

Unaudited Financial Statements for the Year Ended 28th February 2023

for

ADV. Holdings Ltd

McLaughlin Crolla LLP
77/2 Hanover Street
Edinburgh
EH2 1EE

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DIRECTORS:

Mr A M Gillies
Mr C W D Mark
Mr J D Barbour

REGISTERED OFFICE:

5 Atholl Crescent
Edinburgh
EH3 8EJ

REGISTERED NUMBER:

SC568155 (Scotland)

ACCOUNTANTS:

McLaughlin Crolla LLP
77/2 Hanover Street
Edinburgh
EH2 1EE

SOLICITORS:

Gillespie McAndrew LLP
5 Atholl Crescent
Edinburgh
EH3 8EJ

The following reproduces the text of the report prepared for the directors in respect of the company's annual unaudited financial statements. In accordance with the Companies Act 2006, the company is only required to file a Balance Sheet. Readers are cautioned that the Income Statement and certain other primary statements and the Report of the Directors are not required to be filed with the Registrar of Companies.

As described on the Balance Sheet you are responsible for the preparation of the financial statements for the year ended 28th February 2023 set out on pages five to fourteen and you consider that the company is exempt from an audit.

In accordance with your instructions, we have compiled these unaudited financial statements in order to assist you to fulfil your statutory responsibilities, from the accounting records and information and explanations supplied to us.

McLaughlin Crolla LLP
77/2 Hanover Street
Edinburgh
EH2 1EE

28th June 2023

Balance Sheet
28th February 2023

		2023		2022	
	Notes	£	£	£	£
FIXED ASSETS					
Intangible assets	4		27,838		31,808
Tangible assets	5		440,805		597,198
Investments	6		<u>909</u>		<u>909</u>
			469,552		629,915
CURRENT ASSETS					
Stocks		15,518		-	
Debtors	7	480,952		1,295,629	
Cash at bank		<u>756,081</u>		<u>218,501</u>	
		1,252,551		1,514,130	
CREDITORS					
Amounts falling due within one year	8	<u>182,426</u>		<u>124,492</u>	
NET CURRENT ASSETS			<u>1,070,125</u>		<u>1,389,638</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>1,539,677</u>		<u>2,019,553</u>
CREDITORS					
Amounts falling due after more than one year	9		<u>29,526</u>		<u>49,577</u>
NET ASSETS			<u>1,510,151</u>		<u>1,969,976</u>
CAPITAL AND RESERVES					
Called up share capital	11		2,191		2,048
Share premium	12		2,328,600		1,841,062
Other reserves	12		24,589		13,589
Retained earnings	12		<u>(845,229)</u>		<u>113,277</u>
SHAREHOLDERS' FUNDS			<u>1,510,151</u>		<u>1,969,976</u>

The company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 28th February 2023.

The members have not required the company to obtain an audit of its financial statements for the year ended 28th February 2023 in accordance with Section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for:

- (a) ensuring that the company keeps accounting records which comply with Sections 386 and 387 of the Companies Act 2006 and
- (b) preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of each financial year and of its profit or loss for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.

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

In accordance with Section 444 of the Companies Act 2006, the Income Statement has not been delivered.

The financial statements were approved by the Board of Directors and authorised for issue on 28th June 2023 and were signed on its behalf by:

Mr A M Gillies - Director

1. **STATUTORY INFORMATION**

ADV. Holdings Ltd is a private company, limited by shares, registered in Scotland. The company's registered number and registered office address can be found on the Company 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" including the provisions of Section 1A "Small Entities" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Preparation of consolidated financial statements

The financial statements contain information about ADV. Holdings Ltd as an individual company and do not contain consolidated financial information as the parent of a group. The company is exempt under Section 399(2A) of the Companies Act 2006 from the requirements to prepare consolidated financial statements.

Related party exemption

The company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the group.

Goodwill

Goodwill, being the amount paid in connection with the acquisition of a business in 2020, is being amortised evenly over its estimated useful life of ten years.

Intangible assets

Intangible assets are initially measured at cost. After initial recognition, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

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.

Ongoing projects	- not provided
Plant and machinery	- 25% on cost
Motor vehicles	- 25% on cost
Computer equipment	- 33% on cost

Investments in subsidiaries

Investments in subsidiary undertakings are recognised at cost.

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

The company only has financial assets and liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the 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.

2. **ACCOUNTING POLICIES - continued**

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.

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.

Pension costs and other post-retirement benefits

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

Cash at bank and in hand

Cash at bank and in hand 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 borrowing costs in current liabilities.

Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company. These amounts are recognised in the statement of changes in equity.

Share-based payments

Equity-settled share based payments are measured at fair value at the date of the grant. The fair value determined at the grant date is expensed on a straight-line basis over the vesting period, based on the estimate of shares that will eventually vest. A corresponding adjustment is made to equity.

3. **EMPLOYEES AND DIRECTORS**

The average number of employees during the year was 5 (2022 - 4).

