

Company registration number: 10843221

PARENT COMPANY ACCOUNTS
FOR A+O SHARED SOLUTIONS
LIMITED
COMPANY NUMBER 11725680

ANNUAL REPORT AND FINANCIAL
STATEMENTS

FOR THE YEAR ENDED

31 DECEMBER 2024

A&O IT GROUP PLC



MENZIES

A&O IT GROUP PLC

COMPANY INFORMATION

Directors	R R Moore R F Ridgwell
Company secretary	E A Moore
Registered number	10843221
Registered office	The Capitol Building Bracknell Berkshire RG12 8FZ
Independent auditors	Menzies LLP Chartered Accountants & Statutory Auditor 2nd Floor Midas House 62 Goldsworth Road Woking Surrey GU21 6LQ

A&O IT GROUP PLC

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A&O IT GROUP PLC

GROUP STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2024

Introduction

The principal activity of the Group remains the provision of managed services to Global Infrastructure Outsourcing Companies and IT equipment manufacturers. The Group, in addition, operates a Cyber Security Services and Consultancy operation which also has an international footprint.

Business review

The 2024 financial year, following the Covid period, saw strong customer focus on cost control and adapting their IT services to the post covid hybrid mix of office and remote working. In addition, the uncertainties of the international markets, especially during the second half of 2024, resulted in key customer investment and project decisions being delayed. In this situation the Board focused strongly on ensuring the Group's cost base remained productive, reflected customer demand, whilst making key investments in direct customer and Cyber capability.

The Board were pleased with the actions taken which showed a resilient EBITDA performance at £0.9m (FY23: £1m) on revenue at £27.1m (FY23: £32.9m). The reduction in revenue is due to the reasons highlighted above. The net assets position at the year end is £0.4m (FY23: £0.6m).

Sales development activity has identified a significant number of new customers and once macroeconomic factors such as inflation is deemed to be back under control and interest rates start to reduce it is expected that new project activity currently on hold will be implemented and new customers onboarded.

The Group has maintained its significant investment in IP and expanded its Cyber and Security offering. The automation benefits have been essential in reducing costs for licensees and customers alike and are an increasingly important differentiator in the Group's offering to its Global Infrastructure Outsourcing customers.

2025 review

Geopolitical uncertainties and volatility within the financial markets have both impacted confidence on investment decisions by customers but in the first half of 2025 there has been growth which reflects a cautious return by markets to positive investment activity. There are strong indications that customers are now making key decisions and the Group's pipeline of new business reflects an expanded customer base and accelerating growth in the second half of 2025 at both revenue and EBITDA level. Ongoing reductions in inflation and interest rates leads the Board to believe that there will be a further strengthening of the services market and this is reflected in the level of increased inbound enquiries.

The Board is pleased to report that the covid related loan taken in FY22 of £2m was fully repaid in January FY25. The Group continues to review its working capital requirements and will maintain a mix of overdraft facility and invoice discounting in FY 25.

Principal risks and uncertainties

The Board is responsible for setting the Group's risk appetite and ensuring that appropriate risk management systems are in place. The Board reviews the Group's principal risks throughout the year as part of its normal agenda, adopting an integrated approach to risk management by regularly discussing its principal risks.

As the impact of high inflation and interest rates reduces the Board remain alert to geopolitical issues and the threat to the global economy and therefore the growth indicators within its existing customers and their customers. Although a significant part of the business is recurring services, a key element of Group success is customer confidence and commitment to project activity. In this context, conversion ratios and pipeline strength are regularly measured, and, at this time, mid-term forecasts support a strong growth outlook for the second half of 2025 and into 2026 involving recurring and project activity.

A&O IT GROUP PLC

GROUP STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2024

Directors' statement of compliance with duty to promote the success of the Group

Section 172 of the Companies Act 2006 requires Directors to take into consideration the interest of stakeholders and other matters in their decision making. The Board of Directors consider that the decisions they have made during the financial year and the way they have acted have promoted the success of the Group for the benefit of its members as a whole, having regard for the stakeholders and matters set out in S172 (1) (a-f) of the act.

The Board of Directors act in a way they consider, in good faith, the most likely way to promote the success of the Group for the benefit of its members as a whole. The Group's key stakeholders are its employees, contractors, customers and suppliers. At the core of the Group's decision-making process is a desire to make decisions that are for the long-term benefit of the Group and its stakeholders as a whole. This is demonstrated through our long-standing relationships with staff, customers and suppliers built on the premise of providing a high-quality service.

The Group engages with its stakeholders in a variety of ways including:

Employees/Contractors – Regular communication including Executive led quarterly Teams sessions where Group updates are provided, staff achievement recognised and Q&A forum.

Customers - Regular communication including monthly/quarterly reviews discussing service metrics, scope for improvement and customer feedback based on regular CSAT data.

Suppliers – Regular contact and a focus on developing close relationships, ability for suppliers to utilise Group service platform for their own use and to secure mutual long-term growth.

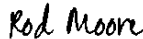
Financial key performance indicators

In seeking to achieve the business plan, the Board reviews a range of non-financial indicators, particularly service metrics against SLAs (Service Level Agreements) and productivity targets.

