

**REGISTERED NUMBER: 12709136 (England and Wales)**

**AARON ENGINEERING GROUP LIMITED**  
**GROUP STRATEGIC REPORT,**  
**REPORT OF THE DIRECTORS AND**  
**CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2023**

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# **AARON ENGINEERING GROUP LIMITED**

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**AARON ENGINEERING GROUP LIMITED**  
**COMPANY INFORMATION**  
**FOR THE YEAR ENDED 31 MARCH 2023**

**DIRECTORS:**

N P Eastwood  
D Ferguson  
M A Lees

**REGISTERED OFFICE:**

Unit 4a Pepper Road  
Hazel Grove  
Stockport  
SK7 5BW

**REGISTERED NUMBER:**

12709136 (England and Wales)

**AUDITORS:**

Rushtons  
Chartered Accountants  
Statutory Auditors  
Shorrock House  
1 Faraday Court  
Fulwood  
Preston  
Lancashire  
PR2 9NB

## **AARON ENGINEERING GROUP LIMITED**

### **GROUP STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2023**

The directors present their strategic report of the company and the group for the year ended 31 March 2023. Aaron Engineering Group (the group) was formed in April 2021 to bring together three sister companies which were delivering complementary services across several industry sectors. The directors' aims in forming Aaron group were to enhance the commercial strength of the combined businesses, and to improve the efficiency of services and projects delivered to customers.

After two full financial years the directors are delighted with the progress made in achieving these objectives; each group company has grown consistently over the last two years and has made increasing investment in health, safety, personnel and management systems for improved service delivery.

#### **REVIEW OF BUSINESS**

The principal activities of the group remain the provision of specialist integrated engineering solutions in three main sectors - Rail, Building & Facilities Management and High Voltage Electrical Infrastructure. In the year to 31 March 2023 the group achieved consolidated turnover of £15.8m, an increase of 16.87% on 2022.

The group's activities are delivered by three main trading companies:

Aaron Rail Limited provides rail and civil engineering solutions to the rail sector throughout the UK, from planning through to full installation services. A full update on Aaron Rail's activities can be found in that company's strategic report.

Aaron Access Limited is a multi-skilled gate automation and access control company, providing automatic gates, access control & entry systems, CCTV, turnstiles, bollards, barriers, specialist fire & security systems and building support services to the FM industry. A full update on Aaron Access's activities can be found in that company's strategic report.

Aaron HV Systems Limited.

Aaron HV Systems delivers a full range of services for the High Voltage electrical industry in the UK, from network and system design, construction and installation, project management, through to testing & commissioning.

Aaron HV Systems has recently secured a £7.6M contract to design and install the 400kV cable layout in a tunnel under Snowdonia. This forms part of a £200M project to remove overhead lines from Snowdonia National Park and relocate the HV transmission lines underground, part of ongoing investment and improvement to the transmission network in the UK.

## AARON ENGINEERING GROUP LIMITED

### GROUP STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2023

#### PRINCIPAL RISKS AND UNCERTAINTIES

The directors have considered the principal risks and uncertainties which face the business and are satisfied that they have systems in place to address these risks. These matters are reviewed at regular Board meetings, which also include devising strategies for maintaining high quality standards and training and developing staff.

The group's core markets are the Rail (network infrastructure), Commercial Building & Facilities Management, and High Voltage networks in the UK. Each sector has been resilient in the past year and continues to benefit from considerable investment. In the Rail and High Voltage sectors investment is driven by a long-term need to upgrade and improve networks in support of increasing consumer demand.

The group has a number of multi-year Framework agreements with major UK infrastructure companies and is committed to maintaining long-term relationships with all of its customers.

Aaron group continually invests in personnel, technology, and equipment in line with our ambition to grow whilst delivering maximum efficiency and support to our customers. Health & safety is at the forefront of all business practices, along with staff training and personnel development.

#### KEY PERFORMANCE INDICATORS

The main financial Key Performance Indicators (KPI's) are turnover and gross profit. The results for the year are as follows:

	31 March 2023	31 March 2022
Turnover	£15,839,839	£13,550,269
Gross Profit	£4,831,883	£3,814,940

#### LEGAL NOTICE

Certain statements contained in the accounts of Aaron Engineering Group Limited contain informational current and predicted future operations. While it is the declared intention of the directors to maintain the forward strategy of the group, future variations in the market and underlying economic conditions may force the board to make short term changes which cannot be predicted or foreseen when writing this report.

#### ON BEHALF OF THE BOARD:

*Mark Lees*

.....  
M A Lees - Director

Date: 20/12/2023  
.....

## **AARON ENGINEERING GROUP LIMITED**

### **REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 MARCH 2023**

The directors present their report with the financial statements of the company and the group for the year ended 31 March 2023.

#### **DIVIDENDS**

The total distribution of dividends for the year ended 31 March 2023 will be £704,710.

#### **RESEARCH AND DEVELOPMENT**

The principal activity of the company is the provision of integrated engineering services. Group companies may develop bespoke design and / or installation solutions as part of their day-to-day activities, although the companies do not undertake formal research and development.

