

AAA Group Limited
Annual Report and Financial Statements
for the Year Ended 31 December 2019

Brebners
Chartered Accountants & Statutory Auditor
130 Shaftesbury Avenue
London
W1D 5AR

AAA Group Limited

Contents

Company Information	<u>1</u>
Strategic Report	<u>2</u> to <u>3</u>
Directors' Report	<u>4</u>
Statement of Directors' Responsibilities	<u>5</u>
Independent Auditor's Report	<u>6</u> to <u>8</u>
Statement of Income and Retained Earnings	<u>9</u>
Statement of Financial Position	<u>10</u>
Notes to the Financial Statements	<u>11</u> to <u>15</u>

AAA Group Limited

Company Information

Directors	P Norgate D Bruce
Registered office	Union Plaza 1 Union Wynd Aberdeen Aberdeenshire AB10 1DQ
Auditor	Brebners Chartered Accountants & Statutory Auditor 130 Shaftesbury Avenue London W1D 5AR

AAA Group Limited

Strategic Report for the Year Ended 31 December 2019

The directors present their strategic report for the year ended 31 December 2019.

Principal activity

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

Fair review of the business

The directors are satisfied with the performance of the group for the year which is in line with management's expectations. The group's performance is affected by factors that affect its major customers, who are mainly set in the Oil and Gas industry of the North Sea, such as oil prices, demand and the worldwide market. The UK Oil and Gas industry of the North Sea has seen output increase in 2019 to cover UK demand. There has been a slight improvement in recent years with increases in turnover and reduced losses. Management expect the increased demand for North Sea Oil and Gas to lead to an increase in demand for its services and the provision of specialist staff to its customers.

The company's key financial and other performance indicators during the year were as follows:

	Unit	2019	2018
Investments	£	4,800,000	4,800,000
Net liabilities	£	(301,840)	(240,750)

The group seeks to ensure that responsible business practice is fully integrated into the management of all of its operations and into the culture of all parts of its business. It believes that the consistent adoption of responsible business practice is essential for operational excellence, which in turn, ensures the delivery of its core objectives of sustained real growth in revenue and profitability.

In a group this size, the directors consider there are collectively numerous non-financial performance indicators but no individual indicator is more important than any other.

Principal risks and uncertainties

The group trades within the IT sector with its subsidiary specialising as an employment agency.

The subsidiary faces similar business risks of the individual industries within which our clients operate and to specific business risks around the IT industry, such as technological changes. Management monitor these risks to ensure continuity of trade and to assist our clients to succeed within their own industry sectors.

Financial instruments

Objectives and policies

The company uses basic financial instruments, other than derivatives, comprising bank balances, and various other items such as trade debtors and trade creditors. The main purpose of these instruments is to raise funds for and finance the company's operations.

It is and has been throughout the year under review, the company's policy that no trade in non-basic financial instruments shall be undertaken.

The company does not enter into any formal hedging arrangements.

AAA Group Limited

Strategic Report for the Year Ended 31 December 2019

Price risk, credit risk, liquidity risk and cash flow risk

Liquidity, credit, price and cash flow risks are managed by the directors on a constant basis to ensure the company maintains adequate cash flows to serve its working capital requirements.

The company has a normal level of exposure to price, credit, liquidity and cash flow risks arising from trading activities which are largely conducted in sterling.

Credit risk is the risk that one party to a financial instrument will cause a financial loss for that other party by failing to discharge an obligation. Company policies are aimed at minimising such losses by authorisation of credit terms to customers who demonstrate an appropriate payment history and satisfy credit worthiness procedures.

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The company aims to mitigate liquidity risk by managing cash generation by its operations and ensuring regular monitoring of amounts outstanding for both time and credit limits in trade debtors.

Cash flow risk is the risk of exposure to variability in cash flows that is attributable to a particular risk associated with a recognised asset or liability such as future interest payments on a variable rate debt. The company manages this risk, where significant, and does not maintain any derivatives or complex financial instruments as explained above.

Future developments

The principal activity and trading performance of the company and group is expected to remain consistent for the foreseeable future.

Approved by the Board on 12 November 2020 and signed on its behalf by:

.....
P Norgate
Director

AAA Group Limited

Directors' Report for the Year Ended 31 December 2019

The directors present their report and the financial statements for the year ended 31 December 2019.

Directors of the company

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

P Norgate

D Bruce

Principal activity

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

Disclosure of information in the Strategic Report

The company has chosen in accordance with s.414C(11) Companies Act 2006 to set out in the company's Strategic Report information required by Schedule 7 of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 to be contained in the Directors' Report. It has done so in respect of future developments and financial instruments.