The Board are of the opinion that key financial metrics are:

	2024	2023
Revenue (reduction)/growth	(17%)	(10%)
Revenue	£27.1m	£32.9m
EBITDA	£0.9m	£1m
Net (decrease)/increase in cash and cash equivalents	(£0.6m)	(£0.4m)

This report was approved by the board and signed on its behalf.

DocuSigned by:

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R R Moore
Director

Date: 27-Jun-2025

A&O IT GROUP PLC

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2024

The directors present their report and the financial statements for the year ended 31 December 2024.

Directors

The directors who served during the year were:

R R Moore
R F Ridgwell

Directors' responsibilities statement

The directors are responsible for preparing the Group Strategic Report, the Directors' Report and the consolidated 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 for the Group's financial statements and then apply them consistently;
- make judgments 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 Group 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 the Group and to 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.

Results and dividends

The loss for the year, after taxation and minority interests, amounted to £129,768 (2023 - profit £120,353).

There were no dividends declared or paid in 2024 (2023 - nil)

Matters covered in the Group Strategic Report

The Company has chosen in accordance with Section 414C(11) of the Companies Act 2006 (Strategic Report and Director's Report) Regulations 2013 to set out within the Group's Strategic Report the Company's Report Information Required by Schedule 7 of the Large and Medium Sized Companies and Groups (Accounts and Reports) Regulations 2008. This includes information that would have been included in the business review and details of the principal risks and uncertainties.

Disclosure of information to auditors

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company and the Group's auditors are unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company and the Group's auditors are aware of that information.

A&O IT GROUP PLC

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2024

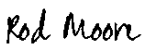
Going concern

The directors have a reasonable expectation that the Company has adequate resources to continue in operational existence as explained in note 2.2. For this reason the directors continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Auditors

Under section 487(2) of the Companies Act 2006, Menzies LLP will be deemed to have been reappointed as auditors 28 days after these financial statements were sent to members or 28 days after the latest date prescribed for filing the accounts with the registrar, whichever is earlier.

This report was approved by the board and signed on its behalf.

DocuSigned by:

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R R Moore
Director

Date: 27-Jun-2025

A&O IT GROUP PLC

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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF A&O IT GROUP PLC

Opinion

We have audited the financial statements of A&O IT Group PLC (the 'parent Company') and its subsidiaries (the 'Group') for the year ended 31 December 2024, which comprise the Consolidated Statement of Comprehensive Income, the Consolidated Statement of Financial Position, the Company Statement of Financial Position, the Consolidated Statement of Cash Flows, the Consolidated Statement of Changes in Equity, the Company Statement of Changes in Equity and the related notes, 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's affairs as at 31 December 2024 and of the Group's 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 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 United Kingdom, including the Financial Reporting Council'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 or 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.

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our Auditors' Report thereon. The directors are responsible for the other information contained within the Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

A&O IT GROUP PLC

MENZIES

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF A&O IT GROUP PLC (CONTINUED)

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the 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 Directors' Report.

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

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

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement set out on page 3, 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 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.

A&O IT GROUP PLC

MENZIES

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF A&O IT GROUP PLC (CONTINUED)

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 an Auditors' 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 Group financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

The Group is subject to laws and regulations that directly affect the financial statements including financial reporting legislation. We determined that the following laws and regulations were most significant including:

- The Companies Act 2006;
- Financial Reporting Standard 102;
- UK employment legislation
- UK health and safety legislation; and
- General Data Protection Regulations.

We assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

- We understood how the Group are complying with those legal and regulatory frameworks by making inquiries to management and those responsible for legal and compliance procedures. We corroborated our inquiries through our review of board minutes.
- The engagement partner assessed whether the engagement team collectively had the appropriate competence and capabilities to identify or recognise non-compliance with laws and regulations. The assessment did not identify any issues in this area.
- We assessed the susceptibility of the Group's financial statements to material misstatement, including how fraud might occur. Audit procedures performed by the engagement team included:
 - Understanding how those charged with governance considered and addressed the potential for override of controls or other inappropriate influence over the financial reporting process;
 - Challenging assumptions and judgments made by management in its significant accounting estimates; and
 - Identifying and testing journal entries, in particular any journal entries posted with unusual account combinations.

As a result of the above procedures, we considered the opportunities and incentives that may exist within the organisation or fraud and identified the greatest potential for fraud in the following areas:

- Posting of journals to the accounting software which are of a non-routine nature in terms of timing and amount; and
- The use of management override of controls to manipulate results, or to cause the Group to enter into transactions not in their best interests.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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 Auditors' Report.

A&O IT GROUP PLC

MENZIES

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF A&O IT
GROUP PLC (CONTINUED)

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 Auditors' 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.

