

**Company registration number 14514054 (England and Wales)**

**ADSURE SERVICES PLC**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MARCH 2024**

**ADSURE SERVICES PLC**

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**ADSURE SERVICES PLC**

**COMPANY INFORMATION**

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<b>Directors</b>	Ms H Llewelyn-Davies Mr P Hammond (Appointed 5 September 2023) Ms VA Davies (Appointed 5 September 2023) Mr K Limn (Appointed 5 September 2023) Mr J Zitron (Appointed 5 September 2023)
<b>Secretary</b>	Ms V Davies
<b>Company number</b>	14514054
<b>Registered office</b>	Artillery House Fort Fareham Newgate Lane Fareham PO14 1AH
<b>Auditor</b>	Shipleys LLP 10 Orange Street London WC2H 7DQ
<b>Reporting accountants</b>	TC Group 3 Acorn Business Centre Northarbour Road Portsmouth PO6 3TH
<b>Business address</b>	Artillery House Fort Fareham Newgate Lane Fareham PO14 1AH

## **ADSURE SERVICES PLC**

### **COMPANY INFORMATION**

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#### **Financial Highlights**

- Listed on the Aquis Stock Exchange;
- Total Revenue of £9.3M (2022/23 - £8.99m);
- Removal of encumbered asset charge;
- 72% increase in profit before taxation to £471K (2022/23 - £274K);
- Cash balances remain strong at 31 March 2024 at £1.067M (2022/23 - £1.859M);
- Earnings before Interest, Tax, Depreciation and Amortisation (EBITDA) of £876K (2022/23 - £657K) an increase of 33%;
- EBITDA margin of 9.4% in 2023/24 (7.31% in 2022/23).

#### **Operational Highlights**

- Successfully delivered objectives set in the first year of the new Corporate Plan for 2023/24 – 2027/28;
- Restructured our Corporate Services functions for more efficient and effective back-office services;
- Implemented a sector led approach to business development;
- Expansion of our Advisory Practice with significant awareness raised of our brand;
- Awarded an Innovate UK grant to develop our Artificial Intelligence (AI) capabilities to assist our current and prospective clients with improved service delivery through maximizing use of data;
- Outsourced our ICT functions, removing the single point of failure and significantly enhancing our technological capabilities;
- Our principal trading entity, TIAA Limited, became a certified B-Corporation demonstrating our inherent social value within our business model and that we meet the highest levels of social and environmental performance.

## **ADSURE SERVICES PLC**

### **STATEMENTS FROM THE CHAIR AND CHIEF EXECUTIVE**

#### **FOR THE YEAR ENDED 31 MARCH 2024**

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##### **Chairman's Statement**

These accounts cover the Company's first year as a listed company, having joined the AQSE Growth Market on 30 October 2023. Our listing was the culmination of many months of preparation, aimed at creating a vehicle for further growth and diversification. Listing allows us to build upon the successful trading history, over 25 years, of our subsidiary, TIAA Limited.

The Company's strategy continues that of TIAA Limited, which has grown both organically (i.e. by winning contracts) and through acquisitions. As a listed company, the scope for acquisitions, the Board believes, is greatly broadened, as is the ability to generate investment in our teams and infrastructure.

The Financial Statements show that, whilst turnover has increased by a modest 3.5% from 2022/23, profit before taxation has increased by 72%. This is a particularly encouraging result given that a good deal of management time was expended during the financial year on steering the listing process.

All this has been achieved against the continuing economic and commercial uncertainty. The restrictions introduced during the COVID pandemic allowed our clients and our teams to develop creative remote ways of working. Many of these are now a permanent feature of how we deliver services, bringing increased quality for clients and efficiencies for the Company. The Company has successfully also pursued an internal efficiency programme, for example, by reducing the number of offices and investing in ICT. In the latter regard, the Company is partnering with the University of Essex in an innovative project to develop the use of Artificial Intelligence (AI) to further improve the quality, efficiency and scope of our services.

Our core offering is internal audit, helping our clients to ensure that the services they provide are efficient and effective. Most internal audit is provided through fixed term, but often extendable, contracts, won through competitive tendering. Other services include anti-crime, security management, IT audit, cyber assurance, digital forensics and a range of investigatory and advisory services. These are often ad hoc contracts secured from existing or new clients.

The Company's operations across the UK are diverse. We serve:

The NHS – commissioners, providers and national agencies

Education – further, higher and academy trusts

Housing – housing associations and local housing companies

Local government – across all services

Emergency services – Police and Fire

Charities – covering a wide range of needs

Being a people business, the Company places considerable emphasis on staff development and support. We have built a career structure for staff and have longstanding Graduate and Apprenticeship Programmes. Our leadership team is focused on supporting their teams to meet both annual targets and the objectives of our 5-year Corporate Plan. This includes developing new types of services and extending our investigative and advisory work. Through the energies and skills of our teams, the Company can save clients – and therefore in many cases the taxpayer – millions of pounds.

**ADSURE SERVICES PLC**

**STATEMENTS FROM THE CHAIR AND CHIEF EXECUTIVE (CONTINUED)**

**FOR THE YEAR ENDED 31 MARCH 2024**

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May I record my thanks to Kevin Limn, our Chief Executive, and all the Adsure and TIAA teams for the skill and experience that makes this success story possible. May I also record our thanks to the Company's many partners including our clients, professional advisers and bankers, and to my fellow Board members. Lastly, may I also thank you, our shareholders, for your continued support and interest in the Company.



.....

Jeff Zitron

**Non-Executive Chair**

Date: 25th July 2024 .....

## **ADSURE SERVICES PLC**

### **STATEMENTS FROM THE CHAIR AND CHIEF EXECUTIVE (CONTINUED)**

#### **FOR THE YEAR ENDED 31 MARCH 2024**

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### **Chief Executive Officer's Review**

#### **Introduction**

The financial year to 31 March 2024 has seen the first trading year of Adsure Services PLC, supporting its main trading entity, TIAA Limited to continue being a trusted partner to organisations which receive their funding from the public purse.

#### **Business Overview**

2023/24 was transformational for Adsure. The admission to the Aquis Stock Exchange in October 2023 enables the Group to progress its plans for growth, in particular:

1. Organic growth in core markets.
2. Accessing new markets for its existing range of services.
3. Creating new technologies to revolutionise business assurance.

To facilitate further growth in core markets a market portfolio-driven structure has been implemented. This will create tailored growth plans for each of our core markets and strengthen the delivery of high-quality services to our clients, something our brand is strongly associated with. The Group will now focus on implementing its strategy to access new markets. To support this, I'm delighted to have contracted with UK Investor Group to raise the profile of the Group both to investors and markets.

I'm delighted that we were able to access funding from Innovate UK, with the support of the University of Essex, to build AI solutions which will dramatically alter elements of our delivery model and add value to our customers. This funding will supplement the continued investment by the Group in its technological solutions and proprietary IP.

The Company did experience challenges during 2023/24, particularly in respect of recruitment and retention. Mitigation strategies are in place, and I'm pleased to see that the Group has such high interest from such a broad range of candidates through the TIAA Pathway Development Programme. The Group Board are also developing benchmarked proposals to support the recruitment and retention of senior management and executive directors, to safeguard our current interests and incentivise short and long-term performance.

#### **Current Trading**

The business is trading in line with market expectations, with a strong opening orderbook and significantly advanced discussions with new and existing clients, underpinning the revenue expectation for 2024/25. Since the balance sheet date, the Group has had the following achievements:

- Increasing market share in our Education portfolio.
- An improvement in operational staff productivity compared to the same period in 2023/24.
- The commissioning of several new advisory opportunities.

#### **Outlook**

The Group is buoyed by the successes achieved since the IPO and is confident that it will achieve both its short-term and long-term goals. It is converting opportunities and establishing itself across multiple markets and the scaling-up of its workforce through the recruitment to our most ambitious TIAA Pathway Development programme intake yet.

**ADSURE SERVICES PLC**

**STATEMENTS FROM THE CHAIR AND CHIEF EXECUTIVE (CONTINUED)**

**FOR THE YEAR ENDED 31 MARCH 2024**

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The certification of TIAA Limited as a B Corporation is validation of its inherent social value within its business model. It creates a unique market position providing clear differentiation between its brand and that of its competitors. Investment is now being made in marketing and communications to support the Group in leveraging this fantastic achievement.

The Board's expectations for 2024/25 are for continued strong trading performance. These expectations are underpinned by a strong contract base and improved productivity,

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



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Kevin Limn  
**Chief Executive**

Date: ..25th July 2024.....



**ADSURE SERVICES PLC****STRATEGIC REPORT****FOR THE YEAR ENDED 31 MARCH 2024**

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The directors present the strategic report for the year ended 31 March 2024.

**Review of the business**

The Group offers a wide range of services to its core markets of Education, Health, Housing, Local Government and Emergency Services. Risk, Assurance, Advisory and ICT Consultancy services are offered through its operations and specialist teams.

**Business overview**

2023/24 was transformational for Adsure Services PLC and its subsidiary TIAA Limited. Prior to the admission to the Acquis Stock Exchange in October 2023 the Board and Corporate Leadership of Team of TIAA worked through the arrangements for a share for share exchange with Adsure Services Ltd, which subsequently re-registered as a PLC. Several changes were made to the Board of TIAA Limited as part of the listing arrangements with the resignation of the longest standing Director and the appointment of a new Chief Finance Officer and Chief Executive for the Group. Both the Chief Executive Officer and Chief Finance Officer are directors of Adsure Services PLC.

An ambitious new five-year Corporate Plan was developed (2023/24 – 2027/28) which codified the organic and inorganic growth opportunities for the new Group. This plan built for growth included the objectives in the first year of restructuring and streamlining the Corporate Services functions. This change has enabled our back-office functions to provide more effective support services to our delivery staff and in turn our clients. One of the biggest changes during the year has been the significant investment in our ICT systems, removing a single point of failure risk and significantly improving our ICT infrastructure to further improve services to our clients.

An in-year restructure of the Leadership Team of TIAA Limited saw a new specific sector-led approach to the development of new business for existing and potential clients. This focus will enable the Group to expand its services in its current markets and reinforces our position as one of the largest providers of business assurance services to organisations who receive their funding from the public purse. Our Advisory practice is growing its services both within our current sectors and developing new markets.

**Financial highlights**

Interim results published for Adsure Services PLC showed a positive increase on the financial position compared to the same period in 2022/23. Even with the same number of audit staff as the previous year, growth in the second half of the year was achieved with the final gross profit being 3.5% greater than 2022/23 and operating profit 56% higher than the prior year. This growth was achieved by managing costs and administrative and management staff numbers so that the growth in costs tracked in line with revenue.

The key financial performance indicators used by the Company's directors to assess the performance of the Company are turnover, gross profit and EBITDA (earnings before interest, tax and depreciation). Revenue growth of 3.5% was achieved despite issues in year with the recruitment of qualified and experienced staff to complete work. A tight control over costs has led to a 72% increase in profit before taxation (2023/24 - £471k; 2022/23 - £274k). EBITDA for 2023/24 is £876K compared to £657K in 2022/23, an increase of 33%. A higher EBITDA margin of 9.4% in 2023/24 compared to 7.31% in 2022/2023.

Total assets have remained strong at £3.8m. There has been a reduction in the cash balance during the year of £791K because of an additional loan repayment for the CBIL loan in year, leading to an unencumbered asset position at year-end, payment of higher dividends and higher than the previous year-end trade and other receivables.

The Directors of the Company feel that these are strong results as they also include one-off costs included in administrative expenses of £323k that relate to the listing of Adsure Services PLC, the onboarding of a new outsourced ICT services provider and redundancy costs as part of the Corporate Services restructure.

**ADSURE SERVICES PLC****STRATEGIC REPORT (CONTINUED)****FOR THE YEAR ENDED 31 MARCH 2024****Consolidated financial statements prepared using merger accounting**

The company acquired all of the issued share capital in TIAA Limited via the issue of a share-for-share exchange with the shareholders of TIAA Limited. The business combination involved entities under common control, and hence there was no change in the ultimate beneficial interest of the former shareholders of TIAA Limited from Adsure Services PLC's acquisition. Business combinations involving entities under common control are outside the scope of IFRS 3 and accordingly, the business combination within these consolidated financial statements has been accounted for using the merger accounting basis.