4. INTANGIBLE FIXED ASSETSGoodwill
£**Cost**At 1st March 2022
and 28th February 202339,700**Amortisation**At 1st March 2022
Charge for year
At 28th February 2023

7,892

3,97011,862**Net book value**At 28th February 2023
At 28th February 202227,83831,808**5. TANGIBLE FIXED ASSETS**Plant and
machinery
etc
£**Cost**At 1st March 2022
Additions
Disposals
At 28th February 2023

1,198,183

210,571

(73,110)1,335,644**Depreciation**At 1st March 2022
Charge for year
Eliminated on disposal
At 28th February 2023

600,984

317,796

(23,941)894,839**Net book value**At 28th February 2023
At 28th February 2022440,805597,199

5. TANGIBLE FIXED ASSETS - continued

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

	Plant and machinery etc £
Cost	
At 1st March 2022	37,978
Disposals	(37,978)
At 28th February 2023	-
Depreciation	
At 1st March 2022	14,177
Charge for year	4,747
Eliminated on disposal	(18,924)
At 28th February 2023	-
Net book value	
At 28th February 2023	-
At 28th February 2022	<u>23,801</u>

6. FIXED ASSET INVESTMENTS

	Shares in group undertakings £
Cost	
At 1st March 2022 and 28th February 2023	909
Net book value	
At 28th February 2023	909
At 28th February 2022	<u>909</u>

7. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2023 £	2022 £
Trade debtors	22,039	1,821
Amounts owed by group undertakings	410,064	1,173,859
Directors' loan accounts	18,500	18,500
VAT	7,519	12,454
Prepayments	22,830	88,995
	<u>480,952</u>	<u>1,295,629</u>

8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2023	2022
	£	£
Bank loans and overdrafts (see note 10)	10,000	10,000
Hire purchase contracts	-	6,680
Trade creditors	5,517	91,938
Amounts owed to group undertakings	149,650	-
Social security and other taxes	6,538	3,782
Other creditors	4,455	939
Accrued expenses	6,266	11,153
	<u>182,426</u>	<u>124,492</u>

9. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2023	2022
	£	£
Bank loans (see note 10)	29,526	39,167
Hire purchase contracts	-	10,410
	<u>29,526</u>	<u>49,577</u>

10. LOANS

In January 2021 the company received a Business Bounce Back Loan from The Royal Bank of Scotland plc. The loan term is 72 months at a fixed rate of interest at 2.5% per annum.

There are no capital repayments in the first 12 months and interest charges for that period are covered by the Government Business Interruption Payment ("BIP").

Capital and interest repayments commence 12 months after drawdown. Capital repayments are payable in equal monthly instalments over the remaining 60 months, along with the relevant monthly interest charge.

For the period where BIP is applied to interest charges, these costs are simultaneously treated as Government grants receivable and finance costs payable in the profit and loss account.

11. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	£
1,045,000	Ordinary	0.1p	1,045
1,146,105	A Ordinary	0.1p	<u>1,146</u>
			<u>2,191</u>

On 1 April 2022 a further 142,857 A Ordinary shares were issued at a price of £3.50 each.

There are no restrictions on the distribution of dividends and the repayment of capital.

12. RESERVES

	Retained earnings £	Share premium £	Other reserves £	Totals £
At 1st March 2022	113,277	1,841,062	13,589	1,967,928
Deficit for the year	(958,506)	-	-	(958,506)
Cash share issue	-	487,538	-	487,538
Share-based payment charge	-	-	11,000	11,000
At 28th February 2023	<u>(845,229)</u>	<u>2,328,600</u>	<u>24,589</u>	<u>1,507,960</u>

13. DIRECTORS' ADVANCES, CREDITS AND GUARANTEES

The following advances and credits to a director subsisted during the years ended 28th February 2023 and 28th February 2022:

	2023 £	2022 £
Mr C W D Mark		
Balance outstanding at start of year	18,500	-
Amounts advanced	-	18,500
Amounts repaid	-	-
Amounts written off	-	-
Amounts waived	-	-
Balance outstanding at end of year	<u>-</u>	<u>18,500</u>

There are no fixed repayment terms and interest is being charged on the outstanding balance at a rate of 2% per annum.

14. SHARE-BASED PAYMENT TRANSACTIONS

Certain key employees participate in the Company share option scheme. The options are granted with a fixed exercise price, are exercisable six months after the date of the grant and expire ten years after the date of the grant. Employees are required to remain in employment with the Company until exercise, otherwise the awards lapse.

The following table illustrates the number and weighted average exercise price of, and movements in, share options during the year.

	No.	2023 Weighted average exercise price	No.	2022 Weighted average exercise price
Outstanding at 1 March	55,000	£2.00	55,000	£2.00
Granted	-	-	-	-
Forfeited	-	-	-	-
Exercised	-	-	-	-
Expired	-	-	-	-
Outstanding at 28 February	<u>55,000</u>	<u>£2.00</u>	<u>55,000</u>	<u>£2.00</u>
Exercisable at 28 February	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

The expense recognised for share-based payments arising from equity-settled transactions for the year was £11,000 (2022: £9,249)

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