DocuSigned by:

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Miriam Hanley ACA (Senior Statutory Auditor)

for and on behalf of
Menzies LLP

Chartered Accountants
Statutory Auditor

2nd Floor
Midas House
62 Goldsworth Road
Woking
Surrey
GU21 6LQ
Date: 27-Jun-2025

A&O IT GROUP PLC

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2024

	Note	2024 £	2023 £
Turnover	4	27,104,922	32,852,765
Cost of sales		(21,569,373)	(25,872,289)
Gross profit		5,535,549	6,980,476
Administrative expenses		(5,285,392)	(6,560,103)
Operating profit	5	250,157	420,373
Interest receivable and similar income	9	228	-
Interest payable and expenses	10	(412,031)	(279,031)
(Loss)/profit before taxation		(161,646)	141,342
Tax on (loss)/profit	11	10,463	20,209
(Loss)/profit for the financial year		(151,183)	161,551
(Loss)/profit for the year attributable to:			
Non-controlling interests		(21,415)	41,198
Owners of the parent Company		(129,768)	120,353
		(151,183)	161,551

The notes on pages 16 to 34 form part of these financial statements.


A&O IT GROUP PLC

REGISTERED NUMBER: 10843221

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2024

	Note	2024 £	2023 £
Fixed assets			
Intangible assets	14	2,017,857	2,207,513
Tangible assets	15	114,568	170,154
		<u>2,132,425</u>	<u>2,377,667</u>
Current assets			
Debtors: amounts falling due within one year	17	11,442,154	11,203,754
Bank and cash balances		68,203	116,684
		<u>11,510,357</u>	<u>11,320,438</u>
Creditors: amounts falling due within one year	18	(13,243,141)	(13,006,031)
Net current liabilities		<u>(1,732,784)</u>	<u>(1,685,593)</u>
Total assets less current liabilities		<u>399,641</u>	<u>692,074</u>
Creditors: amounts falling due after more than one year	19	-	(55,555)
Net assets		<u><u>399,641</u></u>	<u><u>636,519</u></u>
Capital and reserves			
Called up share capital	22	50,002	50,002
Foreign exchange reserve	23	(103,126)	(19,215)
Merger reserve	23	1,338,204	1,338,204
Profit and loss account	23	(1,077,061)	(947,293)
Equity attributable to owners of the parent Company		<u>208,019</u>	<u>421,698</u>
Non-controlling interests		<u>191,622</u>	<u>214,821</u>
		<u><u>399,641</u></u>	<u><u>636,519</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

DocuSigned by:

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R R Moore
 Director

Date: 27-Jun-2025

The notes on pages 16 to 34 form part of these financial statements.

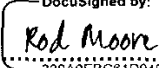
A&O IT GROUP PLC

REGISTERED NUMBER: 10843221

COMPANY STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2024

	Note	2024 £	2023 £
Fixed assets			
Investments	16	2,697,876	2,697,876
		<u>2,697,876</u>	<u>2,697,876</u>
Current assets			
Debtors: amounts falling due within one year	17	133,999	56,753
Cash at bank and in hand		218	357
		<u>134,217</u>	<u>57,110</u>
Creditors: amounts falling due within one year	18	(1,198,404)	(941,901)
Net current liabilities		<u>(1,064,187)</u>	<u>(884,791)</u>
Total assets less current liabilities		<u>1,633,689</u>	<u>1,813,085</u>
Creditors: amounts falling due after more than one year	19	-	(55,555)
Net assets		<u>1,633,689</u>	<u>1,757,530</u>
Capital and reserves			
Called up share capital	22	50,002	50,002
Merger reserve	23	2,119,901	2,119,901
Profit and loss account brought forward		(412,373)	(218,351)
Loss for the year		(123,841)	(194,022)
Profit and loss account carried forward		<u>(536,214)</u>	<u>(412,373)</u>
		<u>1,633,689</u>	<u>1,757,530</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

DocuSigned by:

 R R Moore
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 Director

Date: 27-Jun-2025

The notes on pages 16 to 34 form part of these financial statements.

A&O IT GROUP PLC

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2024

	Called up share capital £	Foreign exchange reserve £	Merger reserve £	Profit and loss account £	Equity attributable to owners of parent Company £	Non- controlling interests £	Total equity £
At 1 January 2023	50,002	(34,056)	1,338,204	(1,067,646)	286,504	172,970	459,474
Comprehensive income for the year	-	-	-	120,353	120,353	41,198	161,551
Contributions by and distributions to owners	-	14,841	-	-	14,841	653	15,494
At 1 January 2024	50,002	(19,215)	1,338,204	(947,293)	421,698	214,821	636,519
Comprehensive income for the year	-	-	-	(129,768)	(129,768)	(21,415)	(151,183)
Contributions by and distributions to owners	-	(83,911)	-	-	(83,911)	(1,784)	(85,695)
At 31 December 2024	50,002	(103,126)	1,338,204	(1,077,061)	208,019	191,622	399,641

The notes on pages 16 to 34 form part of these financial statements.

A&O IT GROUP PLC

COMPANY STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2024

	Called up share capital £	Merger reserve £	Profit and loss account £	Total equity £
At 1 January 2023	50,002	2,119,901	(218,351)	1,951,552
Comprehensive income for the year				
Loss for the year	-	-	(194,022)	(194,022)
At 1 January 2024	50,002	2,119,901	(412,373)	1,757,530
Comprehensive income for the year				
Loss for the year	-	-	(123,841)	(123,841)
At 31 December 2024	50,002	2,119,901	(536,214)	1,633,689

The notes on pages 16 to 34 form part of these financial statements.