Under the merger accounting basis, the acquired assets and liabilities of TIAA Limited are recorded at their existing carrying value rather than fair value; no goodwill has been recognised on the business combination; and comparative periods have been presented to show the combined performance and position of the group, as if the group has always existed.

Accordingly these consolidated financial statements show the combined financial performance of the group comprising Adsure Services PLC and TIAA Limited for the 12 months ended 31 March 2024, with comparatives illustrating the 12 months ended 31 March 2023.

**Principal risks and uncertainties**

<b>Risk</b>	<b>Description</b>	<b>Mitigation Strategy</b>
Financial risks – Economic downturn in the market the Group operates in	The Group is exposed to inflationary pressures to contract price increases and the cost price of goods, services and staff costs.	Contractual inflationary increases are included wherever possible. Fixed price long term contracts utilised.
Financial risks – General downturn in economic conditions	The Group is exposed to the risks of general economic uncertainty.	The majority of the Group's business activity serves the public sector, which generally provides more assurance for future income and longer-term revenue streams.
Operational Risk – Recruitment and Retention of staff	There is limited availability of suitably qualified professionals to support the group's growth in contracted services.	The Remuneration Committee has completed an extensive benchmarking review and the Group is providing an enhanced employment package for all grades of staff in line with the market. The Group is continuing its strategy of developing sufficient resources to meet future business growth targets through the internal TIAA Pathway training and development programme.
Operational risk – Cyber Security	The Group relies heavily on the use of data for clients and employees.	The Group has Cyber Essentials Plus accreditation and all Directors and staff complete regular intensive Cyber security training.

Not all risk factors are within the control of the group or its directors. There may be other risks and uncertainties that are currently unknown, and the list of risks and uncertainties may change as something that seems immaterial now could assume greater importance in the future and vice versa.

## **ADSURE SERVICES PLC**

### **STRATEGIC REPORT (CONTINUED)**

#### **FOR THE YEAR ENDED 31 MARCH 2024**

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#### **Directors' statement of compliance with duty to promote the success of the Group (Section 172 Statement)**

Section 172 of the Companies Act 2006 requires that Directors of a company must act in ways that they consider, in good faith, would be most likely to promote the success of the company for the benefit of its members as a whole, and in doing so have regard (amongst other matters) to:

- the likely consequences of any decision in the long term;
- the interests of the company's employees;
- the need to foster the company's business relationships with suppliers, customers and others;
- the impact of the company's operations on the community and the environment;
- the desirability of the company maintaining a reputation for high standards of business conduct; and
- the need to act fairly as between members of the company.

The board has identified the following stakeholder groups and engages with them to foster strong relations and to act fairly between them:

- **Customers:** TIAA Ltd the wholly owned subsidiary of Adsure Services PLC liaises with customers at all stages of the work performed, whether business assurance, advisory or one off consultancy work. We have a robust customer feedback process that leads to improvements in our services offered and developed. A key strategy for TIAA is to add value to our clients through all the work that we perform. This is mutually beneficial and ensures that relationships with customers are not purely transactional and are instead focused on long-term relationships and adding value.
- **Employees:** employees are critical to the long-term success of Adsure Services PLC. TIAA has a proven track record in providing apprenticeship and formal trainee schemes, is an ACCA Gold Approved Employer and is an accredited living wage employer. Training needs for staff are identified through in-house and external training with a high proportion of staff undertaking professional training. Senior Directors will receive share options relating to the company performance in 2023/24 and a wider share save scheme is being considered for all staff during 2024/25. TIAA continually reviews its overall benefits package to maximise its value to employees and improve strategies for recruitment, reward and retention of staff. Post balance sheet date, the Group has just completed its first full staff survey and is using the feedback to further improve employment strategies and working environment. TIAA scored highly in relation to offering flexible working options.
- **Grant bodies and other government agencies:** TIAA has benefited from an Innovate UK Research and Development grant in partnership with the University of Essex to help us design a system using Artificial Intelligence (AI) to improve services to customers and the sectors in which we operate.
- **Investors and shareholders:** The Company has engaged with investors through its annual and interim reports, AGM, investor and analyst presentations. Post balance sheet date the recruitment of an Investor Relations partner in May 2024 will see greater engagement with existing and potential investors and shareholders.
- **Partnerships:** Adsure has established partnerships with multiple companies to facilitate the exploitation of the opportunities in the markets in which it operates which are funded by the public purse.
- **Suppliers:** Post balance sheet TIAA Ltd, Adsure's wholly owned subsidiary has become a registered B-Corporation and will be looking to trade with other B-Corporations to further foster the commitment to the environment and sustainable business.

**ADSURE SERVICES PLC**

**STRATEGIC REPORT (CONTINUED)**

**FOR THE YEAR ENDED 31 MARCH 2024**

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On behalf of the board

*V. Davies*

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Victoria Davies

**Director**

Date: 25th July 2024.....

## **ADSURE SERVICES PLC**

### **CORPORATE GOVERNANCE STATEMENT**

#### **FOR THE YEAR ENDED 31 MARCH 2024**

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#### **Audit and Risk Committee Report**

This report is intended to give an overview of the role and activities of the Audit and Risk Committee in assisting the Board to fulfil its oversight responsibilities relating to systems of internal control and risk management, the independence and effectiveness of the external auditor and the integrity of the Group's financial statements. It details the activities, discussions and decisions that enabled the Audit and Risk Committee to fulfil its responsibilities effectively during the financial year ended 31 March 2024.

#### **Composition and meetings**

The Audit and Risk Committee is comprised of the three non-executive directors of the Company; Peter Hammond (Chair), Jeff Zitron and Hattie Llewellyn-Davies. The Group considers that the Audit and Risk Committee members' qualifications, expertise and experience enable it to comply with the audit committee composition requirements. The Company's Chief Executive Officer and Chief Financial Officer are standing invitees to all Audit and Risk Committee meetings.

The Audit and Risk Committee meets not less than twice a year at appropriate times in the reporting and audit cycle, and otherwise as required. In the year ended 31 March 2024 the Audit and Risk Committee met twice in accordance with Terms of Reference.

During the year, time has been allocated for discussions between the Company's auditors and members of the Committee only, without any executive directors of the Company present.

#### **Role and Responsibilities**

The Audit and Risk Committee was created following the Company's admission to the Aquis Stock Exchange in October 2023 and the terms of reference of the Audit and Risk Committee comply with the AQSE admission requirements. The principal roles and responsibilities of the Audit and Risk Committee are:

- Reviewing and monitoring the financial reporting undertaken by the Company;
- Assessing the independence and performance of the external auditor
- Oversight of the external audit process;
- Making recommendations to the Board on the appointment of external auditors and the audit fee;
- Reviewing the effectiveness of the Company's internal control systems, and risk assessment, management, monitoring and mitigation processes; and
- Reviewing the adequacy and effectiveness of the Company's procedures, systems and controls for detecting and preventing fraud, bribery, and money laundering and the processes for whistleblowing.

In performing its duties, the Committee maintains effective working relationships with the Board of Directors, management team, the external auditor and any specialist adviser that is engaged to support the Committee in its work.

The Chair of the Audit and Risk Committee reports to the Board on its proceedings after each meeting and makes whatever recommendations to the Board it deems appropriate on any area within its remit and on other issues on which the Board has requested the Committee's opinion.

The ultimate responsibility for reviewing and approving the annual report and accounts and the half-yearly reports remains with the Board.

**ADSURE SERVICES PLC**

**CORPORATE GOVERNANCE STATEMENT (CONTINUED)**

**FOR THE YEAR ENDED 31 MARCH 2024**

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**Year Ended 31 March 2024 Financial Reporting**

The Audit and Risk Committee receives reports from the Chief Financial Officer and external auditors on the key accounting issues and areas of significant judgement within the proposed financial statements.

In recommending the financial statements for signing by the Board, the Audit and Risk Committee has reviewed the following key matters:

- Revenue recognition – ensuring consistent application of recognition policies and oversight of judgements regarding stage of completion.
- Going concern – reviewing and challenging the detailed financial plans for the next financial year and the two years beyond that.

The Audit and Risk Committee is satisfied that the Company’s financial statements and annual report give a true and fair view and are not misleading.

**Priorities for the Year Ended 31 March 2025**

Priorities for the 2025 financial year will include:

- Continued monitoring of the effectiveness of internal control systems, risk assessment, management and mitigation; and
- Continued monitoring of any relevant developments in accounting standards and the related implementation.

**External Audit**

Following a formal audit tender process in 2022/23 and the decision to appoint Shipleys LLP as the Company’s auditor for the financial year 2023/24, the Audit and Risk Committee has concentrated on building an effective working relationship with the external auditor. Their performance is reviewed by the Audit and Risk Committee which considers their effectiveness, independence and partner rotation. This is the second year of Peter Conneely’s tenure as audit engagement partner.

The auditors presented their findings and conclusions from the audit to the Audit Committee on 3rd July 2024.

No fees were paid to Shipleys LLP other than for audit services in 2023/24.



.....  
Peter Hammond  
**Chair of Audit and Risk Committee**

Date: ..25th July 2024.....

## **ADSURE SERVICES PLC**

### **CORPORATE GOVERNANCE STATEMENT (CONTINUED)**

#### **FOR THE YEAR ENDED 31 MARCH 2024**

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#### **Remuneration Committee and Its Responsibilities**

The Remuneration Committee is comprised of the non-Executive Directors. It is chaired by Hattie Llewellyn-Davies with Jeff Zitron and Peter Hammond also members of the Committee. The Remuneration Committee meets no less than twice a year. The Remuneration Committee met twice during 2023/24.

The Remuneration Committee is responsible for, among other things:

- Setting the remuneration policy for all Executive Directors and the Company Secretary, including pension rights and any compensation payments;
- Recommending the level and structure of remuneration for Executive Directors;
- Approving the design of and determining targets for the Company's performance related pay and share option schemes.

When setting the Company's remuneration policy, the Remuneration Committee takes into account all factors which it deems necessary, including relevant legal and regulatory requirements and provisions and recommendations of the Quoted Companies Alliance's Corporate Governance Code 2018 ("QCA Code") and associated guidance.

The Company's remuneration policy ensures that remuneration packages for Executive Directors are competitive and comparable with companies of a similar size, complexity, and nature. It is designed to attract, retain, and motivate Executive Directors with the requisite skills and capabilities to successfully run the Company and support the delivery of the Company's business objectives and strategic goals in the short, medium, and long-term.

The Remuneration Committee considers the overall performance of the business and of the individual Executive Directors as part of its remit on remuneration.

The Chief Executive Officer and Chief Financial Officer only attend Remuneration Committee meetings by invitation when necessary.

The Chair of the Remuneration Committee reports to the Board on the committee's proceedings after each meeting on all matters within its duties and responsibilities.

This financial year has seen the establishment of the Remuneration Committee for Adsure Services PLC and initial meetings, of the committee, having taken on the role from the subsidiary TIAA's now disbanded Remuneration Committee. This year has been developing appropriate remuneration policies and agreeing ways of working for the future, including:

- Review and approval of the 2023/24 staff salary review;
- Senior and executive level recruitment;
- Planning our long-term incentive programme; and
- Development of a new Remuneration Policy.

The coming year will see the implementation of the new Remuneration Policy following an extensive benchmarking exercise.

**ADSURE SERVICES PLC**

**CORPORATE GOVERNANCE STATEMENT (CONTINUED)**

**FOR THE YEAR ENDED 31 MARCH 2024**

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**Non-Executive Director Remuneration**

Non-Executive Directors receive fees which were set prior to the Company's listing on the Aquis stock exchange by the subsidiary board.

Non-Executive Director fees are reviewed annually by the Board in line with the overall Company pay review process. Neither the non-Executive Directors nor the Remuneration Committee are involved in any decisions about their own remuneration. Non-Executive Director fees have not been increased during the period of this annual report and Non-Executive Directors do not participate in any performance-related remuneration arrangements.

**Priorities for the Year Ended 31 March 2025**

Priorities for the 2025 financial year will include:

- Establishment and approval of a new equity reward scheme that will attract and retain new senior level capability to the organisation to support the growth plan of the business;
- Monitor and support the rollout of a performance driven appraisal methodology throughout the company and ensure its alignment with Senior Executives;
- Monitor the further development of remuneration policies.