Disclosure of information to the auditor

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

Approved by the Board on 12 November 2020 and signed on its behalf by:

.....
P Norgate
Director

AAA Group Limited

Statement of Directors' Responsibilities

The directors acknowledge their responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

AAA Group Limited

Independent Auditor's Report to the Members of AAA Group Limited for the Year Ended 31 December 2019

Opinion

We have audited the financial statements of AAA Group Limited (the 'company') for the year ended 31 December 2019, which comprise the Statement of Income and Retained Earnings, Statement of Financial Position, and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2019 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

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

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

We have nothing to report in this regard.

AAA Group Limited

Independent Auditor's Report to the Members of AAA Group Limited for the Year Ended 31 December 2019

Opinion on other matter prescribed by the Companies Act 2006

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

- the information given in the Strategic Report and Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and Directors' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report and the Directors' Report.

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

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

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities (set out on page 5), the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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. 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.

AAA Group Limited

Independent Auditor's Report to the Members of AAA Group Limited for the Year Ended 31 December 2019

.....
Darren Bond (Senior Statutory Auditor)

For and on behalf of

Brebners, Statutory Auditor

130 Shaftesbury Avenue

London

W1D 5AR

12 November 2020

AAA Group Limited

Statement of Income and Retained Earnings for the Year Ended 31 December 2019

	Note	2019 £	2018 £
Turnover		-	-
Operating profit/(loss)		-	-
Interest payable and similar charges		(75,420)	(74,308)
Loss before tax		(75,420)	(74,308)
Taxation	<u>5</u>	14,119	-
Loss for the financial year		(61,301)	(74,308)
Retained earnings brought forward		(240,850)	(166,542)
Retained earnings carried forward		<u>(302,151)</u>	<u>(240,850)</u>

The notes on pages 11 to 15 form an integral part of these financial statements.

AAA Group Limited

Statement of Financial Position as at 31 December 2019

	Note	2019 £	2018 £
Fixed assets			
Investments	<u>6</u>	4,800,000	4,800,000
Current assets			
Debtors	<u>7</u>	<u>14,119</u>	<u>-</u>
Total assets less current liabilities		4,814,119	4,800,000
Creditors: Amounts falling due after more than one year	<u>8</u>	<u>(5,116,170)</u>	<u>(5,040,750)</u>
Net liabilities		<u>(302,051)</u>	<u>(240,750)</u>
Capital and reserves			
Called up share capital		62	62
Capital redemption reserve		38	38
Profit and loss account		<u>(302,151)</u>	<u>(240,850)</u>
Shareholders' deficit		<u>(302,051)</u>	<u>(240,750)</u>

Approved and authorised by the Board on 12 November 2020 and signed on its behalf by:

.....

P Norgate

Director

Company registration number: SC319102

The notes on pages 11 to 15 form an integral part of these financial statements.

AAA Group Limited

Notes to the Financial Statements for the Year Ended 31 December 2019

1 General information

The company is a private company limited by share capital, incorporated in Scotland.

The address of its registered office is:

Union Plaza
1 Union Wynd
Aberdeen
Aberdeenshire
AB10 1DQ
Scotland

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

2 Accounting policies

Statement of compliance

These financial statements were prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

Basis of preparation

These financial statements have been prepared using the historical cost convention except any items disclosed in the accounting policies as being shown at fair value and are presented in sterling, which is the functional currency of the entity.

Summary of disclosure exemptions

The entity satisfies the criteria of being a qualifying entity as defined in FRS 102. Its financial statements are consolidated into the financial statements of Sword Group SE, which can be obtained from sword-group.com/en/investors. As such, advantage has been taken of the following disclosure exemptions available under paragraph 1.12 of FRS 102:

- (a) No cash flow statement has been presented for the company.
- (b) Disclosures in respect of financial instruments have not been presented.
- (c) No disclosure has been given for the aggregate remuneration of key management personnel..

Group accounts not prepared

The entity has taken advantage of the exemption from preparing consolidated financial statements contained in Section 400 of the Companies Act 2006 on the basis that it is a subsidiary undertaking and its immediate parent undertaking is established under the law of an EEA State.

AAA Group Limited

Notes to the Financial Statements for the Year Ended 31 December 2019

Going concern

The company generated a loss before tax of £75,420 due to interest charged on Intercompany debt. The company is reliant upon group borrowings and has ongoing support of its parent undertaking. The intergroup debt will not be called upon until the company has sufficient resources to meet the obligations.

The directors have considered the potential effect of the current COVID-19 crisis and, although there is no certainty as to when this will end, the directors' view is that the impact will be manageable as the company's affairs are simple with no significant overheads.