A&O IT GROUP PLC

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2024

	2024 £	2023 £
Cash flows from operating activities		
Profit/(loss) for the financial year	(151,183)	161,551
Adjustments for:		
Amortisation of intangible assets	535,563	511,363
Depreciation of tangible assets	102,770	80,324
Loss on disposal of tangible assets	-	8,554
Interest payable	412,031	279,031
Interest receivable	(228)	-
Taxation charge	(10,463)	(20,209)
Decrease in debtors	465,372	2,314,354
(Increase) in amounts owed by groups	(703,772)	(72,312)
(Decrease) in creditors	(106,422)	(684,079)
Corporation tax received	-	81,379
Foreign exchange	(85,695)	15,494
Net cash generated from operating activities	457,973	2,675,450
Cash flows from investing activities		
Purchase of intangible fixed assets	(345,907)	(437,815)
Purchase of tangible fixed assets	(47,184)	(86,464)
Net cash from investing activities	(393,091)	(524,279)
Cash flows from financing activities		
Repayment of loans	(666,667)	(666,667)
Movement in invoice discounting	833,688	(1,851,301)
Interest paid	(412,031)	(279,031)
Net cash used in financing activities	(245,010)	(2,796,999)
Net (decrease) in cash and cash equivalents	(180,128)	(645,828)
Cash and cash equivalents at beginning of year	(398,598)	247,230
Cash and cash equivalents at the end of year	(578,726)	(398,598)
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	68,203	116,684
Bank overdrafts	(646,929)	(515,282)
	(578,726)	(398,598)

The notes on pages 16 to 34 form part of these financial statements.

A&O IT GROUP PLC

CONSOLIDATED ANALYSIS OF NET DEBT FOR THE YEAR ENDED 31 DECEMBER 2024

	At 1 January 2024 £	Cash flows £	At 31 December 2024 £
Cash at bank and in hand	116,684	(48,481)	68,203
Bank overdrafts	(515,282)	(131,647)	(646,929)
Invoice discounting facility	(4,377,961)	(833,688)	(5,211,649)
Bank loans	(722,222)	666,667	(55,555)
	<u>(5,498,781)</u>	<u>(347,149)</u>	<u>(5,845,930)</u>

The notes on pages 16 to 34 form part of these financial statements.

A&O IT GROUP PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

1. General information

A&O IT Group PLC is a public company limited by shares, incorporated in the United Kingdom under the Companies Act 2006 and is registered in England and Wales. The address of the registered office and principal place of business can be found on the company information page.

The Company is a holding company. The Group specialises in the provision of IT managed services.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires Group management to exercise judgment in applying the Group's accounting policies (see note 3).

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Comprehensive Income in these financial statements.

The following principal accounting policies have been applied:

2.2 Going concern

Within the reported Group Balance Sheet is a net current liability balance of £1,732,784 (2023 - £1,685,593). This balance includes bank debt of £55,555 (2023 - £666,667).

The Group's business model allows for an invoice discounting facility that, coupled with its supplier/employee mix, supports the above noted net current liabilities. In addition, the Group's business plan is targeting growth over the FY25 – FY27 period, against which the existing Invoice Discounting facility has capacity to support immediate growth levels in line with the Group's business plan.

Given the trading position of the business plus the composition of working capital noted above the directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual financial statements.

2.3 Basis of consolidation

The consolidated financial statements present the results of the Company and its own subsidiaries ("the Group") as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the Statement of Financial Position, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the Consolidated Statement of Comprehensive Income from the date on which control is obtained. They are deconsolidated from the date control ceases.

A&O IT GROUP PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

2. Accounting policies (continued)

2.4 Disclosure exemptions

The parent company satisfies the criteria of being a qualifying entity as defined in FRS 102. As such, *advantage has been taken of the following reduced disclosures available under FRS 102:*

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

2.5 Investment in associates

An entity is treated as an associated undertaking where the Group exercises significant influence in that it has the power to participate in the operating and financial policy decisions.

In the consolidated accounts, interests in associated undertakings are accounted for using the equity method of accounting. Under this method an equity investment is initially recognised at the transaction price (including transaction costs) and is subsequently adjusted to reflect the investors share of the profit or loss, other comprehensive income and equity of the associate. The Consolidated Statement of Comprehensive Income includes the Group's share of the operating results, interest, pre-tax results and attributable taxation of such undertakings applying accounting policies consistent with those of the Group. In the Consolidated Statement of Financial Position, the interests in associated undertakings are shown as the Group's share of the identifiable net assets, including any unamortised premium paid on acquisition.

Any premium on acquisition is dealt with in accordance with the goodwill policy. Should the associated undertaking be loss making the value of the write down of the investment would be capped at nil.

2.6 Revenue

Revenue arises from the provision of information technology services including IT managed services, IT security services, IT engineering services and IT project services. Revenue is recognised once the service has been provided.

