2022	618	187,692	41	26	2,843,558	3,031,935
Year ended 30 September 2023:						
Profit and total comprehensive income	-	-	-	-	595,468	595,468
Balance at 30 September 2023	618	187,692	41	26	3,439,026	3,627,403

AUCTUS MANAGEMENT GROUP LIMITED
COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 SEPTEMBER 2023

	Share capital	Share premium account	Capital redemption reserve	Treasury shares	Profit and loss reserves	Total
	£	£	£	£	£	£
Balance at 1 October 2021	618	187,692	41	26	213,198	401,575
Year ended 30 September 2022:						
Profit and total comprehensive income for the year	-	-	-	-	190,612	190,612
Balance at 30 September 2022	618	187,692	41	26	403,810	592,187
Year ended 30 September 2023:						
Profit and total comprehensive income	-	-	-	-	70,055	70,055
Balance at 30 September 2023	618	187,692	41	26	473,865	662,242

AUCTUS MANAGEMENT GROUP LIMITED

GROUP STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 SEPTEMBER 2023

		2023	2022
	Notes	£	£
Cash flows from operating activities			
Cash generated from operations	31	2,083,993	557,532
Interest paid		(11,785)	(10,525)
Income taxes paid		(267,439)	(130,447)
Net cash inflow from operating activities		<u>1,804,769</u>	<u>416,560</u>
Investing activities			
Purchase of tangible fixed assets		(669,005)	(231,735)
Proceeds from disposal of tangible fixed assets		14,160	56,000
Proceeds from disposal of subsidiaries, net of cash disposed		(28,509)	-
Net cash used in investing activities		<u>(683,354)</u>	<u>(175,735)</u>
Financing activities			
Repayment of bank loans		(63,016)	(126,032)
Payment of finance leases obligations		109,464	23,437
Net cash generated from/(used in) financing activities		<u>46,448</u>	<u>(102,595)</u>
Net increase in cash and cash equivalents		<u>1,167,863</u>	<u>138,230</u>
Cash and cash equivalents at beginning of year		<u>856,399</u>	<u>718,169</u>
Cash and cash equivalents at end of year		<u><u>2,024,262</u></u>	<u><u>856,399</u></u>

AUCTUS MANAGEMENT GROUP LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2023

1 Accounting policies

Company information

Auctus Management Group Limited ("the company") is a private limited company domiciled and incorporated in England and Wales. The registered office is .

The group consists of Auctus Management Group Limited and all of its subsidiaries.

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.

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

- Section 7 'Statement of Cash Flows': Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues: Interest income/expense and net gains/losses for financial instruments not measured at fair value; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 26 'Share based Payment': Share-based payment expense charged to profit or loss, reconciliation of opening and closing number and weighted average exercise price of share options, how the fair value of options granted was measured, measurement and carrying amount of liabilities for cash-settled share-based payments, explanation of modifications to arrangements;
- Section 33 'Related Party Disclosures': Compensation for key management personnel.

1.2 Business combinations

In the parent company financial statements, the cost of a business combination is the fair value at the acquisition date of the assets given, equity instruments issued and liabilities incurred or assumed, plus costs directly attributable to the business combination. The excess of the cost of a business combination over the fair value of the identifiable assets, liabilities and contingent liabilities acquired is recognised as goodwill. The cost of the combination includes the estimated amount of contingent consideration that is probable and can be measured reliably, and is adjusted for changes in contingent consideration after the acquisition date. Provisional fair values recognised for business combinations in previous periods are adjusted retrospectively for final fair values determined in the 12 months following the acquisition date. Investments in subsidiaries, joint ventures and associates are accounted for at cost less impairment.

Deferred tax is recognised on differences between the value of assets (other than goodwill) and liabilities recognised in a business combination accounted for using the purchase method and the amounts that can be deducted or assessed for tax, considering the manner in which the carrying amount of the asset or liability is expected to be recovered or settled. The deferred tax recognised is adjusted against goodwill or negative goodwill.

AUCTUS MANAGEMENT GROUP LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2023

1 Accounting policies

(Continued)

1.3 Basis of consolidation

The consolidated group financial statements consist of the financial statements of the parent company Auctus Management Group Limited together with all entities controlled by the parent company (its subsidiaries) and the group's share of its interests in joint ventures and associates.