*Hattie Llewelyn-Davies.*

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Hattie Llewelyn-Davies

**Chair of Remuneration Committee**

Date: ..25th July 2024.....



**ADSURE SERVICES PLC****DIRECTORS' REPORT****FOR THE YEAR ENDED 31 MARCH 2024**

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**Introduction**

The directors present their report and the audited financial consolidated statements for the year ended 31 March 2024.

**Principal activities**

Adsure Services PLC ("the company") was incorporated on 29 November 2022 as Adsure Services Limited and was established for the purpose of acquiring the share capital of TIAA Limited, as part of a strategy to list the company's shares on the stock market. On 6 September 2023, in line with the signed share transfer agreement, Adsure Services Limited acquired all of the issued share capital in TIAA Limited, comprising 52,671 Ordinary shares of 5p each and 42,870 A Ordinary shares of 5p each, for total consideration of £52,912 settled by the issue of 10,582,430 Ordinary shares of 0.5p each. On 18 October 2023, the company was re-registered as a PLC and on 30 October 2023 its share capital was admitted onto the Access segment of the Aquis Growth Market (ISIN: GB00BNQNGK59).

Adsure Services PLC is a holding company, which provides management services to its wholly owned subsidiary, TIAA Limited. The principal activity of TIAA Limited (and therefore of the group) is that of providing business assurance and advisory services to the Health, Housing, Local Government, Charity, Education and Emergency Services sectors.

**Consolidated financial statements prepared using merger accounting**

The company acquired all of the issued share capital in TIAA Limited via the issue of a share-for-share exchange with the shareholders of TIAA Limited. The business combination involved entities under common control, and hence there was no change in the ultimate beneficial interest of the former shareholders of TIAA Limited from Adsure Services PLC's acquisition. Business combinations involving entities under common control are outside the scope of IFRS 3 and accordingly, the business combination within these consolidated financial statements has been accounted for using the merger accounting basis.

Under the merger accounting basis, the acquired assets and liabilities of TIAA Limited are recorded at their existing carrying value rather than fair value; no goodwill has been recognised on the business combination; and comparative periods have been presented to show the combined performance and position of the group, as if the group has always existed.

Accordingly these consolidated financial statements show the combined financial performance of the group comprising Adsure Services PLC and TIAA Limited for the 12 months ended 31 March 2024, with comparatives illustrating the 12 months ended 31 March 2023.

**Results and dividends**

The results for the year are set out on page 25.

No ordinary dividends were paid by the company during the year. On 28 March 2024 the directors recommended payment of the first interim dividend amounting to £51,854, which was paid in April 2024.

**Financial instruments**

Details of the company's financial instruments are provided within note 22 of the financial statements.

**Future developments**

The directors are not aware, at the date of this report, of any likely major changes in the group's activities in the next year.

## **ADSURE SERVICES PLC**

### **DIRECTORS' REPORT (CONTINUED)**

#### **FOR THE YEAR ENDED 31 MARCH 2024**

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#### **Directors**

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

Ms H Llewelyn-Davies

Mr P Hammond (Appointed 5 September 2023)

Ms VA Davies (Appointed 5 September 2023)

Mr K Limn (Appointed 5 September 2023)

Mr J Zitron (Appointed 5 September 2023)

#### **Supplier payment policy**

The group's current policy concerning the payment of trade creditors is to follow the CBI's Prompt Payers Code (copies are available from the CBI, Centre Point, 103 New Oxford Street, London WC1A 1DU).

The group's current policy concerning the payment of trade creditors is to:

- settle the terms of payment with suppliers when agreeing the terms of each transaction;
- ensure that suppliers are made aware of the terms of payment by inclusion of the relevant terms in contracts; and
- pay in accordance with the company's contractual and other legal obligations.

Trade creditors of the group at the year end were equivalent to 32 (2023 - 22) day's purchases, based on the average daily amount invoiced by suppliers during the year.

#### **Equal opportunities statement**

Adsure is committed to a culture of equal opportunities for all, regardless of age, race or gender. The Board is currently made up of three male Directors and two female Directors. The Executive team is made up of one Male and one Female Director.

#### **Auditor**

Shipleys LLP were appointed as auditor and in accordance with section 485 of the Companies Act 2006, a resolution proposing that they be re-appointed will be put at a General Meeting.

#### **Strategic report**

The company has chosen in accordance with Companies Act 2006, s. 414C(11) to set out in the company's strategic report information required by Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, Sch. 7 to be contained in the directors' report.

#### **Greenhouse gas emissions, energy consumption and energy efficiency action**

Adsure Services PLC has not included the requirements of the Streamlined Energy and Carbon Reporting (SECR) due to the Group and its subsidiaries not meeting the threshold for reporting.

## **ADSURE SERVICES PLC**

### **DIRECTORS' REPORT (CONTINUED)**

#### **FOR THE YEAR ENDED 31 MARCH 2024**

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#### **Statement of directors' responsibilities**

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the group financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the United Kingdom and have also chosen to prepare the parent company financial statements in accordance with Financial Reporting Standard (FRS) 101 'Reduced Disclosure Framework'. 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 the group financial statements, International Accounting Standard 1 requires that directors:

- properly select and apply accounting policies;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements in IFRSs are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance; and
- make an assessment of the company's ability to continue as a going concern.

In preparing the parent company financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether FRS 101 Reduced Disclosure Framework has 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 the group, and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and the group, and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**ADSURE SERVICES PLC**

**DIRECTORS' REPORT (CONTINUED)**

**FOR THE YEAR ENDED 31 MARCH 2024**

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**Statement of disclosure to auditor**

Each director in office at the date of approval of this annual report confirms that:

- so far as the director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- the director has taken all the steps that he / she ought to have taken as a director in order to make himself / herself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of section 418 of the Companies Act 2006.

On behalf of the board

*V. Davies*

.....

Victoria Davies

**Director**

Date: ..25th July 2024.....

**ADSURE SERVICES PLC****INDEPENDENT AUDITOR'S REPORT****TO THE MEMBERS OF ADSURE SERVICES PLC**

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**Opinion**

We have audited the financial statements of Adsurre Services PLC (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 March 2024 which comprise the group income statement, the group statement of comprehensive income, the group and parent company statement of financial position, the group and parent company statement of changes in equity, the group statement of cash flows and the group and parent company notes to the financial statements, including significant accounting policies.

The financial reporting framework that has been applied in the preparation of the group financial statements is applicable law and UK adopted international accounting standards. The financial reporting framework that has been applied in the preparation of the parent company financial statements is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 Reduced Disclosure Framework (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 March 2024 and of the group's profit for the year then ended;
- the group financial statements have been properly prepared in accordance with UK adopted international accounting standards and the parent company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

**Basis for opinion**

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

**Overview of our approach to the audit**

Our audit was scoped by obtaining an understanding of the Group and its environment, including the Group's system of internal control, and assessing the risks of material misstatement in the financial statements. We also addressed the risk of management override of internal controls, including assessing whether there was evidence of bias by the directors that may have represented a risk of material misstatement.

**Key audit matters**

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current year and include the most significant assessed risks of material misstatement (whether or not due to fraud) we identified, including those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

## **ADSURE SERVICES PLC**

### **INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

#### **TO THE MEMBERS OF ADSURE SERVICES PLC**

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#### ***Key audit matter***

##### **Revenue recognition**

Revenue is recognised in accordance with the accounting policy set out in the financial statements. We focused on the risk of material misstatement in the recognition of revenue, as a result of both fraud and error.

##### **How the scope of our audit responded to the risk**

Our work focused on assessing whether the accounting policies for revenue were in accordance with IFRS 15 and validating that revenue has been recognised in accordance with the accounting policies.

We gained an understanding of the key processes and controls used to record revenue transactions.

Substantive testing was carried out across the different revenue streams from initial source documentation to final recognition of revenue.

We reviewed the revenue recognition policy to ensure it was in line with IFRS 15.

We also assessed the adequacy of the Group's disclosure related to revenue recognition.

##### **Key observation**

Based on the audit procedures, nothing has come to our attention that causes us to believe that any material misstatement is present in respect of the recognition of revenue in the Group financial statements.

##### **Going concern**

There is a risk that the Group may hold insufficient working capital to allow it to meet its financial obligations as they fall due thus giving rise to a going concern risk.

##### **How the scope of our audit responded to the risk**

We have obtained and reviewed the forecasts prepared by management.

We considered the Group's immediately available assets, as well as the level of any committed facilities.

We considered the adequacy of the disclosures in the financial statement against the requirements of the accounting standards.

##### **Key observation**

Based on our audit work, we have concluded that the use of the going concern assumption by management remains appropriate.

##### **Management override of controls**

There is a risk that journals can be posted that significantly alter the Financial Statements.

##### **How the scope of our audit responded to the risk**

We tested the appropriateness of journal entries recorded in the general ledger and other adjustments made in the preparation of the Financial Statements.

In addition, we reviewed accounting estimates for biases that could result in material misstatements due to fraud.

We obtained an understanding of the business rationale of significant transactions that we became aware of that were outside the normal course of business for the Group, or that otherwise appeared to be unusual given our understanding of the entity and its environment.

## **ADSURE SERVICES PLC**

### **INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

#### **TO THE MEMBERS OF ADSURE SERVICES PLC**

---

#### **Key observation**

Based on our audit procedures, nothing has come to our attention that causes us to believe that management have overridden controls.

#### **Our application of materiality**

The scope of our audit was influenced by our application of materiality. We set certain quantitative thresholds for materiality. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures on the individual financial statement line items and disclosures and in evaluating the effect of misstatements, both individually and on the financial statements as a whole. Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

We determined materiality to be £130,000, which was 1.5% of the Group's turnover. We believe that this materiality basis provides us with the best assessment of the requirements of the users of the financial statements. Final materiality was calculated at £130,000; no additional testing was considered necessary.

#### **Performance materiality**

Performance materiality reflects the application of materiality at the individual account or balance level. It is set at an amount to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds materiality. On the basis of our risk assessments, together with our assessment of the Group's overall control environment, our judgement was that performance materiality was approximately 65% of our planning materiality, namely £84,500. Final performance materiality was calculated at £84,500.

#### **Reporting threshold**

An amount below which identified misstatements are considered as being clearly trivial.

We set the threshold at 5% of planning materiality and therefore report to the Board all uncorrected audit differences in excess of £6,500, as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds. Final triviality was calculated at £6,500.

## **ADSURE SERVICES PLC**

### **INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

#### **TO THE MEMBERS OF ADSURE SERVICES PLC**

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#### **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.

Our evaluation of the directors assessment of the Group and Parent Company's ability to continue to adopt the going concern basis of accounting included:

A critical evaluation of the directors assessment of the entity's ability to continue as a going concern, covering the period of at least 12 months from the date of approval of the financial statement by:

- Evaluating the process the directors followed to make their assessment, including confirming the assessment and underlying projections were prepared by appropriate individuals with sufficient knowledge of the detailed figures as well as an understanding of the entities markets, strategics and risks. Understanding, challenging and corroborating the key assumptions included in the cashflow forecast against prior year, our knowledge of the business and industry, and other areas of the audit.
- Searching through enquiry with the directors, review of board minutes and review of external resources for any key future events that may have been omitted from the cash flow forecasts and assessing the impact these could have on future cash flows and cash reserves.
- Considering the adequacy of the disclosures relating to going concern included within the annual report against the requirements of the accounting standards and consistency of disclosures against the forecasts and going concern assessment.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's and parent company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

#### **Other information**

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

We have nothing to report in this regard.

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

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

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



**ADSURE SERVICES PLC****INDEPENDENT AUDITOR'S REPORT (CONTINUED)****TO THE MEMBERS OF ADSURE SERVICES PLC**

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**Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the group and parent company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

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

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

**Responsibilities of directors**

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the group and parent company 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 group and parent company financial statements that are free from material misstatement, whether due to fraud or error. In preparing the group and parent company financial statements, the directors are responsible for assessing the group and 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 and parent company or to cease operations, or have no realistic alternative but to do so.