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Group will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

A&O IT GROUP PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

2. Accounting policies (continued)

2.7 Intangible assets

Goodwill

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of the Group's share of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight-line basis to the Consolidated Statement of Comprehensive Income over its useful economic life.

Other intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

At each reporting date the company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

The estimated useful lives range as follows:

Website development	-	straight line basis over 3 years
Software development	-	straight line basis over 7 years
Goodwill	-	straight line over 10 years

Software development is amortised over a basis of 7 years given the continuous enhancement and expansion of the software which underpins the Company's strategic plan. Given the software's central role in the Company's operations and strategy, it is anticipated that the benefits and returns from these ongoing improvements will spread over 7 years, as that is the period over which the Company projects their core software platform's development and utilisation.

2.8 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

At each reporting date the Group assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

A&O IT GROUP PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

2. Accounting policies (continued)

2.8 Tangible fixed assets (continued)

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Short-term leasehold property	- on a straight line basis over the term of the lease
Plant and machinery	- on a straight line basis over 3 years
Motor vehicles	- on a straight line basis over 3 years
Fixtures and fittings	- on a straight line basis over 3 years
Office equipment	- on a straight line basis over 3 years
Computer equipment	- on a straight line basis over 3 years

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

2.9 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.10 Financial instruments

The Group only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

2.11 Invoice discounting

Amount due in respect to invoice discounting is disclosed separately as short term liabilities. The Group can use the facility to draw down 90% of the value of sales invoices excluding VAT. The discounting margin is 2%.

A&O IT GROUP PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

2. Accounting policies (continued)

2.12 Foreign currency translation

Functional and presentation currency

The Group's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Consolidated Statement of Comprehensive Income within 'finance income or costs'. All other foreign exchange gains and losses are presented in profit or loss within 'other operating income'.

On consolidation, the results of overseas operations are translated into Sterling at rates approximating to those ruling when the transactions took place. All assets and liabilities of overseas operations are translated at the rate ruling at the reporting date. Exchange differences arising on translating the opening net assets at opening rate and the results of overseas operations at actual rate are recognised in other comprehensive income.

2.13 Operating leases: the Group as lessee

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

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight-line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

2.14 Pensions

Defined contribution pension plan

The Group operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. Once the contributions have been paid the Group has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. The assets of the plan are held separately from the Group in independently administered funds.

A&O IT GROUP PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

2. Accounting policies (continued)

2.15 Provisions for liabilities

Provisions are made where an event has taken place that gives the Group a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the consolidated statement of comprehensive income in the year that the Group becomes aware of the obligation, and are measured at the best estimate at the statement of financial position date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Statement of Financial Position.

2.16 Current and deferred taxation

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

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 and the Group operate and generate income.*

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the reporting date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the Group can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or *substantively enacted by the reporting date.*

2.17 Research and development

In the research phase of an internal project it is not possible to demonstrate that the project will generate future economic benefits and hence all expenditure on research shall be recognised as an expense when it is incurred. Intangible assets are recognised from the development phase of a project if and only if certain *specific criteria are met in order to demonstrate the asset will generate probable future economic benefits and that its cost can be reliably measured.* The capitalised development costs are subsequently amortised on a straight line basis over their useful economic lives, which is 7 years.

If it is not possible to distinguish between the research phase and the development phase of an internal project, the expenditure is treated as if it were all incurred in the research phase only.

A&O IT GROUP PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

3. Judgments in applying accounting policies and key sources of estimation uncertainty

In preparing these financial statements, the directors have had to make the following judgments in applying the above accounting policies that have had the most significant effect on the amounts recognised in the financial statements.

Key accounting judgments:

Group

a) development expenditure

The directors use their judgement to ascertain the element of development expenditure that enhances the intangible fixed assets and the element of expenditure that relates to maintaining the asset and therefore should be expensed to the Statement of Comprehensive Income. When making the assessment the directors review the nature of the expenditure and apportion the invoice between the intangible fixed assets and administrative expenses accordingly.

Key sources of estimation:

Group

a) deferred tax asset recognition

The directors have had to consider the recognition of the deferred tax asset on the losses brought forward by companies previously hived up into the Company. The directors have reviewed the forecast results for the trades which have been hived up and consider that the forecasts demonstrate that suitable taxable profits are to be generated and as a result it has been concluded to recognise the deferred tax asset within the Statement of Financial Position.