On the basis of the above, and after making enquiries, the directors have a reasonable expectation that the company has adequate resources to continue in operation existence for the foreseeable future. Accordingly, the directors continues to adopt the going concern basis in preparing the financial statements.

Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Accounting estimates and assumptions are made concerning the future and, by their nature, will rarely equal the related actual outcome. Key assumptions and other estimation uncertainty may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Significant judgements

Other than those involving estimations there are no judgements that management have made in the process of applying the entity's accounting policies that have a significant effect on the amounts recognised in the financial statements.

Tax

The tax expense for the period comprises current tax. Tax is recognised in profit or loss, except that a charge attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

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

Investments

Investments in equity shares which are not publicly traded and where fair value cannot be measured reliably are measured at cost less impairment.

Interest income on debt securities, where applicable, is recognised in income using the effective interest method. Dividends on equity securities are recognised in income when receivable.

Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

AAA Group Limited

Notes to the Financial Statements for the Year Ended 31 December 2019

Financial Instruments

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 entity after deducting all of its financial liabilities.

Where the contractual obligations of financial instruments (including share capital) are equivalent to a similar debt instrument, those financial instruments are classed as financial liabilities. Financial liabilities are presented as such in the balance sheet. Finance costs and gains or losses relating to financial liabilities are included in the profit and loss account. Finance costs are calculated so as to produce a constant rate of return on the outstanding liability.

Where the contractual terms of share capital do not have any terms meeting the definition of a financial liability then this is classed as an equity instrument. Dividends and distributions relating to equity instruments are debited direct to equity.

3 Staff costs

The average number of persons employed by the company during the year, was 0 (2018 - 0).

4 Auditors' remuneration - paid by subsidiary

	2019 £	2018 £
Audit of the financial statements	3,200	3,000
Other fees to auditors		
All other non-audit services	700	350
	<u>3,900</u>	<u>3,350</u>

5 Taxation

Tax (credited) in the income statement

	2019 £	2018 £
Current taxation		
Subvention receipt for tax losses utilised by group undertakings	<u>(14,119)</u>	<u>-</u>

AAA Group Limited

Notes to the Financial Statements for the Year Ended 31 December 2019

The tax on profit before tax for the year is the same as the standard rate of corporation tax in the UK (2018 - the same as the standard rate of corporation tax in the UK) of 19% (2018 - 19%).

The differences are reconciled below:

	2019 £	2018 £
Loss before tax	<u>(75,420)</u>	<u>(74,308)</u>
Corporation tax at standard rate	(14,330)	(14,119)
Tax increase arising from group relief	<u>211</u>	<u>14,119</u>
Total tax credit	<u>(14,119)</u>	<u>-</u>

6 Investments

	2019 £	2018 £
Investment in subsidiary	<u>4,800,000</u>	<u>4,800,000</u>
Subsidiary		£
Cost		
At 1 January 2019		5,000,000
Provision		
At 1 January 2019		<u>200,000</u>
Carrying amount		
At 31 December 2019		<u>4,800,000</u>
At 31 December 2018		<u>4,800,000</u>

Details of Undertaking

Details of the investment in which the company holds 20% or more of the nominal value of any class of share capital are as follows:

Undertaking	Registered office	Holding	Proportion of voting rights and shares held	
			2019	2018
Subsidiary undertaking				
Aberdeen Appointments Agency Limited	Union Plaza, 1 Union Wynd, Aberdeen, Aberdeenshire, AB10 1DQ, Scotland	Ordinary £1 shares	100%	100%

The principal activity of Aberdeen Appointments Agency Limited is that of an employment agency.

AAA Group Limited

Notes to the Financial Statements for the Year Ended 31 December 2019

7 Debtors

	Note	2019 £	2018 £
Amounts due from group undertakings	9	14,119	-

8 Creditors

	Note	2019 £	2018 £
Due after one year			
Amounts due to group undertakings		5,116,170	5,040,750

9 Related party transactions

Amounts due to and from group undertakings at 31 December 2019 are aggregated as permitted by FRS 102 and shown separately in debtors and creditors.

In accordance with FRS 102 paragraph 33.1A, exemption is taken not to disclose transactions in the year between wholly owned group undertakings.

10 Parent and ultimate parent undertaking

The company's immediate parent is Sword Charteris Limited, incorporated in England and Wales.

The ultimate parent is Sword Group SE, incorporated in Luxembourg.

The most senior parent entity producing publicly available financial statements is Sword Group SE.

Sword Group SE, whose registered office is located at Route d'Arlon 2-4, L-8399 Windhof, Luxembourg, is the parent of the smallest and largest group preparing consolidated financial statements incorporating results of the company.

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.