**Auditor's responsibilities for the audit of the financial statements**

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

**Extent to which the audit was considered capable of detecting irregularities, including fraud**

The objectives of our audit, in respect to fraud, are: to identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses; and to respond appropriately to fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and its management. Our approach was as follows:

- We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience, and through discussion with the directors and other management (as required by auditing standards), and discussed with the directors and other management the policies and procedures regarding compliance with laws and regulations;
- We considered the legal and regulatory frameworks directly applicable to the financial statements reporting framework (UK-adopted international accounting standards and the Companies Act 2006) and the relevant tax compliance regulations in the UK;

**ADSURE SERVICES PLC**

**INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

**TO THE MEMBERS OF ADSURE SERVICES PLC**

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- We considered the nature of the industry, the control environment and business performance, including the key drivers for management's remuneration;
- We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit;
- We considered the procedures and controls that the company has established to address risks identified, or that otherwise prevent, deter and detect fraud; and how senior management monitors those programmes and controls.

Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Where the risk was considered to be higher, we performed audit procedures to address each identified fraud risk. These procedures included: testing manual journals; reviewing minutes of meetings with those charged with governance; reviewing the financial statement disclosures and testing to supporting documentation; performing analytical procedures; and enquiring of management, and were designed to provide reasonable assurance that the financial statements were free from fraud or error.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/Our-Work/Audit/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Auditors-responsibilities-for-audit/Description-of-auditors-responsibilities-for-audit.aspx>. 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.

*Peter Conneely*

**Peter Conneely (Senior Statutory Auditor)**

**For and on behalf of**

Shipleys LLP (Statutory Auditor)  
10 Orange Street  
London  
WC2H 7DQ

26 July 2024

Date:.....

**ADSURE SERVICES PLC****GROUP INCOME STATEMENT****FOR THE YEAR ENDED 31 MARCH 2024**

	<b>Notes</b>	<b>2024</b> <b>£</b>	<b>2023</b> <b>£</b>
Revenue	<b>4</b>	9,311,636	8,998,667
<b>Gross profit</b>		9,311,636	8,998,667
Administrative expenses		(8,749,861)	(8,638,447)
<b>Operating profit</b>	<b>6</b>	561,775	360,220
Investment revenues		18,307	5,720
Finance costs	<b>10</b>	(109,033)	(91,450)
<b>Profit before taxation</b>		471,049	274,490
Income tax (expense)/income	<b>11</b>	(169,147)	6,071
<b>Profit for the year</b>		301,902	280,561

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

The notes on pages 31 to 62 form part of these group financial statements.

**ADSURE SERVICES PLC****GROUP STATEMENT OF COMPREHENSIVE INCOME****FOR THE YEAR ENDED 31 MARCH 2024**

	<b>2024</b>	<b>2023</b>
	<b>£</b>	<b>£</b>
<b>Profit for the year</b>	301,902	280,561
	<u>          </u>	<u>          </u>
<b>Other comprehensive income:</b>		
<b>Items that will not be reclassified to profit or loss</b>		
Actuarial loss on defined benefit pension schemes	(214,000)	(209,000)
Tax relating to items not reclassified	53,500	108,590
	<u>          </u>	<u>          </u>
<b>Total items that will not be reclassified to profit or loss</b>	(160,500)	(100,410)
	<u>          </u>	<u>          </u>
<b>Total comprehensive income for the year</b>	141,402	180,151
	<u>          </u>	<u>          </u>

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

The notes on pages 31 to 62 form part of these group financial statements.

**ADSURE SERVICES PLC****GROUP STATEMENT OF FINANCIAL POSITION****AS AT 31 MARCH 2024**

	Notes	2024 £	2023 £
<b>Non-current assets</b>			
Intangible assets	12	32,865	76,087
Property, plant and equipment	13	477,774	302,451
Investments	14	1	1
Deferred tax asset	19	313,602	449,536
		<u>824,242</u>	<u>828,075</u>
<b>Current assets</b>			
Trade and other receivables	16	1,931,867	1,530,837
Cash and cash equivalents		1,067,335	1,858,553
		<u>2,999,202</u>	<u>3,389,390</u>
<b>Current liabilities</b>			
Trade and other payables	18	1,473,558	1,574,996
Current tax liabilities		1,614	1,166
Borrowings	17	213,333	221,874
Lease liabilities	20	164,679	145,028
		<u>1,853,184</u>	<u>1,943,064</u>
<b>Net current assets</b>		<u>1,146,018</u>	<u>1,446,326</u>
<b>Non-current liabilities</b>			
Borrowings	17	-	487,287
Lease liabilities	20	255,650	59,229
Deferred tax liabilities	19	22,212	42,499
Retirement benefit obligations	23	1,147,000	1,148,000
		<u>1,424,862</u>	<u>1,737,015</u>
<b>Net assets</b>		<u>545,398</u>	<u>537,386</u>
<b>Equity</b>			
Called up share capital	24	52,912	-
Merger reserve		310,155	537,386
Retained earnings		182,331	-
<b>Total equity</b>		<u>545,398</u>	<u>537,386</u>

**ADSURE SERVICES PLC**

**GROUP STATEMENT OF FINANCIAL POSITION (CONTINUED)**

**AS AT 31 MARCH 2024**

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The notes on pages 31 to 62 form part of these group financial statements.

The financial statements were approved by the board of directors and authorised for issue on 25th July 2024 and are signed on its behalf by:

*V. Davies*

.....  
Ms VA Davies

**Director**

Company registration number 14514054 (England and Wales)

**ADSURE SERVICES PLC****GROUP STATEMENT OF CHANGES IN EQUITY****FOR THE YEAR ENDED 31 MARCH 2024**

	Share capital	Merger reserve	Retained earnings	Total
Notes	£	£	£	£
<b>Balance at 1 April 2022</b>	-	486,148	-	486,148
<b>Year ended 31 March 2023:</b>				
Profit	-	-	280,561	280,561
Other comprehensive income:				
Actuarial gains on pensions scheme	-	-	(209,000)	(209,000)
Tax relating to other comprehensive income	-	-	108,590	108,590
Total comprehensive income	-	-	180,151	180,151
Transactions with owners:				
Dividends	-	-	(128,913)	(128,913)
Transfer to merger reserve	-	51,238	(51,238)	-
<b>Balance at 31 March 2023</b>	-	537,386	-	537,386
<b>Year ended 31 March 2024:</b>				
Profit	-	-	301,902	301,902
Other comprehensive income:				
Actuarial gains on pensions scheme	-	-	(214,000)	(214,000)
Tax relating to other comprehensive income	-	-	53,500	53,500
Total comprehensive income	-	-	141,402	141,402
Transactions with owners:				
Dividends	-	-	(133,390)	(133,390)
Transfer to merger reserve	-	(174,319)	174,319	-
Share-for-share exchange	52,912	(52,912)	-	-
<b>Balance at 31 March 2024</b>	52,912	310,155	182,331	545,398

The notes on pages 31 to 62 form part of these group financial statements.

**ADSURE SERVICES PLC****GROUP STATEMENT OF CASH FLOWS****FOR THE YEAR ENDED 31 MARCH 2024**

	Notes	2024		2023	
		£	£	£	£
<b>Cash flows from operating activities</b>					
Cash generated from operations	31		102,099		294,790
Interest paid			(53,033)		(56,450)
Income taxes refunded			448		65,349
<b>Net cash inflow from operating activities</b>			<u>49,514</u>		<u>303,689</u>
<b>Investing activities</b>					
Purchase of property, plant and equipment		(29,163)		(23,728)	
Proceeds from disposal of property, plant and equipment		11,303		-	
Interest received		18,307		5,720	
<b>Net cash generated from/(used in) investing activities</b>			<u>447</u>		<u>(18,008)</u>
<b>Financing activities</b>					
Repayment of preference shares		(12,494)		-	
Repayment of bank loans		(483,334)		(220,000)	
Payment of lease liabilities		(211,961)		(200,772)	
Dividends paid to equity shareholders		(133,390)		(128,913)	
<b>Net cash used in financing activities</b>			<u>(841,179)</u>		<u>(549,685)</u>
<b>Net decrease in cash and cash equivalents</b>			<u>(791,218)</u>		<u>(264,004)</u>
Cash and cash equivalents at beginning of year			<u>1,858,553</u>		<u>2,122,557</u>
Cash and cash equivalents at end of year			<u><u>1,067,335</u></u>		<u><u>1,858,553</u></u>

The notes on pages 31 to 62 form part of these group financial statements.



**ADSURE SERVICES PLC****NOTES TO THE GROUP FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31 MARCH 2024**

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**1 Accounting policies****Company information**

Adsure Services PLC ("the company") is a public company limited by shares incorporated in England and Wales. The registered office is Artillery House, Fort Fareham, Newgate Lane, Fareham, PO14 1AH.

The company was incorporated on 29 November 2022, and was established for the purpose of acquiring the share capital of TIAA Limited, as part of a strategy to list the company's shares on the stock market. On 6 September 2023, in line with the signed share transfer agreement, Adsure Services plc acquired all of the issued share capital in TIAA Limited, comprising 52,671 Ordinary shares of 5p each and 42,870 A Ordinary shares of 5p each, for total consideration of £52,912 settled by the issue of 10,582,430 Ordinary shares of 0.5p each. On 30 October 2023 the company's share capital was admitted onto the Access segment of the Aquis Growth Market (ISIN: GB00BNQNGK59).

Adsure Services plc is a holding company, which provides management services to its wholly owned subsidiary, TIAA Limited. The principal activity of TIAA Limited (and therefore of the group) is that of providing business assurance and advisory services to the Health, Housing, Local Government, Charity, Education and Emergency Services sectors.

**1.1 Accounting convention**

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted for use in the United Kingdom and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS, except as otherwise stated.

The financial statements are prepared in sterling, which is the functional currency of the group. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

**Disclosure exemptions - parent company individual financial statements**

As permitted by FRS 101, the company has taken advantage of the following disclosure exemptions from the requirements of IFRS:

- inclusion of an explicit and unreserved statement of compliance with IFRS;
- presentation of a statement of cash flows and related notes;
- disclosure of the objectives, policies and processes for managing capital;
- disclosure of key management personnel compensation;
- disclosure of the categories of financial instrument and the nature and extent of risks arising on these financial instruments;
- the effect of financial instruments on the statement of comprehensive income;
- disclosure of the future impact of new International Financial Reporting Standards in issue but not yet effective at the reporting date

**ADSURE SERVICES PLC****NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 MARCH 2024**

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**1 Accounting policies****(Continued)****1.2 Business combinations**

The company acquired all of the issued share capital in TIAA Limited (together "the group") via the issue of a share-for-share exchange with the shareholders of TIAA Limited. The business combination involved entities under common control, and hence there was no change in the ultimate beneficial interest of the former shareholders of TIAA Limited from Adsure Services plc's acquisition. Business combinations involving entities under common control are outside the scope of IFRS 3 and accordingly, the business combination within these consolidated financial statements has been accounted for using the merger accounting basis.

Under the merger accounting basis, the acquired assets and liabilities of TIAA Limited are recorded at their existing carrying value rather than fair value; no goodwill has been recognised on the business combination; and comparative periods have been presented to show the combined financial position, results of operations and cash flows of the group, as if the group has always existed.

Accordingly these consolidated financial statements show the combined financial performance of the group comprising Adsure Services plc and TIAA Limited for the 12 months ended 31 March 2024, with comparatives illustrating the 12 months ended 31 March 2023.

**1.3 Basis of consolidation**

The consolidated group financial statements consist of the financial statements of the parent company Adsure Services PLC together with all entities controlled by the parent company (TIAA Limited, its wholly owned subsidiary).

All financial statements are made up to 31 March 2024. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the group.

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

**1.4 Going concern**

At the time of approving the financial statements, the directors, after considering all available information about the future, making enquiries and reviewing the forecasts and projections, have a reasonable expectation that the group and company have adequate resources to continue in operational existence for the foreseeable future and to discharge their liabilities as they fall due for a period covering at least twelve months from the date of the approval of the financial statements. Thus, the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

**ADSURE SERVICES PLC****NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 MARCH 2024**

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**1 Accounting policies****(Continued)****1.5 Revenue**

Revenue is recognised to the extent that the group obtains the right to consideration in exchange for its performance. Revenue is measured at the fair value of the consideration receivable for the performance provided in the period, excluding VAT.