4. Turnover

An analysis of turnover by class of business is as follows:

	2024 £	2023 £
IT managed services	26,054,933	31,584,647
Project/consultancy income	1,049,989	1,242,880
Sales to related parties	-	25,238
	<u>27,104,922</u>	<u>32,852,765</u>
	2024 £	2023 £
United Kingdom	10,841,210	13,626,432
Rest of Europe	13,784,802	16,609,195
Rest of the world	2,478,910	2,617,138
	<u>27,104,922</u>	<u>32,852,765</u>

A&O IT GROUP PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

5. Operating profit

The operating profit is stated after charging:

	2024 £	2023 £
Depreciation of tangible fixed assets	102,770	80,324
Amortisation of intangible assets, including goodwill	535,563	511,363
Exchange differences	78,149	97,275
Other operating lease rentals	528,662	534,739
Defined contribution pension cost	193,897	219,030
	<u>1,439,031</u>	<u>1,442,731</u>

The group Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA) is stated after adjusting for the following:

	2024 £	2023 £
Net profit/(loss)	(151,183)	161,551
Taxation charge	(10,463)	(20,209)
Interest charge	412,031	279,031
Depreciation	102,770	80,324
Amortisation	535,563	511,363
Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA)	<u>888,718</u>	<u>1,012,060</u>

6. Auditors' remuneration

During the year, the Group obtained the following services from the Company's auditors:

	2024 £	2023 £
Fees payable to the Group's auditors for the audit of the consolidated and parent Company's financial statements	55,000	51,500
Fees payable to the Company's auditors and their associates in respect of:		
Taxation compliance services	10,250	10,360
Preparation of statutory accounts	20,000	17,340
	<u>85,250</u>	<u>79,200</u>

A&O IT GROUP PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

7. Employees

Staff costs, including directors' remuneration, were as follows:

	Group 2024	<i>Group 2023</i>
	£	£
Wages and salaries	8,061,561	10,366,737
Social security costs	1,007,332	1,250,878
Cost of defined contribution scheme	193,897	219,030
	9,262,790	11,836,645

The average monthly number of employees, including the directors, during the year was as follows:

	Group 2024	<i>Group 2023</i>	Company 2024	<i>Company 2023</i>
	No.	No.	No.	No.
Administration	158	196	-	-
Directors	2	2	2	2
	160	198	2	2

8. Directors' emoluments

During the year the directors received emoluments of £133,000 (£2023 - £126,000) and Company contributions to pension schemes totalled £17,200 (2023 - £19,800). During the year retirement benefits were accruing in respect of 2 directors (2023 - 2).

9. Interest receivable

	2024	<i>2023</i>
	£	£
Other interest receivable	228	-
	228	-

10. Interest payable and similar expenses

	2024	<i>2023</i>
	£	£
Other loan interest payable	412,031	279,031
	412,031	279,031

A&O IT GROUP PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

11. Taxation

	2024 £	2023 £
Corporation tax		
Adjustments in respect of previous periods	2,852	(154,654)
	<u>2,852</u>	<u>(154,654)</u>
Foreign tax		
Foreign tax on income for the year	23,398	(1,419)
	<u>23,398</u>	<u>(1,419)</u>
Total current tax	<u>26,250</u>	<u>(156,073)</u>
Deferred tax		
Origination and reversal of timing differences	(36,713)	135,864
Total deferred tax	<u>(36,713)</u>	<u>135,864</u>
Taxation on loss on ordinary activities	<u>(10,463)</u>	<u>(20,209)</u>

A&O IT GROUP PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

11. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2023 - lower than) the standard rate of corporation tax in the UK of 25.00% (2023 - 23.52%). The differences are explained below:

	2024 £	2023 £
(Loss)/profit on ordinary activities before tax	<u>(161,646)</u>	<u>141,342</u>
(Loss)/profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 25.00% (2023 - 23.52%)	(40,412)	33,244
Effects of:		
Non-tax deductible amortisation of goodwill and impairment	61,946	48,098
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	82,084	28,101
Adjustments to tax charge in respect of prior periods	2,852	(154,654)
Deferred tax movement not recognised	(158,332)	135,864
Adjustment in research and development tax credit leading to a decrease in the tax charge	-	(105,241)
Taxation charge from foreign subsidiaries	23,398	(1,419)
Other tax adjustment	18,001	(40,133)
Adjustment in respect to deferred tax	-	35,931
Total tax charge for the year	<u>(10,463)</u>	<u>(20,209)</u>

12. Parent company profit for the year

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Comprehensive Income in these financial statements. The loss after tax of the parent Company for the year was £123,841 (2023 - loss £194,022).

13. R&D expense

During the year the Company expensed £118,069 (2023 - £118,523) of research expenditure.

A&O IT GROUP PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

14. Intangible assets

Group

	Website development £	Software development £	Goodwill £	Negative goodwill £	Total £
Cost					
At 1 January 2024	207,422	2,206,194	2,672,226	(18,551)	5,067,291
Additions	-	345,907	-	-	345,907
At 31 December 2024	207,422	2,552,101	2,672,226	(18,551)	5,413,198
Amortisation					
At 1 January 2024	203,645	1,091,033	1,572,520	(7,420)	2,859,778
Charge for the year on owned assets	3,777	284,015	249,626	(1,855)	535,563
At 31 December 2024	207,422	1,375,048	1,822,146	(9,275)	3,395,341
Net book value					
At 31 December 2024	-	1,177,053	850,080	(9,276)	2,017,857
At 31 December 2023	3,777	1,115,161	1,099,706	(11,131)	2,207,513

The computer software has evolved organically over the years, continually adapting to meet the needs of the Company's customers. This adaptive evolution has enabled the Company to enhance both user experience and customer experience significantly. One of the key improvements has been the development of a mobile application, making the Company's software more accessible and user-friendly. Additionally, the Company has expanded the software's functionality by adding more modules, thereby providing a more comprehensive suite of services to the software users.