All financial statements are made up to 30 September 2023. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the group.

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

Subsidiaries are consolidated in the group's financial statements from the date that control commences until the date that control ceases.

1.4 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the group 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.

1.5 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.

Turnover for labour based construction and service activities is recognised at the point in which the service has been provided in full and that income can be reliably measured.

Other turnover such as track warning systems are recognised at the point in which the goods have been delivered to the customer such that the significant risk and rewards of ownership have transferred to the buyer.

1.6 Intangible fixed assets - goodwill

Goodwill represents the excess of the cost of acquisition of a business over the fair value of net assets acquired. It is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is considered to have a finite useful life and is amortised on a systematic basis over its expected life, which is 10 years.

For the purposes of impairment testing, goodwill is allocated to the cash-generating units expected to benefit from the acquisition. Cash-generating units to which goodwill has been allocated are tested for impairment at least annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit.

AUCTUS MANAGEMENT GROUP LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2023

1 Accounting policies

(Continued)

1.7 Intangible fixed assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Intangible assets acquired on business combinations are recognised separately from goodwill at the acquisition date where it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the fair value of the asset can be measured reliably; the intangible asset arises from contractual or other legal rights; and the intangible asset is separable from the entity.

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:

Patents & licences	33% straight line on cost
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1.8 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 the period of the lease
Plant and equipment	33% straight line on cost
Fixtures and fittings	33% straight line on cost
Computers	33% straight line on cost
Motor vehicles	33% straight line on cost

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

1.9 Fixed asset investments

Equity investments are measured at fair value through profit or loss, except for those equity investments that are not publicly traded and whose fair value cannot otherwise be measured reliably, which are recognised at cost less impairment until a reliable measure of fair value becomes available.

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

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

1.10 Impairment of fixed assets

At each reporting period end date, the group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated 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.

The carrying amount of the investments accounted for using the equity method is tested for impairment as a single asset. Any goodwill included in the carrying amount of the investment is not tested separately for impairment.

AUCTUS MANAGEMENT GROUP LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2023

1 Accounting policies

(Continued)

1.11 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.

1.12 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.

1.13 Financial instruments

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

Financial instruments are recognised in the group's statement of financial position when the group becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset and 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.

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

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.

AUCTUS MANAGEMENT GROUP LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2023

1 Accounting policies

(Continued)

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 group 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 group 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.

Other financial liabilities

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

Derecognition of financial liabilities

Financial liabilities are derecognised when the group's contractual obligations expire or are discharged or cancelled.

1.14 Equity instruments

Equity instruments issued by the group 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 group.

1.15 Taxation

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

AUCTUS MANAGEMENT GROUP LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2023

1 Accounting policies

(Continued)

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement 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 group'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 income statement, 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 if, and only if, there is 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.

1.16 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.

1.17 Retirement benefits

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

1.18 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 statement of financial position 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.

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 leased asset are consumed.

AUCTUS MANAGEMENT GROUP LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2023

1 Accounting policies

(Continued)

1.19 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.

1.20 Short term debtors and creditors

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

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

2 Judgements and key sources of estimation uncertainty

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

Key sources of estimation uncertainty

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

Depreciation and residual values

The Directors have reviewed the asset lives and associated residual values of all fixed asset calculations and has concluded that asset lives and residual values are appropriate.

Accrued income provisions

The Directors have reviewed the basis for the recognition of accrued income and have concluded that the provision is an accurate estimate of revenue earned in the current financial year, but invoiced to customers in the following year.

3 Turnover and other revenue

	2023	2022
	£	£
Turnover analysed by class of business		
Rail and Construction Industry Services	29,493,159	29,275,740

AUCTUS MANAGEMENT GROUP LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2023

3 Turnover and other revenue (Continued)

	2023	2022
	£	£
Other revenue		
Grants received	-	3,000
	<u> </u>	<u> </u>

4 Operating profit

	2023	2022
	£	£
Operating profit for the year is stated after charging/(crediting):		
Government grants	-	(3,000)
Depreciation of owned tangible fixed assets	443,773	390,541
Profit on disposal of tangible fixed assets	-	(56,000)
Amortisation of intangible assets	-	3,677
Operating lease charges	244,027	212,288
	<u> </u>	<u> </u>