To determine whether to recognise revenue, the company follows a 5-step process:

1. Identifying the contract with a customer
2. Identifying the performance obligations
3. Determining the transaction price
4. Allocating the transaction price to the performance obligation, and then
5. Recognising revenue as performance obligations are satisfied

The group often enters into customer contracts to supply specified services, which require the group to perform assurance services over a period of time, and to make reports to the customer. Customer contracts are assessed to determine whether they contain a single performance obligation or multiple performance obligations. As applicable the total contracted transaction price is allocated to the performance obligations based on the directors assessment of the fair value of the respective services provided.

Revenue is recognised over time if the contract ensures the company is entitled to payment for its performance to date throughout the contract period, otherwise Revenue is recognised at a point in time as the group satisfies the performance obligations by providing the specific services to its customer, typically on delivery of reports to the customer.

The group recognises contract liabilities for consideration received in respect of unsatisfied performance obligations and reports these amounts within creditors. Similarly, if the group satisfies a performance obligation before it receives the consideration, the group recognises either a contract asset or a receivable within debtors.

In obtaining these contracts with customers, the group incurs a number of incremental costs directly attributable to the planning and necessary performance of the contract. In accordance with IFRS 15 these contract costs are capitalised within contract assets and amortised over the performance of the contract.

**1.6 Intangible assets other than goodwill**

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

Included within software and development costs, are costs capitalised in respect of the development of the group's 'Assure' management system. Assure is designed to provide the group with better monitoring capabilities of the performance of the group's contracts, and to assist in its audit delivery. Included within the costs capitalised are labour costs that are directly attributable to bringing the Assure management system into working condition for its intended use. Initial capitalisation of costs was based on management's judgement that technical economic feasibility was confirmed. Management also determine the period over which intangible asset is then amortised straight line over on its expected useful life of 2-4 years from commencement of its use.

**ADSURE SERVICES PLC****NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 MARCH 2024****1 Accounting policies****(Continued)****1.7 Property, plant and equipment**

Property, plant and equipment are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Included within computer equipment are amounts where the group has capitalised labour costs that are directly attributable to bringing an asset into working condition for its intended use. Initial capitalisation of costs is based on management's judgement that technical and economic feasibility is confirmed.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Fixtures, fittings & equipment	Straight line over 3 years
Computer equipment	Straight line over 2 to 5 years
Right-of-use assets - Vehicles	Straight line over the lease period (typically 3-4 years)
Right-of-use assets - Properties	Straight line over the lease period

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

**1.8 Non-current investments**

In the parent company financial statements, interests in subsidiaries are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

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

**1.9 Impairment of tangible and intangible assets**

At each reporting end date, the group reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment annually, and whenever there is an indication that the asset may be impaired.

**ADSURE SERVICES PLC****NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 MARCH 2024**

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**1 Accounting policies****(Continued)**

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

**1.10 Cash and cash equivalents**

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

**1.11 Financial assets**

Financial assets are recognised in the group's statement of financial position when the group becomes party to the contractual provisions of the instrument. Financial assets are classified into specified categories, depending on the nature and purpose of the financial assets.

At initial recognition, financial assets classified as fair value through profit and loss are measured at fair value and any transaction costs are recognised in profit or loss. Financial assets not classified as fair value through profit and loss are initially measured at fair value plus transaction costs.

***Financial assets held at amortised cost***

Financial instruments are classified as financial assets measured at amortised cost where the objective is to hold these assets in order to collect contractual cash flows, and the contractual cash flows are solely payments of principal and interest. They arise principally from the provision of goods and services to customers (eg trade receivables). They are initially recognised at fair value plus transaction costs directly attributable to their acquisition or issue, and are subsequently carried at amortised cost using the effective interest rate method, less provision for impairment where necessary.

***Impairment of financial assets***

Financial assets, other than those measured at fair value through the income statement, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

**ADSURE SERVICES PLC****NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 MARCH 2024**

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**1 Accounting policies****(Continued)****1.12 Financial liabilities**

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the group after deducting all of its liabilities.

The group recognises financial debt when the company becomes a party to the contractual provisions of the instruments. The group's financial liabilities are classified as basic financial liabilities.

***Basic financial liabilities***

Basic financial liabilities, including trade and other payables and borrowings, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest.

**1.13 Equity instruments**

Equity instruments issued by the parent 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 payable at the discretion of the company.

**1.14 Taxation**

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

***Current tax***

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

***Deferred tax***

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the group has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

**ADSURE SERVICES PLC****NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 MARCH 2024**

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**1 Accounting policies****(Continued)****1.15 Employee benefits**

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of inventories or non-current assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the group is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

**1.16 Retirement benefits**

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

The cost of providing benefits under defined benefit plans is determined separately for each plan using the projected unit credit method, and is based on actuarial advice.

The change in the net defined benefit liability arising from employee service during the year is recognised as an employee cost. The cost of plan introductions, benefit changes, settlements and curtailments are recognised as an expense in measuring profit or loss in the period in which they arise.

The net interest element is determined by multiplying the net defined benefit liability by the discount rate, taking into account any changes in the net defined benefit liability during the period as a result of contribution and benefit payments. The net interest is recognised in profit or loss as other finance revenue or cost.

Remeasurement changes comprise actuarial gains and losses, the effect of the asset ceiling and the return on the net defined benefit liability excluding amounts included in net interest. These are recognised immediately in other comprehensive income in the period in which they occur and are not reclassified to profit and loss in subsequent periods.

The net defined benefit pension asset or liability in the balance sheet comprises the total for each plan of the present value of the defined benefit obligation (using a discount rate based on high quality corporate bonds), less the fair value of plan assets out of which the obligations are to be settled directly. Fair value is based on market price information, and in the case of quoted securities is the published bid price. The value of a net pension benefit asset is limited to the amount that may be recovered either through reduced contributions or agreed refunds from the scheme.

**1.17 Leases**

At inception, the group assesses whether a contract is, or contains, a lease within the scope of IFRS 16. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Where a tangible asset is acquired through a lease, the group recognises a right-of-use asset and a lease liability at the lease commencement date. Right-of-use assets are included within property, plant and equipment, apart from those that meet the definition of investment property.

**ADSURE SERVICES PLC****NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 MARCH 2024**

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**1 Accounting policies****(Continued)**

The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date plus any initial direct costs and an estimate of the cost of obligations to dismantle, remove, refurbish or restore the underlying asset and the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of other property, plant and equipment. The right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are unpaid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the group's incremental borrowing rate. Lease payments included in the measurement of the lease liability comprise fixed payments, variable lease payments that depend on an index or a rate, amounts expected to be payable under a residual value guarantee, and the cost of any options that the group is reasonably certain to exercise, such as the exercise price under a purchase option, lease payments in an optional renewal period, or penalties for early termination of a lease.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in: future lease payments arising from a change in an index or rate; the group's estimate of the amount expected to be payable under a residual value guarantee; or the group's assessment of whether it will exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The group has elected not to recognise right-of-use assets and lease liabilities for short-term leases of machinery that have a lease term of 12 months or less, or for leases of low-value assets including IT equipment. The payments associated with these leases are recognised in profit or loss on a straight-line basis over the lease term.

**1.18 Foreign exchange**

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in profit or loss.



**ADSURE SERVICES PLC****NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 MARCH 2024**

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**2 Adoption of new and revised standards and changes in accounting policies**

In preparing these financial statements, the company has prepared its financial statements in accordance with UK-adopted international accounting standards as extant at 31 March 2024.

The following standards, amendments to standards, and interpretations became effective during the period, and have been adopted by the company, but have not had any effect on amounts reported within these financial statements.

***Effective from 1 January 2023:***

- Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2);
- Definition of Accounting Estimates (Amendments to IAS 8); and
- Deferred Tax Related to Assets and Liabilities from a Single Transaction (Amendments to IAS 12).
- IFRS 17 Insurance contracts

Further, There are a number of standards, amendments to standards, and interpretations which have been issued that are effective in future accounting periods that the company has decided not to adopt early. The company is currently assessing the impact of these new standards, interpretations and amendments but does not expect these to have a significant impact on the financial statements in the year of adoption.

***The following amendments are effective for the period beginning 23 May 2023:***

- International Tax Reform (Amendments to IAS 12 for Pillar Two Model Rules)

***The following amendments are effective for the period beginning 1 January 2024:***

- IFRS 16 Leases (Amendment to Lease Liability in a Sale and Leaseback)
- IAS 1 Presentation of Financial Statements (Amendment - Classification of Liabilities as Current or Non current)
- IAS 1 Presentation of Financial Statements (Amendment - Non current Liabilities with Covenants)

***The following amendments are effective for the period beginning 1 January 2025:***

- IAS 21 Foreign Exchange (Amendment - Lack of Exchangeability)

***The following amendments are effective for the period beginning 1 January 2027:***

- IFRS 18 Presentation and Disclosure in Financial Statements

**ADSURE SERVICES PLC****NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 MARCH 2024**

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**3 Critical accounting estimates and judgements**

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

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

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

**Calculation of revenue from contracts with customers**

In the application of IFRS 15, the group's management is required to allocate the fair value of revenue receivable under a contract, to the performance obligations that arise within the contract in respect of the deliverables the group's services are being contracted by the customer. This is a subjective area, which requires the group's management to exercise their knowledge and experience of similar contracts.

Customer contracts are assessed to determine whether they contain a single performance obligation or multiple performance obligations. As applicable the total contracted transaction price is allocated to the performance obligations based on the directors assessment of the fair value of the respective services provided.

**Calculation of labour costs within tangible and intangible assets**

In determining the amounts to be capitalised, management estimates the time that personnel have spent in bringing an asset into working condition for its intended use.

**Defined benefit pension plans**

The cost of the defined benefit pension plan and the present value of the pension obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and future pension increases. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate, management considers the interest rates of corporate bonds in currencies consistent with the currencies of the post-employment benefit obligation with at least an 'AA' rating or above, as set by an internationally acknowledged rating agency, and extrapolated as needed along the yield curve to correspond with the expected term of the defined benefit obligation. The underlying bonds are further reviewed for quality. Those having excessive credit spreads are excluded from the analysis of bonds on which the discount rate is based, on the basis that they do not represent high quality corporate bonds.

**ADSURE SERVICES PLC****NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 MARCH 2024****3 Critical accounting estimates and judgements****(Continued)****Deferred tax assets**

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits, together with future tax planning strategies.

**4 Revenue**

All of the company's revenue during the years ended 31 March 2024 and 31 March 2023, was derived from the services it provides in the UK. The nature of the company's operations are the provision of business assurance and associated business services, mainly to the Health, Housing, Local Government, Charity, Education and Emergency Services sectors.

	<b>2024</b>	<b>2023</b>
	<b>£</b>	<b>£</b>
<b>Revenue analysed by class of business</b>		
Recognised as services transferred over time	4,225,391	4,360,624
Recognised as services transferred at a point in time	5,086,245	4,638,043
	<u>9,311,636</u>	<u>8,998,667</u>

**5 Contracts with customers**

	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
	<b>Contract assets</b>	<b>Contract assets</b>	<b>Contract liabilities</b>	<b>Contract liabilities</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
At 1 April	402,323	419,020	431,734	369,695
Decrease due to balance transferred to accounts receivable	402,323	419,020	-	-
Decrease due to revenue recognised in the year	-	-	431,734	369,695
New contract assets	978,000	402,323	-	-
Increase due to cash received in advance	-	-	530,858	431,734
	<u>978,000</u>	<u>402,323</u>	<u>530,858</u>	<u>431,734</u>
At 31 March - Presented as current	<u>978,000</u>	<u>402,323</u>	<u>530,858</u>	<u>431,734</u>

Contract assets comprise incremental costs directly attributable to the planning and necessary performance of the contract with the customer, which in accordance with IFRS 15 are capitalised within Contract assets and amortised over the performance of the contract.

Contract liabilities relate to deferred income, where the group has received consideration in advance of it satisfying the performance obligations associated with the contract.