A&O IT GROUP PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

15. Tangible fixed assets

Group

	Short-term leasehold property £	Plant and machinery £	Motor vehicles £	Fixtures and fittings £	Office equipment £	Computer equipment £	Total £
Cost or valuation							
At 1 January 2024	47,314	128,162	14,083	45,690	308,556	28,681	572,486
Additions	-	-	-	-	47,184	-	47,184
At 31 December 2024	<u>47,314</u>	<u>128,162</u>	<u>14,083</u>	<u>45,690</u>	<u>355,740</u>	<u>28,681</u>	<u>619,670</u>
Depreciation							
At 1 January 2024	45,500	74,935	14,083	35,076	213,100	19,638	402,332
Charge for the year on owned assets	1,814	36,724	-	5,846	58,386	-	102,770
At 31 December 2024	<u>47,314</u>	<u>111,659</u>	<u>14,083</u>	<u>40,922</u>	<u>271,486</u>	<u>19,638</u>	<u>505,102</u>
Net book value							
At 31 December 2024	<u>-</u>	<u>16,503</u>	<u>-</u>	<u>4,768</u>	<u>84,254</u>	<u>9,043</u>	<u>114,568</u>
At 31 December 2023	<u>1,814</u>	<u>53,227</u>	<u>-</u>	<u>10,614</u>	<u>95,456</u>	<u>9,043</u>	<u>170,154</u>

A&O IT GROUP PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

16. Fixed asset investments

Group

	Investments in associates £
Net book value	
At 31 December 2024	-
At 31 December 2023	-

The following were associates of the Group, as A&O IT Services Limited (a subsidiary of A&O IT Group PLC) owns a 25% holding:

A&O IT Services SARL

A&O IT Services Belgium

The registered office for both of the above entities is: 4 Avenue Aristide Briand, 92 340 Bourg-La-Reine.

The Group's share of A&O IT Services SARL's loss for the year was £59,140 (2023 - loss £84,736).

The Group's share of A&O IT Services Belgium's loss for the year was £803 (2023 - loss £2,333).

The net book value is £nil at year end (2023 - £nil) due to the Group's cumulative share of the associates' losses being in excess of the investment.

Company

	Investments in subsidiary companies £
Cost or valuation	
At 1 January 2024	2,697,876
At 31 December 2024	2,697,876

A&O IT GROUP PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

16. Fixed asset investments (continued)

Direct subsidiary undertakings

The following were direct subsidiary undertakings of the Company:

Name	Registered office	Class of shares	Holding
A&O IT Services Limited	The Capitol Building, Bracknell, Berkshire, RG12 8FZ	Ordinary	100%
Fieldview Systems Limited	The Capitol Building, Bracknell, Berkshire, RG12 8FZ	Ordinary	100%
A&O Shared Solutions Limited	The Capitol Building, Bracknell, Berkshire, RG12 8FZ	Ordinary	100%
Parkshore Limited	The Capitol Building, Bracknell, Berkshire, RG12 8FZ	Ordinary	100%
A&O Services Nordics AB	Energigata 17k, 434 37 Kungsbacka, Sweden	Ordinary	85%
A&O IT Services America Inc	251 Little Falls Drive, Wilmington, New Castle County, Delaware 19808	Ordinary	100%
A&O IT Services Deutschland GmbH	Kai-serstrabe 170-174, 66386 St. Ingbert, Germany	Ordinary	90%
A&O IT Services Norway AS	Radmann Halmrasts Vei 12, 1337 Sandvika, Norge	Ordinary	100%

Indirect subsidiary undertakings

The following were indirect subsidiary undertakings of the Company:

Name	Registered office	Class of shares	Holding
A&O Corsaire Ltd	The Capitol Building, Bracknell, Berkshire, RG12 8FZ	Ordinary	100
A&O IT Services Schweiz GmbH	Steinhauserstrasse 74, 6300 Zug, Switzerland	Ordinary	90

A number of subsidiary companies; Parkshore Limited (Registration number 08229201), A&O IT Services Limited (Registration number 08018207) and A&O Shared Solutions Limited (Registration number 11725680) are exempt pursuant to Section 479A of the Companies Act 2006 from requirements of the UK Companies Act 2006 relating to audit of individual accounts if the following requirements are met.

- The legal representatives of Parkshore Limited, A&O IT Services Limited and A&O Shared Solutions Limited have agreed to exemption in respect of the year ending 31 December 2024.
- A&O IT Group PLC has given guarantee regarding the liabilities of Parkshore Limited, A&O IT Services Limited and A&O Shared Solutions Limited.
- Parkshore Limited, A&O IT Services Limited and A&O Shared Solutions Limited are included in the consolidated accounts of A&O IT Group PLC drawn up as at 31 December 2024 in accordance with the provisions of the Companies Act 2006.