#### **FUTURE DEVELOPMENTS**

Aaron Engineering Group Limited is the holding company for a group of companies delivering a range of integrated engineering solutions to the Rail (network infrastructure), Building & Facilities Management and HV Electrical sectors in the UK. These services are delivered by three main group companies: Aaron Rail Limited, Aaron Access Limited, and Aaron HV Systems Limited.

The group has continued to expand since the year-end. Aaron Rail has opened a new office in West Yorkshire to support its activities on the Transpennine Route Upgrade. Aaron Access has expanded into Watford and Central London to better support southern based customers' requirements. In each case the companies have recruited senior personnel to enhance their service offering in these areas.

Aaron HV Systems has recently secured a contract to design and install the HV cable layout in a tunnel under Snowdonia National Park. The contract forms part of a prestigious project to improve the electricity grid whilst taking into consideration local environmental factors.

The directors remain committed to expanding the group's capabilities and resources in all areas, to deliver market-leading levels of customer service nationwide.

#### **DIRECTORS**

The directors who have held office during the period from 1 April 2022 to the date of this report are as follows:

N P Eastwood - resigned 22 June 2022 and was reappointed 4 November 2022

D Ferguson - resigned 22 June 2022 and was reappointed 4 November 2022

M A Lees - appointed 20 June 2022

#### **DONATIONS AND EXPENDITURE**

During the year the group made the following donations:

Soave Family Donation	£5,000
Amen Charity Golf Day	£500
Dementia UK	£150
Other donations less than £150 each	£347

## **AARON ENGINEERING GROUP LIMITED**

### **REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 MARCH 2023**

#### **STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The directors are responsible for preparing the Group Strategic Report, the Report of the Directors 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 the group 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;
- 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 and the group's transactions and disclose with reasonable accuracy at any time the financial position of the company and the group 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 the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

#### **STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS**

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the group's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the group's auditors are aware of that information.

#### **AUDITORS**

The auditors, Rushtons, will be proposed for re-appointment at the forthcoming Annual General Meeting.

#### **ON BEHALF OF THE BOARD:**

*Mark Lees*

.....  
M A Lees - Director

Date: 20/12/2023  
.....

## **REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF AARON ENGINEERING GROUP LIMITED**

### **Qualified Opinion**

We have audited the financial statements of Aaron Engineering Group Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 March 2023 which comprise the Consolidated Income Statement, Consolidated Other Comprehensive Income, Consolidated Balance Sheet, Company Balance Sheet, Consolidated Statement of Changes in Equity, Company Statement of Changes in Equity, Consolidated Cash Flow Statement and Notes to the Consolidated Cash Flow Statement, Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent company affairs as at 31 March 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 qualified opinion**

The evidence available to retrospectively audit the material balances from the comparative period was limited. As a consequence it was not possible for us to perform the audit procedures necessary to obtain sufficient appropriate evidence as regard to the opening balances. Any adjustments to these figures would have consequential effect on the profit for the period ended 31 March 2023.

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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Conclusions relating to going concern**

In auditing the financial statements, we have concluded that the 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 the 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.



## **REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF AARON ENGINEERING GROUP LIMITED**

### **Other information**

The directors are responsible for the other information. The other information comprises the information in the Group Strategic Report and the Report of the Directors, but does not include the financial statements and our Report of the Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether 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.

The financial statements for the year ended 31 March 2022 which form the comparative information in these financial statements were not audited.

### **Opinions on other matters prescribed by the Companies Act 2006**

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

- the information given in the Group Strategic Report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Group Strategic Report and the Report of the Directors 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 group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the Group Strategic Report or the Report of the Directors.

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

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

## **REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF AARON ENGINEERING GROUP LIMITED**

### **Responsibilities of directors**

As explained more fully in the Statement of Directors' Responsibilities set out on page five, 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 necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

## **REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF AARON ENGINEERING GROUP LIMITED**

### **Auditors' 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 a Report of the Auditors 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:

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the company through discussions with directors and other management, and from our commercial knowledge and experience of the business sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the company, including the Companies Act 2006, taxation legislation and data protection, anti-bribery, employment, environmental and health and safety legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias;
- investigated the rationale behind significant or unusual transactions; and

## **REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF AARON ENGINEERING GROUP LIMITED**

- conducted a specific investigation relating to a high risk area identified which included discussions with all relevant directors and staff members involved and a detailed review of transactions relating to this.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with HMRC, relevant regulators, and the company's legal advisors
- obtained a specific third party report to comment on areas of concern.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also 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.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion. Any suspicions brought to our attention and arising from the audit work conducted have been investigated thoroughly.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Report of the Auditors.

### **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 a Report of the Auditors 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.