**ADSURE SERVICES PLC****NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 MARCH 2024****6 Operating profit**

	<b>2024</b>	<b>2023</b>
	£	£
Operating profit for the year is stated after charging/(crediting):		
Fees payable to the company's auditor for the audit of the company's financial statements	25,000	25,000
Depreciation of property, plant and equipment	67,411	56,944
Depreciation of right-of-use assets	203,159	198,272
Amortisation of intangible assets (included within administrative expenses)	43,222	42,130
	<u>          </u>	<u>          </u>

**7 Auditor's remuneration**

	<b>2024</b>	<b>2023</b>
	£	£
Fees payable to the company's auditor and associates:		
<b>For audit services</b>		
Audit of the financial statements of the company and its subsidiaries	25,000	25,000
	<u>          </u>	<u>          </u>

**8 Employees**

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

	<b>2024</b>	<b>2023</b>
	Number	Number
Number of audit staff	99	99
Number of administrative staff	18	23
Number of management staff	19	28
	<u>          </u>	<u>          </u>
Total	136	150
	<u>          </u>	<u>          </u>

Their aggregate remuneration comprised:

	<b>2024</b>	<b>2023</b>
	£	£
Wages and salaries	6,049,267	6,270,994
Social security costs	598,268	658,731
Pension costs	343,384	345,829
	<u>          </u>	<u>          </u>
	6,990,919	7,275,554
	<u>          </u>	<u>          </u>

**ADSURE SERVICES PLC****NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 MARCH 2024****9 Directors' remuneration**

	<b>2024</b>	<b>2023</b>
	<b>£</b>	<b>£</b>
Remuneration for qualifying services	221,472	142,829
Company pension contributions to defined contribution schemes	26,400	6,150
Sums paid to third parties for directors' services	37,579	29,723
	<u>285,451</u>	<u>178,702</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 1 (2023 - 1).

Remuneration disclosed above includes the following amounts paid to the highest paid director:

	<b>2024</b>	<b>2023</b>
	<b>£</b>	<b>£</b>
Remuneration for qualifying services	125,111	-
Company pension contributions to defined contribution schemes	15,000	-
	<u>140,111</u>	<u>-</u>

**10 Finance costs**

	<b>2024</b>	<b>2023</b>
	<b>£</b>	<b>£</b>
Interest on bank overdrafts and loans	42,316	34,560
Interest on lease liabilities	22,417	15,867
Dividends on redeemable preference shares not classified as equity	(11,700)	3,748
Net interest on net defined benefit liability	56,000	35,000
Other interest payable	-	2,275
	<u>109,033</u>	<u>91,450</u>

**ADSURE SERVICES PLC****NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 MARCH 2024****11 Income tax expense**

	<b>2024</b>	<b>2023</b>
	<b>£</b>	<b>£</b>
<b>Deferred tax</b>		
Origination and reversal of temporary differences	100,758	10,010
Changes in tax rates	-	(28,809)
Adjustment in respect of prior periods	14,889	(29,452)
Defined benefit pension scheme movements within profit and loss	53,500	42,180
	<u>169,147</u>	<u>(6,071)</u>

The charge for the year can be reconciled to the loss per the income statement as follows:

	<b>2024</b>	<b>2023</b>
	<b>£</b>	<b>£</b>
Profit before taxation	471,049	274,490
Expected tax charge based on a corporation tax rate of 25.00% (2023: 19.00%)	117,762	52,153
Effect of expenses not deductible in determining taxable profit	20,707	1,390
Change in unrecognised deferred tax assets	15,789	-
Adjustment in respect of prior years	14,889	(29,452)
Effect of change in UK corporation tax rate	-	(28,809)
Capital allowance super deductions	-	(1,353)
<b>Taxation charge/(credit) for the year</b>	<u>169,147</u>	<u>(6,071)</u>

In addition to the amount charged to the income statement, the following amounts relating to tax have been recognised directly in other comprehensive income:

	<b>2024</b>	<b>2023</b>
	<b>£</b>	<b>£</b>
Deferred tax arising on:		
Actuarial differences recognised as other comprehensive income	(53,500)	(108,590)

**ADSURE SERVICES PLC****NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 MARCH 2024****12 Intangible assets**

	Software £
<b>Cost</b>	
At 1 April 2022	632,211
At 31 March 2023	632,211
At 31 March 2024	632,211
<b>Amortisation and impairment</b>	
At 1 April 2022	513,994
Charge for the year	42,130
At 31 March 2023	556,124
Charge for the year	43,222
At 31 March 2024	599,346
<b>Carrying amount</b>	
At 31 March 2024	32,865
At 31 March 2023	76,087
At 31 March 2022	118,217

**13 Property, plant and equipment**

	Fixtures, fittings & equipment £	Computer equipment £	Right-of-use assets - Properties £	Total £
<b>Cost</b>				
At 1 April 2022	37,707	746,466	602,132	1,386,305
Additions	-	23,728	65,214	88,942
Disposals	-	(354,325)	-	(354,325)
At 31 March 2023	37,707	415,869	667,346	1,120,922
Additions	-	29,163	428,033	457,196
Disposals	-	(47,137)	(339,454)	(386,591)
At 31 March 2024	37,707	397,895	755,925	1,191,527

**ADSURE SERVICES PLC****NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 MARCH 2024****13 Property, plant and equipment****(Continued)**

	Fixtures, fittings & equipment	Computer equipment	Right-of-use assets - Properties	Total
	£	£	£	£
<b>Accumulated depreciation and impairment</b>				
At 1 April 2022	32,141	623,122	262,317	917,580
Charge for the year	2,303	54,641	198,272	255,216
Eliminated on disposal	-	(354,325)	-	(354,325)
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
At 31 March 2023	34,444	323,438	460,589	818,471
Charge for the year	2,300	65,111	203,159	270,570
Eliminated on disposal	-	(47,137)	(328,151)	(375,288)
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
At 31 March 2024	<u>36,744</u>	<u>341,412</u>	<u>335,597</u>	<u>713,753</u>
<b>Carrying amount</b>				
At 31 March 2024	<u>963</u>	<u>56,483</u>	<u>420,328</u>	<u>477,774</u>
At 31 March 2023	<u>3,263</u>	<u>92,431</u>	<u>206,757</u>	<u>302,451</u>

The company has leases for its offices and vehicle fleet. With the exception of short-term leases and leases of low-value underlying assets, each lease is reflected in the statement of financial position as a right-of-use asset and a lease liability.

<b>Right-of-use assets</b>	<b>2024</b>	<b>2023</b>
	<b>£</b>	<b>£</b>
<b>Net values at the year end</b>		
Property	149,157	7,115
Right-of-use assets - Vehicles	271,171	199,642
	<u>          </u>	<u>          </u>
	<u>420,328</u>	<u>206,757</u>
Depreciation charge for the year		
Property	29,132	26,410
Right-of-use assets - Vehicles	174,027	171,862
	<u>          </u>	<u>          </u>
	<u>203,159</u>	<u>198,272</u>



**ADSURE SERVICES PLC****NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 MARCH 2024****13 Property, plant and equipment****(Continued)**

Each lease generally imposes a restriction that, unless there is a contractual right for the company to sublet the asset to another party, the right-of-use asset can only be used by the company. Leases are either non-cancellable or may only be cancelled by incurring a substantive termination fee. Some leases contain an option to purchase the underlying leased asset outright at the end of the lease, or to extend the lease for a further term. The company is prohibited from selling or pledging the underlying leased assets as security. For leases over office buildings the company must keep those properties in a good state of repair and return the properties in their original condition at the end of the lease. Further, the company must insure right-of-use assets and incur maintenance fees on such items in accordance with the lease contracts.

During the year, the leases for the office buildings were renewed onto similar rental terms as previous, with term to 30 April 2029. Vehicle contract hire leases are typically obtained on 3-4 year terms.

**14 Investments**

	Current		Non-current	
	2024	2023	2024	2023
	£	£	£	£
Investments held at amortised cost	-	-	1	1
	=====	=====	=====	=====

**The Internal Audit Association (HA) Limited**

Peter Hammond and Andrew Townsend together hold one £1 ordinary share of the issued share capital in The Internal Audit Association (HA) Limited in trust for TIAA Limited. The Internal Audit Association (HA) Limited is a dormant Co-operative and Community Benefits Society registered in England and Wales.

**15 Subsidiaries**

On 6 September 2023, in line with the signed share transfer agreement, the Company acquired all of the issued share capital in TIAA Limited, comprising 52,671 Ordinary shares of 5p each and 42,870 A Ordinary shares of 5p each, for total consideration of £52,912 settled by the issue of 10,582,430 Ordinary shares of 0.5p each.

Name of undertaking	Registered office	Principal activities	Class of shares held	% Held Direct
TIAA Limited	Artillery House Fort Fareham Industrial Site, Newgate Lane, Fareham, Hampshire, England, PO14 1AH	The provision of business assurance and advisory services to the Health, Housing, Local Government, Charity, Education and Emergency Services sectors.	Ordinary A	100.00

**ADSURE SERVICES PLC****NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 MARCH 2024****16 Trade and other receivables**

	<b>2024</b>	<b>2023</b>
	£	£
Trade receivables	729,879	948,219
Provision for bad and doubtful debts	(7,299)	(9,482)
	<u>722,580</u>	<u>938,737</u>
Contract assets (note 5)	978,000	402,323
Other receivables	12,102	8,329
Prepayments	219,185	181,448
	<u>1,931,867</u>	<u>1,530,837</u>

The net carrying value of trade receivables is considered a reasonable approximation of fair value.

Both the current and comparative impairment provisions apply the IFRS 9 expected loss model. Note 21 includes disclosures relating to the credit risk exposures and analysis relating to the allowance for expected credit losses.

**17 Borrowings**

	Current		Non-current	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
	£	£	£	£
<b>Borrowings held at amortised cost:</b>				
Bank loans	213,333	220,000	-	476,667
Irredeemable preference shares	-	1,874	-	10,620
	<u>213,333</u>	<u>221,874</u>	<u>-</u>	<u>487,287</u>

The bank loan was issued in May 2020 in response to the COVID-19 global pandemic. It is supported by the Coronavirus Business Interruption Scheme ('CBILS') and managed by the British Business Bank on behalf of, and with the financial backing of, the Secretary of State for Business, Energy and Industrial Strategy. Under the CBILS, the Secretary of State has agreed to provide the bank with a partial guarantee. Under the terms of the arrangement, interest will be payable at a fixed rate of 2.09% over base rate per annum. Repayments are due 13 months from the borrowing date, payable in equal monthly instalments for a period of 5 years.

**ADSURE SERVICES PLC****NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 MARCH 2024****18 Trade and other payables**

	<b>2024</b>	<b>2023</b>
	<b>£</b>	<b>£</b>
Trade payables	135,172	181,314
Contract liabilities (note 5)	530,858	431,734
Accruals	128,773	95,135
Social security and other taxation	595,425	786,961
Other payables	83,330	79,852
	<u>1,473,558</u>	<u>1,574,996</u>

The carrying value of trade and other payables are considered to be a reasonable approximation of fair value. Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Other taxation and social security relates to VAT and employment taxes payable by the company at the balance sheet date.

**19 Deferred taxation**

	<b>Liabilities</b>		<b>Assets</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Deferred tax balances	<u>22,212</u>	<u>42,499</u>	<u>313,602</u>	<u>449,536</u>

Deferred tax assets are expected to be recovered after more than one year

Deferred taxes arise from temporary timing differences between the recognition of income and expenditure in the financial statements and when they become subject to, or deductible from taxable profits. Deferred taxes are measured at the expected future tax rate that the underlying timing difference is expected to reverse. At 31 March 2024 deferred tax balances are predominately measured on a 25% tax rate (31 March 2023: 25%).

Deferred tax balances are summarised as follows:

## ADSURE SERVICES PLC

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

## FOR THE YEAR ENDED 31 MARCH 2024

## 19 Deferred taxation

(Continued)

	Fixed asset timing differences	Tax losses	Defined contribution pension schemes	Defined benefit pension schemes	Total
	£	£	£	£	£
Liability at 1 April 2022	28,603	-	(3,793)	-	24,810
<b>Deferred tax movements in prior year</b>					
Charge/(credit) to profit or loss	13,896	(60,479)	(1,668)	42,180	(6,071)
Charge/(credit) to other comprehensive income	-	-	-	(108,590)	(108,590)
Liability at 1 April 2023	42,499	-	-	-	42,499
Asset at 1 April 2023	-	(157,075)	(5,461)	(287,000)	(449,536)
<b>Deferred tax movements in current year</b>					
Charge/(credit) to profit or loss	(20,287)	135,934	-	53,500	169,147
Charge/(credit) to other comprehensive income	-	-	-	(53,500)	(53,500)
Liability at 31 March 2024	22,212	-	-	-	22,212
Asset at 31 March 2024	-	(21,141)	(5,461)	(287,000)	(313,602)

The amounts recognised in other comprehensive income relate to the remeasurement of the defined benefit pension scheme net liability. A deferred tax asset arises on the Defined benefit pension schemes as the company will receive tax relief in future on payments it makes to settle the Defined benefit pension scheme deficit. The future reversal of the deferred tax asset on the Defined benefit pension scheme is therefore intrinsically linked to the timing of the future settlement of the Defined benefit pension scheme, and hence is presented within non-current assets (see note 23).