A&O IT GROUP PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

17. Debtors

	Group 2024 £	Group 2023 £	Company 2024 £	Company 2023 £
Trade debtors	6,425,762	6,738,175	-	-
Amounts owed by group undertakings	-	-	1,774	36,302
Amounts owed by associated undertakings	716,745	12,973	-	-
Other debtors	807,708	648,628	129,411	451
Prepayments and accrued income	2,459,227	2,807,979	2,814	20,000
Deferred taxation	1,032,712	995,999	-	-
	<u>11,442,154</u>	<u>11,203,754</u>	<u>133,999</u>	<u>56,753</u>

18. Creditors: Amounts falling due within one year

	Group 2024 £	Group 2023 £	Company 2024 £	Company 2023 £
Bank overdrafts	646,929	515,282	-	-
Bank loans	55,555	666,667	55,555	666,667
Invoice discounting facility	5,211,649	4,377,961	-	-
Trade creditors	3,816,240	3,578,266	-	23,356
Amounts owed to group undertakings	-	-	1,142,099	-
Corporation tax	30,524	65,697	-	-
Other taxation and social security	794,162	693,880	-	-
Other creditors	642,874	479,971	-	237,602
Accruals and deferred income	2,045,208	2,628,307	750	14,276
	<u>13,243,141</u>	<u>13,006,031</u>	<u>1,198,404</u>	<u>941,901</u>

The invoice discounting facility is secured by a cross guarantee and debenture between A&O IT Group PLC, Parkshore Limited, Fieldview Systems Limited, A&O Corsaire Ltd and A&O IT Services Limited.

19. Creditors: Amounts falling due after more than one year

	Group 2024 £	Group 2023 £	Company 2024 £	Company 2023 £
Bank loans	-	55,555	-	55,555
	<u>-</u>	<u>55,555</u>	<u>-</u>	<u>55,555</u>

Bank loans are secured against assets of the Company as well as assets of subsidiary companies including A&O Shared Solutions Limited, Parkshore Limited and Fieldview Systems Limited.

A&O IT GROUP PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

20. Loans

Analysis of the maturity of loans is given below:

	Group 2024 £	<i>Group 2023 £</i>	Company 2024 £	<i>Company 2023 £</i>
Amounts falling due within one year				
Bank loans	55,555	666,667	55,555	666,667
Amounts falling due 1-2 years				
Bank loans	-	55,555	-	55,555
	55,555	722,222	55,555	722,222

Bank loans are secured against assets of the Company as well as assets of subsidiary companies including A&O Shared Solutions Limited, Parkshore Limited and Fieldview Systems Limited.

21. Deferred taxation

Group

	2024 £
At beginning of year	995,999
Charged to profit or loss	36,713
At end of year	1,032,712

	Group 2024 £	<i>Group 2023 £</i>
Accelerated capital allowances	(116,471)	<i>(153,184)</i>
Tax losses carried forward	1,149,183	<i>1,149,183</i>
	1,032,712	<i>995,999</i>

A&O IT GROUP PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

22. Share capital

	2024 £	2023 £
Allotted, called up and fully paid		
50,002 (2023 - 50,002) Ordinary shares of £1.00 each	50,002	50,002

Each ordinary share carries voting rights and there are no restrictions on the distributions of dividends.

23. Reserves

Foreign exchange reserve

Foreign exchange reserve includes translation differences.

Merger Reserve

Merger reserve includes the difference between the consideration paid and nominal value of the shares issued, and the fair value of the asset transferred.

Profit and loss account

Profit and loss account includes all current and prior period retained profits and losses.

24. Pension commitments

The Group operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Group in an independently administered fund. The pension cost charge represents contributions payable by the Group to the fund and amounted to £193,897 (2023: £219,030). Contributions totaling £33,368 (2023: £37,630) were payable to the fund at the balance sheet date and are included in creditors.

25. Commitments under operating lease

At 31 December 2024 the Group had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	Group 2024 £	Group 2023 £	Company 2024 £	Company 2023 £
Not later than 1 year	550,572	540,987	489,893	419,893
Later than 1 year and not later than 5 years	508,411	1,033,338	502,845	992,734
	1,058,983	1,574,325	992,738	1,412,627

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26. Transactions with directors

Included within other debtors is an amount of £129,411 due from its directors (2023 - £237,602 due to directors within other creditors). This was an interest free loan provided to the director. The reconciliation of movements in the year is as follows:

	£
As at 1 January 2024	(237,602)
Advances	(202,081)
Repayments	569,094
As at 31 December 2024	<u>129,411</u>

R R Moore, a Director, has provided a personal guarantee of an amount limited to £200,000 in relation to the Company's bank loan.

27. Related party transactions

The Company has taken advantage allowed by Financial Reporting Standard 102, not to disclose any transactions with wholly owned members of the group.

During the year the Group incurred costs of £3,667,881 (2023 - £4,268,333) from associate companies. In addition management charges of £738,067 (2023 - £742,870) were charged to the associate companies. Last year a balance was owed to the associate too.

At the year end, a company under common control owed the Group £34,245 (2023 - £25,764).

Related party transactions are at arm's length where those terms can be substantiated.

28. Controlling party

The Company is under the control of the director, R R Moore, throughout the period by virtue of his majority shareholdings in the Company.