Adam Calvert ACA (Senior Statutory Auditor)  
for and on behalf of Rushtons  
Chartered Accountants  
Statutory Auditors  
Shorrock House  
1 Faraday Court  
Fulwood  
Preston  
Lancashire  
PR2 9NB

Date: ..... 20/12/2023

**AARON ENGINEERING GROUP LIMITED**

**CONSOLIDATED  
INCOME STATEMENT  
FOR THE YEAR ENDED 31 MARCH 2023**

	Notes	2023 £	2022 £
<b>TURNOVER</b>		15,839,839	13,550,269
Cost of sales		<u>11,085,466</u>	<u>9,735,329</u>
<b>GROSS PROFIT</b>		4,754,373	3,814,940
Administrative expenses		<u>3,995,809</u>	<u>2,890,558</u>
		758,564	924,382
Other operating income		<u>-</u>	<u>40,116</u>
<b>OPERATING PROFIT</b>	4	758,564	964,498
Interest payable and similar expenses	6	<u>96,962</u>	<u>51,637</u>
<b>PROFIT BEFORE TAXATION</b>		661,602	912,861
Tax on profit	7	<u>135,918</u>	<u>186,245</u>
<b>PROFIT FOR THE FINANCIAL YEAR</b>		<u>525,684</u>	<u>726,616</u>
Profit attributable to:			
Owners of the parent		416,764	680,536
Non-controlling interests		<u>108,920</u>	<u>46,080</u>
		<u>525,684</u>	<u>726,616</u>

The notes form part of these financial statements

**AARON ENGINEERING GROUP LIMITED**

**CONSOLIDATED  
OTHER COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 MARCH 2023**

Notes	2023 £	2022 £
<b>PROFIT FOR THE YEAR</b>	525,684	726,616
<b>OTHER COMPREHENSIVE INCOME</b>	<u>-</u>	<u>-</u>
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>	<u>525,684</u>	<u>726,616</u>
Total comprehensive income attributable to:		
Owners of the parent	416,764	680,536
Non-controlling interests	<u>108,920</u>	<u>46,080</u>
	<u>525,684</u>	<u>726,616</u>

The notes form part of these financial statements

**AARON ENGINEERING GROUP LIMITED (REGISTERED NUMBER: 12709136)**

**CONSOLIDATED BALANCE SHEET  
31 MARCH 2023**

	Notes	2023		2022	
		£	£	£	£
<b>FIXED ASSETS</b>					
Tangible assets	11		1,650,135		1,074,179
Investments	12		<u>-</u>		<u>-</u>
			1,650,135		1,074,179
<b>CURRENT ASSETS</b>					
Stocks	13	17,000		16,998	
Debtors	14	4,262,986		3,407,897	
Cash at bank and in hand		<u>841,589</u>		<u>1,068,922</u>	
		5,121,575		4,493,817	
<b>CREDITORS</b>					
Amounts falling due within one year	15	<u>4,469,932</u>		<u>3,363,114</u>	
<b>NET CURRENT ASSETS</b>			<u>651,643</u>		<u>1,130,703</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			2,301,778		2,204,882
<b>CREDITORS</b>					
Amounts falling due after more than one year	16		(1,301,041)		(1,164,002)
<b>PROVISIONS FOR LIABILITIES</b>	20		<u>(297,679)</u>		<u>(158,796)</u>
<b>NET ASSETS</b>			<u>703,058</u>		<u>882,084</u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	21		200		200
Retained earnings	22		<u>803,305</u>		<u>877,904</u>
<b>SHAREHOLDERS' FUNDS</b>			803,505		878,104
<b>NON-CONTROLLING INTERESTS</b>			<u>(100,447)</u>		<u>3,980</u>
<b>TOTAL EQUITY</b>			<u>703,058</u>		<u>882,084</u>

The financial statements were approved by the Board of Directors and authorised for issue on 20/12/2023 and were signed on its behalf by:

*Mark Lees*

.....  
M A Lees - Director

The notes form part of these financial statements

**AARON ENGINEERING GROUP LIMITED (REGISTERED NUMBER: 12709136)**

**COMPANY BALANCE SHEET  
31 MARCH 2023**

		2023		2022 as restated	
	Notes	£	£	£	£
<b>FIXED ASSETS</b>					
Tangible assets	11		180,000		180,000
Investments	12		<u>236</u>		<u>336</u>
			180,236		180,336
<b>CURRENT ASSETS</b>					
Debtors	14	313,389		187,600	
Cash at bank		<u>26,969</u>		<u>29,235</u>	
		340,358		216,835	
<b>CREDITORS</b>					
Amounts falling due within one year	15	<u>130,408</u>		<u>103,027</u>	
<b>NET CURRENT ASSETS</b>			<u>209,950</u>		<u>113,808</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			390,186		294,144
<b>CREDITORS</b>					
Amounts falling due after more than one year	16		<u>330,712</u>		<u>293,730</u>
<b>NET ASSETS</b>			<u><u>59,474</u></u>		<u><u>414</u></u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	21		200		200
Retained earnings			<u>59,274</u>		<u>214</u>
<b>SHAREHOLDERS' FUNDS</b>			<u><u>59,474</u></u>		<u><u>414</u></u>
Company's profit for the financial year			<u><u>550,423</u></u>		<u><u>597,814</u></u>

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

The financial statements were approved by the Board of Directors and authorised for issue on 20/12/2023 and were signed on its behalf by:

*Mark Lees*

.....  
M A Lees - Director

The notes form part of these financial statements



**AARON ENGINEERING GROUP LIMITED**

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 MARCH 2023**

	Called up share capital £	Retained earnings £	Total £	Non-controlling interests £	Total equity £
<b>Balance at 1 April 2021</b>	1	794,701	794,702	-	794,702
<b>Changes in equity</b>					
Issue of share capital	199	-	199	-	199
Dividends	-	(597,600)	(597,600)	(42,100)	(639,700)
Total comprehensive income	-	680,536	680,536	46,080	726,616
Reserves acquired on acquisition of subsidiary	-	267	267	-	267
<b>Balance at 31 March 2022</b>	<u>200</u>	<u>877,904</u>	<u>878,104</u>	<u>3,980</u>	<u>882,084</u>
<b>Changes in equity</b>					
Dividends	-	(491,363)	(491,363)	(213,347)	(704,710)
Total comprehensive income	-	416,764	416,764	108,920	525,684
<b>Balance at 31 March 2023</b>	<u>200</u>	<u>803,305</u>	<u>803,505</u>	<u>(100,447)</u>	<u>703,058</u>

The notes form part of these financial statements

**AARON ENGINEERING GROUP LIMITED**

**COMPANY STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 MARCH 2023**

	Called up share capital £	Retained earnings £	Total equity £
<b>Balance at 1 April 2021</b>	1	-	1
<b>Changes in equity</b>			
Issue of share capital	199	-	199
Dividends	-	(597,600)	(597,600)
Total comprehensive income	<u>-</u>	<u>597,814</u>	<u>597,814</u>
<b>Balance at 31 March 2022</b>	<u>200</u>	<u>214</u>	<u>414</u>
<b>Changes in equity</b>			
Dividends	-	(491,363)	(491,363)
Total comprehensive income	<u>-</u>	<u>550,423</u>	<u>550,423</u>
<b>Balance at 31 March 2023</b>	<u><u>200</u></u>	<u><u>59,274</u></u>	<u><u>59,474</u></u>

The notes form part of these financial statements

**AARON ENGINEERING GROUP LIMITED**

**CONSOLIDATED CASH FLOW STATEMENT  
FOR THE YEAR ENDED 31 MARCH 2023**

	Notes	2023 £	2022 £
<b>Cash flows from operating activities</b>			
Cash generated from operations	1	500,888	790,611
Interest paid		(59,206)	(34,771)
Interest element of hire purchase payments paid		(37,756)	(16,866)
Tax paid		<u>(22,458)</u>	<u>(111,614)</u>
Net cash from operating activities		<u>381,468</u>	<u>627,360</u>
<b>Cash flows from investing activities</b>			
Purchase of tangible fixed assets		(1,006,610)	(725,431)
Sale of tangible fixed assets		<u>21,034</u>	<u>-</u>
Net cash from investing activities		<u>(985,576)</u>	<u>(725,431)</u>
<b>Cash flows from financing activities</b>			
Loan repayments in year		(236,308)	(162,259)
Factoring account		509,694	365,085
Capital repayments in year		583,181	245,498
Amount introduced by directors		764,667	1,036,447
Amount withdrawn by directors		(539,749)	(539,749)
Share issue		-	200
Dividends - non controlling interest		(213,347)	(42,100)
Equity dividends paid		<u>(491,363)</u>	<u>(597,600)</u>
Net cash from financing activities		<u>376,775</u>	<u>305,522</u>
<b>(Decrease)/increase in cash and cash equivalents</b>		<u>(227,333)</u>	<u>207,451</u>
<b>Cash and cash equivalents at beginning of year</b>	2	<u>1,068,922</u>	<u>861,471</u>
<b>Cash and cash equivalents at end of year</b>	2	<u><u>841,589</u></u>	<u><u>1,068,922</u></u>

The notes form part of these financial statements

# AARON ENGINEERING GROUP LIMITED

## NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2023

### 1. RECONCILIATION OF PROFIT BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS

	2023	2022
	£	£
Profit before taxation	661,602	912,861
Depreciation charges	305,167	137,601
Loss on disposal of fixed assets	103,717	-
Finance costs	<u>96,962</u>	<u>51,637</u>
	1,167,448	1,102,099
(Increase)/decrease in stocks	(2)	141,558
Increase in trade and other debtors	(1,053,780)	(446,227)
Increase/(decrease) in trade and other creditors	<u>387,222</u>	<u>(6,819)</u>
<b>Cash generated from operations</b>	<u><b>500,888</b></u>	<u><b>790,611</b></u>

### 2. CASH AND CASH EQUIVALENTS

The amounts disclosed on the Cash Flow Statement in respect of cash and cash equivalents are in respect of these Balance Sheet amounts:

#### Year ended 31 March 2023

	31.3.23	1.4.22
	£	£
Cash and cash equivalents	<u>841,589</u>	<u>1,068,922</u>

#### Year ended 31 March 2022

	31.3.22	1.4.21
	£	£
Cash and cash equivalents	<u>1,068,922</u>	<u>861,471</u>

The notes form part of these financial statements

# AARON ENGINEERING GROUP LIMITED

## NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2023

### 3. ANALYSIS OF CHANGES IN NET DEBT

	At 1.4.22 £	Cash flow £	At 31.3.23 £
<b>Net cash</b>			
Cash at bank and in hand	<u>1,068,922</u>	<u>(227,333)</u>	<u>841,589</u>
	<u>1,068,922</u>	<u>(227,333)</u>	<u>841,589</u>
<b>Debt</b>			
Finance leases	(658,894)	(583,181)	(1,242,075)
Debts falling due within 1 year	(135,978)	(23,588)	(159,566)
Debts falling due after 1 year	<u>(672,049)</u>	<u>259,896</u>	<u>(412,153)</u>
	<u>(1,466,921)</u>	<u>(346,873)</u>	<u>(1,813,794)</u>
<b>Total</b>	<u>(397,999)</u>	<u>(574,206)</u>	<u>(972,205)</u>

The notes form part of these financial statements

## **AARON ENGINEERING GROUP LIMITED**

### **NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023**

#### **1. STATUTORY INFORMATION**

Aaron Engineering Group Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the General Information page.

#### **2. ACCOUNTING POLICIES**

##### **Basis of preparing the financial statements**

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

The financial statements are prepared in £ sterling which is the functional currency of the company and the group.

##### **Going concern**

The financial statements have been prepared on a going concern basis. The directors are of the opinion that the group will continue its business in the foreseeable future. Comment has been made within the strategic report regarding the results for the year.

##### **Basis of exemption**

For the year ended 31 March 2023, a subsidiary, as detailed in note 11, is exempt from the requirement of an audit, by virtue of section 479A of the Companies Act 2006, for their individual financial statements, as Aaron Engineering Group Limited, the parent undertaking, has provided a guarantee to the relevant subsidiary under section 479c in respect of the year ended 31 March 2023.

##### **Basis of consolidation**

The consolidated financial statements comprise the financial statements of the parent company and all its subsidiaries - Aaron Access Limited, Aaron Rail Limited, Aaron Pay Limited and Aaron HV Systems Limited. All financial statements are made up to 31 March 2023. All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation.

##### **Significant judgements and estimates**

In the preparation of the financial statements, the directors have made judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for income and expenses during the year. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis.

##### **Turnover**

Turnover is measured at the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

## **AARON ENGINEERING GROUP LIMITED**

### **NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 MARCH 2023**

#### **2. ACCOUNTING POLICIES - continued**

##### **Tangible fixed assets**

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life or, if held under a finance lease, over the lease term, whichever is the shorter.

Plant and machinery            - 20% on cost and 15% on cost

Fixtures and fittings           - 25% on cost and 20% on cost

Motor vehicles                 - 25% on reducing balance and 20% on reducing balance

Tangible fixed assets are initially recorded at cost, and are subsequently stated at cost less any accumulated depreciation and impairment losses.

##### **Stocks**

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

##### **Financial instruments**

Financial assets and 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 entity after deducting all of its financial liabilities.

Short term trade 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 reference to the repayment terms.

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

##### **Taxation**

Taxation for the year comprises current and deferred tax. Tax is recognised in the Consolidated Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

##### **Deferred tax**

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

## AARON ENGINEERING GROUP LIMITED

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 MARCH 2023

#### 2. ACCOUNTING POLICIES - continued

##### Hire purchase and leasing commitments

Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shorter.

The interest element of these obligations is charged to profit or loss over the relevant period. The capital element of the future payments is treated as a liability.

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the period of the lease.

Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over the estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shorter.

The interest element of these obligations is charged to profit or loss over the relevant period. The capital element of the future payments is treated as a liability.

##### Pension costs and other post-retirement benefits

The group operates a defined contribution pension scheme. Contributions payable to the group's pension scheme are charged to profit or loss in the period to which they relate.

#### 3. EMPLOYEES AND DIRECTORS

	2023	2022
	£	£
Wages and salaries	5,288,044	3,177,139
Social security costs	322,012	136,134
Other pension costs	47,359	17,514
	<u>5,657,415</u>	<u>3,330,787</u>

The average number of employees during the year was as follows:

	2023	2022
Directors	3	2
Administration	34	23
Production	139	98
Sales	1	1
	<u>177</u>	<u>124</u>



# AARON ENGINEERING GROUP LIMITED

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 MARCH 2023

### 3. EMPLOYEES AND DIRECTORS - continued

	2023 £	2022 £
Directors' remuneration	366,349	463,126
Directors' pension contributions to money purchase schemes	<u>991</u>	<u>-</u>

The number of directors to whom retirement benefits were accruing was as follows:

Money purchase schemes	<u>1</u>	<u>-</u>
------------------------	----------	----------

Information regarding the highest paid director is as follows:

	2023 £	2022 £
Emoluments etc	<u>153,191</u>	<u>231,563</u>

### 4. OPERATING PROFIT

The operating profit is stated after charging:

	2023 £	2022 £
Hire of plant and machinery	2,600	3,787
Other operating leases	168,211	260,264
Depreciation - owned assets	38,363	137,601
Depreciation - assets on hire purchase contracts	267,540	-
Loss on disposal of fixed assets	<u>103,717</u>	<u>-</u>