The remaining net deferred tax asset, primarily relates to tax losses arising on the transition to and application of IFRS 15. These tax losses will be used to reduce future tax liabilities on taxable profits arising from the performance company, and based on the projections prepared by management, are expected to be consumed in the near future.

**ADSURE SERVICES PLC****NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 MARCH 2024****20 Lease liabilities**

	<b>2024</b>	<b>2023</b>
	£	£
<b>Maturity analysis</b>		
Within one year	188,623	155,243
In two to five years	308,810	63,218
	<u>497,433</u>	<u>218,461</u>
Total undiscounted liabilities	497,433	218,461
Future finance charges and other adjustments	(77,104)	(14,204)
	<u>420,329</u>	<u>204,257</u>
Lease liabilities in the financial statements	<u>420,329</u>	<u>204,257</u>

Lease liabilities are classified based on the amounts that are expected to be settled within the next 12 months and after more than 12 months from the reporting date, as follows:

	<b>2024</b>	<b>2023</b>
	£	£
Current liabilities	164,679	145,028
Non-current liabilities	255,650	59,229
	<u>420,329</u>	<u>204,257</u>

	<b>2024</b>	<b>2023</b>
	£	£
Amounts recognised in profit or loss include the following:		
Interest on lease liabilities	22,417	15,867
	<u>22,417</u>	<u>15,867</u>

**ADSURE SERVICES PLC****NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 MARCH 2024**

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**21 Financial risk management and management of capital****Risk management objectives and policies**

The company's objectives when managing capital are to safeguard the company's ability to operate as a going concern and to maintain an optimal capital structure to cover the expected peak cash requirements of the business. The company's capital sources primarily comprise share capital, undistributed profits and borrowing facilities. The company holds or issues financial instruments in order to finance its operations, details of which are disclosed in note 22 .

The company is exposed to various risks in relation to financial instruments. The main types of risks are market risk (mainly interest rate risk), credit risk and liquidity risk.

The company's risk management is coordinated at its headquarters, in close cooperation with the board of directors, and focuses on actively securing the company's short to medium-term cash flows by minimising the exposure to volatile financial markets. Long-term financial investments are managed to generate lasting returns.

The company does not actively engage in the trading of financial assets for speculative purposes nor does it enter into hedging arrangements. The most significant financial risks to which the company is exposed are described below:

**Market rate risk**

The company has minimal exposure to market risk through its use of financial instruments which result from both its operating and investing activities.

The company's financial instruments are all denominated in sterling and therefore not subject to foreign currency risks. The company's financial instruments which are exposed to interest rate risk, comprise of a short-term bank overdraft facility subject to variable interest rates but unutilised at the balance sheet date; a CBILS bank loan subject to interest rate of 2.09% above base rate and participating preference shares with a fixed coupon rate.

**Credit risk**

Credit risk is the risk that a counterparty fails to discharge an obligation to the company. The company is exposed to credit risk from financial assets in respect of trade and other receivables.

The company continually monitors the credit quality of customers and utilises, where available, external credit ratings and/or reports on customers. The company's policy is to deal only with credit worthy counterparties. The credit terms range between 30 and 120 days. The credit terms for customers as negotiated with customers are subject to an internal approval process which considers the credit worthiness of the customer. The ongoing credit risk is managed through regular review of ageing analysis, together with credit limits per customer.

The company applies the IFRS 9 simplified model of recognising lifetime expected credit losses for all trade receivables as these items do not have a significant financing component. In measuring the expected credit losses, the trade receivables have been assessed on a collective basis as they possess shared credit risk characteristics. They have been grouped based on the days past due and also according to the geographical location of customers.

The group is not subject to any externally imposed capital requirements.

**ADSURE SERVICES PLC****NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 MARCH 2024**

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**21 Financial risk management and management of capital****(Continued)**

The expected loss rates are based on the payment profile for sales over the past 48 months before 31 March 2024 and 31 March 2023 respectively as well as the corresponding historical credit losses during that period. The historical rates are adjusted to reflect current and forwarding looking macroeconomic factors affecting the customer's ability to settle the amount outstanding. However, given the short period exposed to credit risk, the impact of these macroeconomic factors has not been considered significant within each annual reporting period.

Trade receivables are written off (ie derecognised) when there is no reasonable expectation of recovery.

**Liquidity risk**

Liquidity risk is that the company might be unable to meet its obligations. The company manages its liquidity needs by monitoring scheduled debt servicing payments for long-term financial liabilities as well as forecast cash inflows and outflows due in day-to-day business. Net cash requirements are compared to available borrowing facilities in order to determine headroom or any shortfalls. This analysis shows that available borrowing facilities are expected to be sufficient for at least the next 12 months.

**ADSURE SERVICES PLC****NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 MARCH 2024****22 Liquidity risk****Liquidity and interest risk tables**

The following tables detail the group's remaining contractual maturity for its non-derivative financial liabilities with agreed payment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the group can be required to pay. The tables include both interest and principal cash flows. To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate curves at the end of the period. The contractual maturity is based on the earliest date on which the group may be required to pay.

	<b>Carrying amount</b>	<b>1-12 months</b>	<b>1-2 years</b>	<b>2-5 years</b>	<b>5+ years</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>At 31 March 2024</b>						
Finance lease liabilities	420,329	164,679	165,178	90,472	-	420,329
Trade payables	135,172	135,172	-	-	-	135,172
Borrowings	213,333	213,333	-	-	-	213,333
Other payables	83,330	83,330	-	-	-	83,330
Accruals	128,773	128,773	-	-	-	128,773
	<u>980,937</u>	<u>725,287</u>	<u>165,178</u>	<u>90,472</u>	<u>-</u>	<u>980,937</u>
<b>At 31 March 2023</b>						
Finance lease liabilities	204,257	145,028	59,229	-	-	204,257
Trade payables	181,314	181,314	-	-	-	181,314
Borrowings	709,161	221,874	462,581	24,706	-	709,161
Other payables	79,852	79,852	-	-	-	79,852
Accruals	95,135	95,135	-	-	-	95,135
	<u>1,269,719</u>	<u>723,203</u>	<u>521,810</u>	<u>24,706</u>	<u>-</u>	<u>1,269,719</u>



**ADSURE SERVICES PLC****NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 MARCH 2024****22 Liquidity risk****(Continued)**

The following information provides details of the group's expected maturity for its non-derivative financial assets.

The information has been drawn up based on the undiscounted contractual maturities of the financial assets including interest that will be earned on those assets. The inclusion of information on non-derivative financial assets is necessary in order to understand the group's liquidity risk management as the liquidity is managed on a net asset and liability basis.

	<b>Carrying amount</b>	<b>1-12 months</b>	<b>1-2 years</b>	<b>2-5 years</b>	<b>5+ years</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>At 31 March 2024</b>						
Contract assets	978,000	978,000	-	-	-	978,000
Trade receivables	722,580	722,580	-	-	-	722,580
Other receivables	12,102	12,102	-	-	-	12,102
	<u>1,712,682</u>	<u>1,712,682</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,712,682</u>
	<u><u>1,712,682</u></u>	<u><u>1,712,682</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>1,712,682</u></u>
<b>At 31 March 2023</b>						
Contract assets	402,323	402,323	-	-	-	402,323
Trade receivables	938,737	938,737	-	-	-	938,737
Other receivables	8,329	8,329	-	-	-	8,329
	<u>1,349,389</u>	<u>1,349,389</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,349,389</u>
	<u><u>1,349,389</u></u>	<u><u>1,349,389</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>1,349,389</u></u>

**Fair value of financial assets and liabilities that are not measured at fair value**

The directors consider that the carrying amounts of financial assets and financial liabilities carried at amortised cost in the financial statements approximate to their fair values. All of the group's financial assets and financial liabilities fall within Level 3 of fair value hierarchy.

**ADSURE SERVICES PLC****NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 MARCH 2024****23 Retirement benefit schemes**

	<b>2024</b>	<b>2023</b>
	<b>£</b>	<b>£</b>
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	343,384	345,829
	<u>          </u>	<u>          </u>

The group makes a defined contribution to the NHS pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the group in an independently administered fund. The group has no liability for any shortfall arising from any under funding of the NHS scheme.

The group also makes contributions in respect of qualifying employees who participate in the Social Housing Pension Scheme.

**Defined benefit scheme**

The group participates in the Social Housing Pension Scheme (the scheme), a multi-employer scheme which provides benefits to some 500 non-associated employers. The scheme was closed to new entrants in April 2013 from the perspective of the group's participating obligations under the scheme. The scheme is a defined benefit scheme in the UK.

The scheme is subject to funding legislation outlined in the Pensions Act 2004 which came into force on 30 December 2005. This, together with documents issued by the Pensions Regulator and Technical Actuarial Standards issued by the Financial Reporting Council, set out the framework for funding defined benefit occupational pension schemes in the UK.

The scheme is classified as a 'last man standing arrangement'. Therefore the group is potentially liable for other participating employer's obligations if those employers are unable to meet their share of the scheme deficit following withdrawal from the scheme. Participating employers are legally required to meet their share of the scheme deficit on an annuity purchase basis on withdrawal from the scheme.

The plan assets are managed by a pension fund that is legally separated from the group. The board of trustees of the pension fund is required by its articles of association to act in the best interest of the fund and it is responsible for setting the investment policies. The group has no representation on the board of the fund.

*Valuation*

A full actuarial valuation for the scheme was carried out with an effective date of 30 September 2020. The present value of the defined benefit obligation, the related current service cost and past service cost were measured using the projected unit credit method.

**ADSURE SERVICES PLC**

**NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 MARCH 2024**

**23 Retirement benefit schemes**

**(Continued)**

*Risks*

The scheme exposes the group to actuarial risks such as interest rate risk, investment risk, longevity risk and inflation risk:

- Interest rate risk – The present value of the defined benefit liability is calculated using a discount rate determined by reference to market yields of high quality corporate bonds. The estimated term of the bonds is consistent with the estimated term of the defined benefit obligation and it is denominated in sterling. A decrease in market yield on high quality corporate bonds will increase the company’s defined benefit liability, although it is expected that this would be offset partially by an increase in the fair value of certain of the plan assets.
- Investment risk – The plan assets at 31 March 2024 are predominantly liability driven investments, equity and debt instruments. The fair value of the plan assets is exposed to fluctuations in stock market prices and macro-economic performance of the UK generally.
- Longevity risk – The group is required to provide benefits for life for the members of the defined benefit liability. Increase in the life expectancy of the members, particularly in the UK where the pension payments are linked to CPI, will increase the defined benefit liability.
- Inflation risk – A significant proportion of the defined benefit liability is linked to inflation. An increase in the inflation rate will increase the group’s liability. A portion of the plan assets are inflation-linked debt securities which will mitigate some of the effects of inflation.