5 Auditor's remuneration

	2023	2022
	£	£
Fees payable to the company's auditor and associates:		
For audit services		
Audit of the financial statements of the group and company	9,464	9,247
Audit of the financial statements of the company's subsidiaries	9,164	12,955
	<u> </u>	<u> </u>
	18,628	22,202
	<u> </u>	<u> </u>

6 Employees

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

	Group 2023 Number	2022 Number	Company 2023 Number	2022 Number
Direct	116	131	2	5
Administration	72	70	25	26
Directors	3	3	3	3
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total	191	204	30	34
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

AUCTUS MANAGEMENT GROUP LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2023

6 Employees (Continued)

Their aggregate remuneration comprised:

	Group 2023 £	2022 £	Company 2023 £	2022 £
Wages and salaries	10,253,854	10,012,063	1,457,800	1,302,422
Social security costs	1,055,145	1,109,933	162,786	161,715
Pension costs	179,061	239,226	34,565	59,344
	<u>11,488,060</u>	<u>11,361,222</u>	<u>1,655,151</u>	<u>1,523,481</u>

7 Directors' remuneration

	2023 £	2022 £
Remuneration for qualifying services	186,016	184,819
Company pension contributions to defined contribution schemes	10,892	32,892
	<u>196,908</u>	<u>217,711</u>

8 Interest payable and similar expenses

	2023 £	2022 £
Interest on bank overdrafts and loans	11,785	10,525
	<u>11,785</u>	<u>10,525</u>

9 Amounts written off investments

	2023 £	2022 £
Other gains and losses	(28,509)	-
	<u>(28,509)</u>	<u>-</u>

10 Taxation

	2023 £	2022 £
Current tax		
UK corporation tax on profits for the current period	137,868	264,218
	<u>137,868</u>	<u>264,218</u>
Deferred tax		
Origination and reversal of timing differences	87,198	(28,101)
	<u>87,198</u>	<u>(28,101)</u>
Total tax charge	<u>225,066</u>	<u>236,117</u>

AUCTUS MANAGEMENT GROUP LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2023

10 Taxation

(Continued)

On 1st April 2023, the corporation tax rate in the UK increased from 19% to 25%. The effective tax rate calculated for the financial year is 22.01% and is based on 182 days chargeable at 19% and 183 days chargeable at 25%.

The actual charge/(credit) 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.

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	820,534	1,204,204
Expected tax charge based on the standard rate of corporation tax in the UK of 22.01% (2022: 19.00%)	180,600	228,799
Tax effect of expenses that are not deductible in determining taxable profit	12,418	27,345
Permanent capital allowances in excess of depreciation	(55,150)	8,074
Deferred tax charge	87,198	(28,101)
Taxation charge	225,066	236,117

11 Intangible fixed assets

Group	Goodwill £	Patents & licences £	Total £
Cost			
At 1 October 2022	100,000	4,752	104,752
Disposals	-	(4,752)	(4,752)
At 30 September 2023	100,000	-	100,000
Amortisation and impairment			
At 1 October 2022	100,000	4,752	104,752
Disposals	-	(4,752)	(4,752)
At 30 September 2023	100,000	-	100,000
Carrying amount			
At 30 September 2023	-	-	-
At 30 September 2022	-	-	-

The company had no intangible fixed assets at 30 September 2023 or 30 September 2022.

AUCTUS MANAGEMENT GROUP LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2023

12 Tangible fixed assets

Group	Leasehold improvements	Plant and equipment	Fixtures and fittings	Computers	Motor vehicles	Total
	£	£	£	£	£	£
Cost						
At 1 October 2022	236,459	1,078,861	127,664	349,282	18,571	1,810,837
Additions	37,049	605,708	22,376	3,872	-	669,005
Disposals	-	(98,058)	(36,414)	(80,217)	(1,350)	(216,039)
At 30 September 2023	273,508	1,586,511	113,626	272,937	17,221	2,263,803
Depreciation and impairment						
At 1 October 2022	49,156	714,058	72,325	243,403	18,571	1,097,513
Depreciation charged in the year	33,537	305,053	33,902	71,281	-	443,773
Eliminated in respect of disposals	-	(90,394)	(36,414)	(73,721)	(1,350)	(201,879)
At 30 September 2023	82,693	928,717	69,813	240,963	17,221	1,339,407
Carrying amount						
At 30 September 2023	190,815	657,794	43,813	31,974	-	924,396
At 30 September 2022	187,303	364,803	55,339	105,879	-	713,324