### 5. AUDITORS' REMUNERATION

	2023 £	2022 £
Fees payable to the company's auditors for the audit of the company's financial statements	<u>20,000</u>	<u>-</u>

# **AARON ENGINEERING GROUP LIMITED**

## **NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 MARCH 2023**

### **5. AUDITORS' REMUNERATION - continued**

	2023 £	2022 £
Fees payable to the company's auditors for the audit of the company's financial statements	10,000	-
Fees payable to the group's audit for the audit of the company's subsidiary's financial statements	<u>10,000</u>	<u>-</u>
	<u>20,000</u>	<u>-</u>

### **6. INTEREST PAYABLE AND SIMILAR EXPENSES**

	2023 £	2022 £
Bank loan interest	59,206	34,771
Hire purchase	<u>37,756</u>	<u>16,866</u>
	<u>96,962</u>	<u>51,637</u>

### **7. TAXATION**

#### **Analysis of the tax charge**

The tax charge on the profit for the year was as follows:

	2023 £	2022 £
Current tax:		
UK corporation tax	(2,965)	119,855
Deferred tax	<u>138,883</u>	<u>66,390</u>
Tax on profit	<u>135,918</u>	<u>186,245</u>

UK corporation tax has been charged at 19%.

## AARON ENGINEERING GROUP LIMITED

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 MARCH 2023

#### 7. TAXATION - continued

##### Reconciliation of total tax charge included in profit and loss

The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The difference is explained below:

	2023 £	2022 £
Profit before tax	<u>661,602</u>	<u>912,861</u>
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2022 - 19%)	125,704	173,444
Effects of:		
Expenses not deductible for tax purposes	11,615	9,652
Capital allowances in excess of depreciation	(157,975)	(63,241)
Adjustments to tax charge in respect of previous periods	(2,965)	-
Losses carried forward	20,656	-
Deferred tax movement	<u>138,883</u>	<u>66,390</u>
Total tax charge	<u>135,918</u>	<u>186,245</u>

#### 8. INDIVIDUAL INCOME STATEMENT

As permitted by Section 408 of the Companies Act 2006, the Income Statement of the parent company is not presented as part of these financial statements.

#### 9. DIVIDENDS

The total dividends paid during the year were £704,710 (2022: £639,700).

#### 10. PRIOR YEAR ADJUSTMENT

In the 2022 financial statements of the company the following errors were made:

- Dividends received of £182,000 from investment companies were omitted
- Dividends paid of £182,000 were omitted

The overall effect on the financial statements is as follows:

- Income from investments and profit for the period have increased by £182,000
- Dividends paid have increased by £182,000
- Debtors have increased by £65,081
- Creditors due within one year have increased by £65,081

Net assets remain the same at £415.

**AARON ENGINEERING GROUP LIMITED**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 MARCH 2023**

**11. TANGIBLE FIXED ASSETS**

**Group**

	Long leasehold £	Plant and machinery £	Fixtures and fittings £
<b>COST</b>			
At 1 April 2022	180,000	26,349	108,362
Additions	-	875	10,318
Disposals	-	-	(58,412)
At 31 March 2023	<u>180,000</u>	<u>27,224</u>	<u>60,268</u>
<b>DEPRECIATION</b>			
At 1 April 2022	-	10,092	14,423
Charge for year	-	4,210	11,367
Eliminated on disposal	-	-	-
At 31 March 2023	<u>-</u>	<u>14,302</u>	<u>25,790</u>
<b>NET BOOK VALUE</b>			
At 31 March 2023	<u>180,000</u>	<u>12,922</u>	<u>34,478</u>
At 31 March 2022	<u>180,000</u>	<u>16,257</u>	<u>93,939</u>
	Motor vehicles £	Computer equipment £	Totals £
<b>COST</b>			
At 1 April 2022	891,205	81,489	1,287,405
Additions	992,531	2,886	1,006,610
Disposals	(38,773)	(51,774)	(148,959)
At 31 March 2023	<u>1,844,963</u>	<u>32,601</u>	<u>2,145,056</u>
<b>DEPRECIATION</b>			
At 1 April 2022	174,958	13,753	213,226
Charge for year	273,619	16,707	305,903
Eliminated on disposal	(13,472)	(10,736)	(24,208)
At 31 March 2023	<u>435,105</u>	<u>19,724</u>	<u>494,921</u>
<b>NET BOOK VALUE</b>			
At 31 March 2023	<u>1,409,858</u>	<u>12,877</u>	<u>1,650,135</u>
At 31 March 2022	<u>716,247</u>	<u>67,736</u>	<u>1,074,179</u>

# AARON ENGINEERING GROUP LIMITED

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 MARCH 2023

### 11. TANGIBLE FIXED ASSETS - continued

#### Group

Fixed assets, included in the above, which are held under hire purchase contracts are as follows:

	Motor vehicles £
<b>COST</b>	
At 1 April 2022	842,593
Additions	975,603
Disposals	<u>(15,755)</u>
At 31 March 2023	<u>1,802,441</u>
<b>DEPRECIATION</b>	
At 1 April 2022	153,263
Charge for year	267,540
Eliminated on disposal	<u>(779)</u>
At 31 March 2023	<u>420,024</u>
<b>NET BOOK VALUE</b>	
At 31 March 2023	<u>1,382,417</u>
At 31 March 2022	<u>689,330</u>

#### Company

	Long leasehold £
<b>COST</b>	
At 1 April 2022 and 31 March 2023	<u>180,000</u>
<b>NET BOOK VALUE</b>	
At 31 March 2023	<u>180,000</u>
At 31 March 2022	<u>180,000</u>

# AARON ENGINEERING GROUP LIMITED

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 MARCH 2023

### 12. FIXED ASSET INVESTMENTS

#### Company

	Shares in group undertakings £
<b>COST</b>	
At 1 April 2022	336
Disposals	<u>(100)</u>
At 31 March 2023	<u>236</u>
<b>NET BOOK VALUE</b>	
At 31 March 2023	<u>236</u>
At 31 March 2022	<u>336</u>

The group or the company's investments at the Balance Sheet date in the share capital of companies include the following:

#### Subsidiaries

##### Aaron Access Limited

Registered office: 4a Bramhall Moor Technology Park, Pepper Road, Hazel Grove, Stockport, SK 7 5BW

Nature of business: Multiskilled gate automation & access control

	% holding	2023 £	2022 £
Class of shares:			
Ordinary	60.00		
Aggregate capital and reserves		104,293	153,364
Profit for the year		<u>175,128</u>	<u>250,758</u>

##### Aaron Rail Limited

Registered office: 4a Bramhall Moor Technology Park, Pepper Road, Hazel Grove, Stockport, SK 7 5BW

Nature of business: Rail and civil engineering solutions

	% holding	2023 £	2022 £
Class of shares:			
Ordinary	95.00		
Aggregate capital and reserves		456,145	700,984
Profit for the year		<u>777,379</u>	<u>921,596</u>

# AARON ENGINEERING GROUP LIMITED

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 MARCH 2023

### 12. FIXED ASSET INVESTMENTS - continued

#### Aaron Pay Limited

Registered office: 4a Bramhall Moor Technology Park, Pepper Road, Hazel Grove, Stockport, SK 7 5BW

Nature of business: Providing staffing requirements

	% holding	2023	2022
Class of shares:		£	£
Ordinary	95.00*	15,194	3,307
Aggregate capital and reserves		<u>11,887</u>	<u>3,207</u>
Profit for the year			

(\*) Indirectly held through ownership of Aaron Rail Limited

#### Aaron HV Systems Limited

Registered office: 4a Bramhall Moor Technology Park, Pepper Road, Hazel Grove, Stockport, SK 7 5BW

Nature of business: High voltage electrical industry

	% holding	2023	2022
Class of shares:		£	£
Ordinary	100.00	40,775	24,438
Aggregate capital and reserves		<u>55,837</u>	<u>16,108</u>
Profit for the year			

Aaron HV Systems Limited is exempt from audit as guarantee has been given by the Company under section 479A of the Companies Act, as disclosed in note 1 and note 22.

### 13. STOCKS

	Group	
	2023	2022
	£	£
Stocks	<u>17,000</u>	<u>16,998</u>

**AARON ENGINEERING GROUP LIMITED**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 MARCH 2023**

**14. DEBTORS**

	<b>Group</b>		<b>Company</b>	
	2023	2022	2023	2022 as restated
	£	£	£	£
Amounts falling due within one year:				
Trade debtors	3,360,122	2,382,890	-	-
Other debtors	702,043	642,429	8,847	-
Directors' current accounts	133,192	353,285	133,192	-
Tax	30,387	8,985	-	-
Prepayments and accrued income	<u>37,242</u>	<u>20,308</u>	<u>-</u>	<u>-</u>
	<u>4,262,986</u>	<u>3,407,897</u>	<u>142,039</u>	<u>-</u>
 Amounts falling due after more than one year:				
Amounts owed by group undertakings	<u>-</u>	<u>-</u>	<u>171,350</u>	<u>187,600</u>
 Aggregate amounts	<u>4,262,986</u>	<u>3,407,897</u>	<u>313,389</u>	<u>187,600</u>

**15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	<b>Group</b>		<b>Company</b>	
	2023	2022	2023	2022 as restated
	£	£	£	£
Bank loans and overdrafts (see note 17)	159,566	135,978	-	-
Hire purchase contracts (see note 18)	353,187	166,941	-	-
Trade creditors	1,074,197	983,750	-	-
Amounts owed to group undertakings	-	-	-	100
Tax	130,198	134,219	8,888	-
Social security and other taxes	148,013	124,189	20,569	20,873
VAT	644,636	295,434	-	-
Other creditors	110,200	101,383	2	2
Factoring account	1,439,644	929,949	-	-
Directors' current accounts	100,949	96,124	100,949	82,052
Accruals and deferred income	<u>303,256</u>	<u>395,147</u>	<u>-</u>	<u>-</u>
	<u>4,469,932</u>	<u>3,363,114</u>	<u>130,408</u>	<u>103,027</u>