Company	Leasehold improvements	Computers	Motor vehicles	Total
	£	£	£	£
Cost				
At 1 October 2022	236,459	310,721	17,250	564,430
Additions	37,049	3,767	-	40,816
Disposals	-	(41,551)	(1,350)	(42,901)
At 30 September 2023	273,508	272,937	15,900	562,345
Depreciation and impairment				
At 1 October 2022	49,156	221,685	17,250	288,091
Depreciation charged in the year	33,537	60,829	-	94,366
Eliminated in respect of disposals	-	(41,551)	(1,350)	(42,901)
At 30 September 2023	82,693	240,963	15,900	339,556
Carrying amount				
At 30 September 2023	190,815	31,974	-	222,789
At 30 September 2022	187,303	89,036	-	276,339

AUCTUS MANAGEMENT GROUP LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2023

13 Fixed asset investments

	Notes	Group 2023 £	2022 £	Company 2023 £	2022 £
Investments in subsidiaries	14	-	-	516,582	516,583

Movements in fixed asset investments Company

	Shares in subsidiaries £
Cost or valuation	
At 1 October 2022	516,583
Disposals	(1)
At 30 September 2023	516,582
Carrying amount	
At 30 September 2023	516,582
At 30 September 2022	516,583

14 Subsidiaries

Details of the company's subsidiaries at 30 September 2023 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held Direct
RSS Infrastructure Limited	Tech Block Gee Business Centre, Holborn Hill, Aston, Birmingham, England, B7 5JR	Rail safety solutions and contingent labour	Ordinary	100.00
Auctus Workforce Solutions Limited	Tech Block Gee Business Centre, Holborn Hill, Aston, Birmingham, England, B7 5JR	Recruitment solutions to the construction industry	Ordinary	100.00
Auctus ATA Limited	Tech Block Gee Business Centre, Holborn Hill, Aston, Birmingham, England, B7 5JR	Supply of apprenticeships to the rail industry	Ordinary	100.00

15 Stocks

	Group 2023 £	2022 £	Company 2023 £	2022 £
Raw materials and consumables	227,100	245,425	-	13,932

AUCTUS MANAGEMENT GROUP LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2023

16 Debtors

	Group 2023	2022	Company 2023	2022
	£	£	£	£
Amounts falling due within one year:				
Trade debtors	2,735,039	3,563,479	116,654	709,633
Amounts owed by group undertakings	-	-	99,720	160,818
Other debtors	218,481	219,591	214,627	215,627
Prepayments and accrued income	1,493,128	1,248,018	252,209	128,435
	<u>4,446,648</u>	<u>5,031,088</u>	<u>683,210</u>	<u>1,214,513</u>

17 Creditors: amounts falling due within one year

	Notes	Group 2023	2022	Company 2023	2022
		£	£	£	£
Bank loans	19	-	63,016	-	63,016
Obligations under finance leases	20	170,384	98,881	-	-
Trade creditors		1,693,821	1,501,491	232,247	184,738
Amounts owed to group undertakings		-	-	-	249,054
Corporation tax payable		137,868	263,899	-	88,842
Other taxation and social security		738,617	786,950	506,927	547,118
Other creditors		188,039	436,186	6,107	147,270
Accruals and deferred income		804,977	524,200	148,438	161,744
		<u>3,733,706</u>	<u>3,674,623</u>	<u>893,719</u>	<u>1,441,782</u>

18 Creditors: amounts falling due after more than one year

	Notes	Group 2023	2022	Company 2023	2022
		£	£	£	£
Obligations under finance leases	20	60,505	22,544	-	-

19 Loans and overdrafts

	Group 2023	2022	Company 2023	2022
	£	£	£	£
Bank loans	-	63,016	-	63,016
Payable within one year	-	63,016	-	63,016

AUCTUS MANAGEMENT GROUP LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2023

20 Finance lease obligations

	Group 2023 £	2022 £	Company 2023 £	2022 £
Future minimum lease payments due under finance leases:				
Within one year	170,384	98,881	-	-
In two to five years	60,505	22,544	-	-
	<u>230,889</u>	<u>121,425</u>	<u>-</u>	<u>-</u>

Finance lease payments represent rentals payable by the company or group for certain items of 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. The average lease term is 2 years. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

21 Deferred taxation

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

	Liabilities 2023 £	Liabilities 2022 £
Group		
Accelerated capital allowances	<u>200,792</u>	<u>117,134</u>
	Liabilities 2023 £	Liabilities 2022 £
Company		
Accelerated capital allowances	<u>26,240</u>	<u>34,107</u>
	Group 2023 £	Company 2023 £
Movements in the year:		
Liability at 1 October 2022	117,134	34,107
Charge/(credit) to profit or loss	<u>83,658</u>	<u>(7,867)</u>
Liability at 30 September 2023	<u>200,792</u>	<u>26,240</u>

AUCTUS MANAGEMENT GROUP LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2023

22 Retirement benefit schemes

	2023	2022
Defined contribution schemes	£	£
Charge to profit or loss in respect of defined contribution schemes	179,061	239,226

A defined contribution pension scheme is operated for all qualifying employees. The assets of the scheme are held separately from those of the group in an independently administered fund.

23 Share capital

Group and company	2023	2022	2023	2022
Ordinary share capital	Number	Number	£	£
Issued and fully paid				
Ordinary of 1p each	61,811	61,811	618	618

24 Share premium account

	Group		Company	
	2023	2022	2023	2022
	£	£	£	£
At the beginning and end of the year	187,692	187,692	187,692	187,692

25 Capital redemption reserve

	Group		Company	
	2023	2022	2023	2022
	£	£	£	£
At the beginning and end of the year	41	41	41	41

26 Treasury shares

	2023	2022
Group and company	£	£
At the beginning and end of the year	26	26

27 Profit and loss reserves

	Group		Company	
	2023	2022	2023	2022
	£	£	£	£
At the beginning of the year	2,843,558	1,875,471	403,810	213,198
Profit for the year	595,468	968,087	70,055	190,612
At the end of the year	3,439,026	2,843,558	473,865	403,810

AUCTUS MANAGEMENT GROUP LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2023

28 Financial commitments, guarantees and contingent liabilities

Cross guarantees exist between the company and RSS Infrastructure Limited under which each company has guaranteed certain debts of the other.

29 Operating lease commitments

Lessee

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

	Group 2023 £	2022 £	Company 2023 £	2022 £
Within one year	252,558	266,021	199,358	204,071
Between two and five years	673,724	696,596	619,824	589,496
In over five years	33,032	177,827	33,032	177,827
	<u>959,314</u>	<u>1,140,444</u>	<u>852,214</u>	<u>971,394</u>

30 Directors' transactions

Description	% Rate	Opening balance £	Closing balance £
Mr R Toy - Loan from company	-	77,494	77,494
Mr S Harrison - Loan from company	-	85,243	85,243
		<u>162,737</u>	<u>162,737</u>

No interest is being charged in respect of the above loans to Directors.

AUCTUS MANAGEMENT GROUP LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2023

31 Cash generated from group operations

	2023 £	2022 £
Profit for the year after tax	595,468	968,087
Adjustments for:		
Taxation charged	225,066	236,117
Finance costs	11,785	10,525
Gain on disposal of tangible fixed assets	-	(56,000)
Amortisation and impairment of intangible assets	-	3,677
Depreciation and impairment of tangible fixed assets	443,773	390,541
Other gains and losses	28,509	-
Movements in working capital:		
Decrease/(increase) in stocks	18,325	(62,885)
Decrease in debtors	584,440	1,485,062
Increase/(decrease) in creditors	176,627	(2,417,592)
Cash generated from operations	2,083,993	557,532

32 Analysis of changes in net funds - group

	1 October 2022 £	Cash flows £	30 September 2023 £
Cash at bank and in hand	856,399	1,167,863	2,024,262
Borrowings excluding overdrafts	(63,016)	63,016	-
Obligations under finance leases	(121,425)	(109,464)	(230,889)
	671,958	1,121,415	1,793,373

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.