**AARON ENGINEERING GROUP LIMITED**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 MARCH 2023**

**16. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	<b>Group</b>		<b>Company</b>	
	2023	2022	2023	2022
	£	£	£	£
Bank loans (see note 17)	412,153	672,049	-	-
Hire purchase contracts (see note 18)	888,888	491,953	-	-
Amounts owed to group undertakings	<u>-</u>	<u>-</u>	<u>330,712</u>	<u>293,730</u>
	<u><u>1,301,041</u></u>	<u><u>1,164,002</u></u>	<u><u>330,712</u></u>	<u><u>293,730</u></u>

**17. LOANS**

An analysis of the maturity of loans is given below:

	<b>Group</b>	
	2023	2022
	£	£
Amounts falling due within one year or on demand:		
Bank loans	<u>159,566</u>	<u>135,978</u>
Amounts falling due between one and two years:		
Bank loans - 1-2 years	<u>256,882</u>	<u>672,049</u>
Amounts falling due between two and five years:		
Bank loans - 2-5 years	<u>155,271</u>	<u>-</u>

**AARON ENGINEERING GROUP LIMITED**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 MARCH 2023**

**18. LEASING AGREEMENTS**

Minimum lease payments fall due as follows:

**Group**

	<b>Hire purchase contracts</b>	
	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Net obligations repayable:		
Within one year	353,187	166,941
Between one and five years	<u>888,888</u>	<u>491,953</u>
	<u><u>1,242,075</u></u>	<u><u>658,894</u></u>

**Group**

	<b>Non-cancellable operating leases</b>	
	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Within one year	31,600	27,375
Between one and five years	114,983	6,082
In more than five years	<u>18,850</u>	<u>-</u>
	<u><u>165,433</u></u>	<u><u>33,457</u></u>

**19. SECURED DEBTS**

The following secured debts are included within creditors:

	<b>Group</b>	
	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Hire purchase contracts	1,242,075	658,894
Factoring account	<u>1,439,644</u>	<u>929,949</u>
	<u><u>2,681,719</u></u>	<u><u>1,588,843</u></u>

**AARON ENGINEERING GROUP LIMITED**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 MARCH 2023**

**20. PROVISIONS FOR LIABILITIES**

	<b>Group</b>	
	2023	2022
	£	£
Deferred tax	<u>297,679</u>	<u>158,796</u>
<b>Group</b>		
		Deferred tax £
Balance at 1 April 2022		158,796
Charge to Income Statement during year		<u>138,883</u>
Balance at 31 March 2023		<u>297,679</u>

**21. CALLED UP SHARE CAPITAL**

	2023	2022
	£	£
<b>Ordinary share capital</b>		
<b>Issued and fully paid</b>		
65 Ordinary A shares of £1 each	65	65
65 Ordinary B shares of £1 each	65	65
27 Ordinary C shares of £1 each	27	27
27 Ordinary D shares of £1 each	27	27
16 Ordinary E shares of £1 each	<u>16</u>	<u>16</u>
	<u>200</u>	<u>200</u>

The shares rank pari passu in all respects except the distribution of dividends.

**22. RESERVES**

<b>Group</b>	Retained earnings £
At 1 April 2022	877,904
Profit for the year	416,764
Dividends	<u>(491,363)</u>
At 31 March 2023	<u>803,305</u>

## AARON ENGINEERING GROUP LIMITED

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 MARCH 2023

#### 23. CONTINGENT LIABILITIES

In order for the subsidiary company, as detailed in note 2, to take the audit exemption in section 479A of the Companies Act 2006, the company has guaranteed all outstanding liabilities of the subsidiary company at 31 March 2023 until those liabilities are satisfied in full.

#### 24. DIRECTORS' ADVANCES, CREDITS AND GUARANTEES

The following advances and credits to a director subsisted during the years ended 31 March 2023 and 31 March 2022:

	2023 £	2022 £
<b>N P Eastwood</b>		
Balance outstanding at start of year	353,315	335,774
Amounts advanced	26,184	17,541
Amounts repaid	(220,400)	-
Amounts written off	-	-
Amounts waived	-	-
Balance outstanding at end of year	<u>159,099</u>	<u>353,315</u>

#### 25. RELATED PARTY DISCLOSURES

At the year end the group is owed £266,019 (2022: £266,019) from Rickerby Retreat Limited. Daniel Ferguson, director and shareholder, is also a majority shareholder of Rickerby Retreat Limited.

During the year, the group paid £12,000 (2022: £12,000) to Daniel Ferguson, director, for the rental of a premises owned by Daniel Ferguson.

During the year, the group paid £187,617 (2022: £111,758) to MEC Business Solutions Ltd. Matthew Clowery, shareholder, is also a 100% shareholder of MEC Business Solutions Ltd.

During the year, the group paid £39,676 (2022: £13,800) to Blue Eagle FD Services Ltd. John Lowndes, shareholder, is also a majority shareholder of Blue Eagle FD Services Ltd.

During the year, a total of key management personnel compensation of £57,590 (2022: £144,991) was paid.