<i>Key assumptions</i>	<b>2024</b>	<b>2023</b>
	%	%
Discount rate	4.90	4.87
Salary growth rate	3.78	3.75
Inflation (RPI)	3.15	3.19
Inflation (CPI)	2.78	2.75
Allowance for commutation of pension for cash at retirement	75% of max.	75% of max.
	<u>          </u>	<u>          </u>
<i>Mortality assumptions</i>	<b>2024</b>	<b>2023</b>
	Years	Years
Assumed life expectations on retirement at age 65:		
Assumed life expectations on retirement at age 65:		
- Males	20.5	21.0
- Females	23.0	23.4
	<u>          </u>	<u>          </u>
Retiring in 20 years		
- Males	21.8	22.2
- Females	24.4	24.9
	<u>          </u>	<u>          </u>

**ADSURE SERVICES PLC****NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 MARCH 2024****23 Retirement benefit schemes****(Continued)**

The amounts included in the statement of financial position arising from the group's obligations in respect of defined benefit plans are as follows:

	<b>2024</b>	<b>2023</b>
	£	£
Present value of defined benefit obligations	6,067,000	6,224,000
Fair value of plan assets	(4,920,000)	(5,076,000)
	<u>          </u>	<u>          </u>
(Surplus)/deficit in scheme	1,147,000	1,148,000
	<u>          </u>	<u>          </u>

	<b>2024</b>	<b>2023</b>
	£	£
<i>Movements in the present value of defined benefit obligations</i>		
At 1 April 2023	6,224,000	8,597,000
Benefits paid	(280,000)	(211,000)
Actuarial gains and losses	(180,000)	(2,405,000)
Interest cost	303,000	243,000
	<u>          </u>	<u>          </u>
At 31 March 2024	6,067,000	6,224,000
	<u>          </u>	<u>          </u>

Pension contributions to be made by the company in 2024/25 are expected to be at a similar level to 2023/24.

	<b>2024</b>	<b>2023</b>
	£	£
<i>The defined benefit obligations arise from plans funded as follows:</i>		
Wholly unfunded obligations	-	-
Wholly or partly funded obligations	6,067,000	6,224,000
	<u>          </u>	<u>          </u>
	6,067,000	6,224,000
	<u>          </u>	<u>          </u>

**ADSURE SERVICES PLC****NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 MARCH 2024**

<b>23 Retirement benefit schemes</b>	<b>(Continued)</b>	
	<b>2024</b>	<b>2023</b>
	<b>£</b>	<b>£</b>
<i>Movements in the fair value of plan assets</i>		
At 1 April 2023	5,076,000	7,436,000
Interest income	247,000	208,000
Return on plan assets (excluding amounts included in net interest)	(394,000)	(2,614,000)
Benefits paid	(280,000)	(211,000)
Contributions by the employer	271,000	257,000
	<hr/>	<hr/>
At 31 March 2024	4,920,000	5,076,000
	<hr/> <hr/>	<hr/> <hr/>

*Estimates and assumptions*

The significant actuarial assumptions for the determination of the defined benefit obligation are the discount rate, the salary growth rate and the average life expectancy, as disclosed above.

Those assumptions were developed by management with the assistance of independent actuaries. Discount factors are determined close to each period-end by reference to market yields of high quality corporate bonds that are denominated in the currency in which the benefits will be paid and that have terms to maturity approximating to the terms of the related pension obligation. Other assumptions are based on current actuarial benchmarks and management's historical experience.

The weighted average duration of the defined benefit obligation at 31 March 2024 is 14 years (31 March 2023: 15 years).

The following table summarises the effects of changes in these actuarial assumptions on the defined benefit liability at 31 March:

		<b>2024</b>	<b>2023</b>
Discount rate - 0.3% change	- increase	223,000	246,000
	- decrease	(223,000)	(259,000)
Salary growth - 1% change	- increase	(53,000)	(60,000)
	- decrease	52,000	57,000
Average life expectancy - 1 year range	- increase	(144,000)	(153,000)
	- decrease	141,000	149,000
		<hr/> <hr/>	<hr/> <hr/>

The present value of the defined benefit obligation has been calculated with the same method (project unit credit) as the defined benefit obligation recognised in the consolidated statement of financial position. The sensitivity analyses are based on a change in one assumption while not changing all other assumptions. This analysis may not be representative of the actual change in the defined benefit obligation as it is unlikely the change in any of the assumptions would occur in isolation of one another as some of the assumptions are correlated.

## ADSURE SERVICES PLC

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

## FOR THE YEAR ENDED 31 MARCH 2024

<b>23 Retirement benefit schemes</b>	<b>(Continued)</b>		
<i>Amounts recognised in the income statement</i>	<b>2024</b>	<b>2023</b>	
<i>Costs/(income):</i>	<b>£</b>	<b>£</b>	
Net interest on defined benefit liability/(asset)	56,000	35,000	
	<u>          </u>	<u>          </u>	
<i>Amounts recognised in other comprehensive income</i>	<b>2024</b>	<b>2023</b>	
<i>Costs/(income):</i>	<b>£</b>	<b>£</b>	
Actuarial changes arising from experience adjustments	(180,000)	(2,405,000)	
Actuarial changes related to plan assets	394,000	2,614,000	
	<u>          </u>	<u>          </u>	
Total costs	214,000	209,000	
	<u>          </u>	<u>          </u>	
	<b>2024</b>	<b>2023</b>	
<i>Fair value of plan assets</i>	<b>£</b>	<b>£</b>	
Equity instruments	1,291,000	725,000	
Debt instruments	624,000	642,000	
Property	727,000	951,000	
Insurance-linked securities	25,000	128,000	
Liability driven investments	2,150,000	2,570,000	
Cash and other	103,000	60,000	
	<u>          </u>	<u>          </u>	
	4,920,000	5,076,000	
	<u>          </u>	<u>          </u>	
<b>24 Share capital</b>			
	<b>2024</b>	<b>2023</b>	
<b>Ordinary share capital</b>	<b>Number</b>	<b>Number</b>	
<b><i>Issued and fully paid</i></b>			<b>£</b>
Ordinary shares of 0.5p each	10,582,440	1	52,912
	<u>          </u>	<u>          </u>	<u>          </u>
			<u>          </u>

**ADSURE SERVICES PLC****NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 MARCH 2024****24 Share capital****(Continued)**

The following share transactions have occurred:

- |                  |   |
|------------------|---|
| 29 November 2022 | - 1 Ordinary share of 5p was issued at par value on incorporation of the company.     |
| 5 September 2023 | - The company's share capital was sub-divided into 10 Ordinary shares of £0.005 each. |
| 6 September 2023 | - 10,582,430 Ordinary shares of £0.005 each were issued at par.                       |

On 18 October 2023 the company formally called Adsure Services Limited, was re-registered from a private company to a public company as Adsure Services PLC.

On 30 October 2023 the company's share capital was admitted onto the Access segment of the Aquis Growth Market (ISIN: GB00BNQNGK59).

**25 Reserves*****Merger reserve***

In the combined financial statements, upto the date when the company obtained control of TIAA Limited, the Merger reserve represents the retained earnings and accumulated losses of TIAA Limited prior to it becoming part of the group. In the consolidated financial statements, following the date when the company obtained control of TIAA Limited on 6 September 2023, the Merger reserve represents the difference between the nominal value of the shares issued by the company via the share-for-share exchange in consideration, and the carrying value of the net assets of TIAA Limited on acquisition.

***Retained earnings reserve***

This reserve represents retained earnings and accumulated losses of the group, for the periods since the group came in to existence.

**26 Contingent liabilities**

A claim for unspecified damages has been lodged against the subsidiary company by an ex-employee. The subsidiary company has disclaimed liability and is defending the action. Legal advice obtained indicates that it is unlikely that any significant liability will arise. Insurance coverage is in place and the directors are of the view that no material losses will arise in respect of the legal claim at the date of these financial statements.

**27 Debenture charge**

On 9 November 2017 a debenture was issued in favour of National Westminster Bank PLC, securing a fixed and floating charge over all assets and future assets of the subsidiary company. This charge was fully satisfied on 18 March 2024.

**28 Events after the reporting date**

There have been no significant events affecting the company or group subsequent to the year end.

**ADSURE SERVICES PLC****NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 MARCH 2024****29 Related party transactions****Remuneration of key management personnel**

The company's related parties are primarily its key management personnel. Key management of the company comprise the company's board of directors including its non-executive directors. Details of their remuneration are disclosed in note 9 .

Prior to the company obtaining control of TIAA Limited on 6 September 2023, dividends totalling £17,375 (31 March 2023: £53,317) were paid in respect of shares held by the company's directors for the year to 31 March 2024.

Mr P Hammond is a director and principal shareholder in Peter Hammond Consulting Limited. During the year ended 31 March 2024 the group purchased consultancy services amounting to £10,994 (31 March 2023: £109,424) from Peter Hammond Consulting Limited.

Subsequent to the acquisition of TIAA Limited, the company provided management services to TIAA Limited of £112,224 and received dividends from TIAA Limited totalling £250,000. At the balance sheet date the company owed £1,754 to TIAA Limited.

**30 Controlling party**

There is no one controlling party of Adsure Services PLC.

**31 Cash generated from operations**

	<b>2024</b>	<b>2023</b>
	<b>£</b>	<b>£</b>
Profit for the year after tax	301,902	280,561
<b>Adjustments for:</b>		
Taxation charged/(credited)	169,147	(6,071)
Finance costs	109,033	91,450
Investment income	(18,307)	(5,720)
Amortisation and impairment of intangible assets	43,222	42,130
Depreciation and impairment of property, plant and equipment	270,570	255,216
Pension scheme non-cash movement	(271,000)	(257,000)
<b>Movements in working capital:</b>		
(Increase)/decrease in contract assets	(575,677)	16,697
Decrease/(increase) in trade and other receivables	174,647	(288,960)
Increase in contract liabilities	99,124	62,039
(Decrease)/increase in trade and other payables	(200,562)	104,448
	<u>          </u>	<u>          </u>
<b>Cash generated from operations</b>	<u>102,099</u>	<u>294,790</u>



**ADSURE SERVICES PLC****COMPANY STATEMENT OF FINANCIAL POSITION****AS AT 31 MARCH 2024**

	Notes	2024 £	£	2023 £	£
<b>Non-current assets</b>					
Investments	34		52,912		-
<b>Current assets</b>					
Cash and cash equivalents		189,853		-	
<b>Current liabilities</b>		(3,011)		-	
<b>Net current assets</b>			186,842		-
<b>Total assets less current liabilities</b>			239,754		-
<b>Equity</b>					
Called up share capital	35		52,912		-
Retained earnings			186,842		-
<b>Total equity</b>			239,754		-

The notes on pages 65 to 67 form part of these parent financial statements.

As permitted by s408 Companies Act 2006, the company has not presented its own income statement and related notes. The company's profit for the year was £186,842 (2023 - £0 profit).

The financial statements were approved by the board of directors and authorised for issue on 25th July 2024 and are signed on its behalf by:

*V. Davies*

.....  
Victoria Davies  
**Director**

Company registration number 14514054 (England and Wales)

**ADSURE SERVICES PLC****COMPANY STATEMENT OF CHANGES IN EQUITY****FOR THE YEAR ENDED 31 MARCH 2024**

	Share capital	Retained earnings	Total
Notes	£	£	£
<b>Balance at 1 April 2022</b>	-	-	-
<b>Year ended 31 March 2023:</b>			
<b>Balance at 31 March 2023</b>	-	-	-
<b>Year ended 31 March 2024:</b>			
Profit and total comprehensive income	-	186,842	186,842
Transactions with owners:			
Issue of share capital	<b>35</b> 52,912	-	52,912
<b>Balance at 31 March 2024</b>	<u>52,912</u>	<u>186,842</u>	<u>239,754</u>

The notes on pages 65 to 67 form part of these parent financial statements.

**ADSURE SERVICES PLC****NOTES TO THE COMPANY FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31 MARCH 2024**

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**32 Accounting policies - Individual parent company****Company information**

Adsurre Services PLC is a public company limited by shares incorporated in England and Wales. The registered office is Artillery House, Fort Fareham, Newgate Lane, Fareham, PO14 1AH.

The company was incorporated on 29 November 2022, and was established for the purpose of acquiring the share capital of TIAA Limited, as part of a strategy to list the company's shares on the stock market. The company remained dormant throughout its first accounting period and up to 6 September 2023.

On 6 September 2023, in line with the signed share transfer agreement, Adsurre Services plc acquired all of the issued share capital in TIAA Limited, comprising 52,671 Ordinary shares of 5p each and 42,870 A Ordinary shares of 5p each, for total consideration of £52,912 settled by the issue of 10,582,430 Ordinary shares of 0.5p each. On 30 October 2023 the company's share capital was admitted onto the Access segment of the Aquis Growth Market (ISIN: GB00BNQNGK59).

Adsurre Services plc is a holding company, which provides management services to its wholly owned subsidiary, TIAA Limited.

**32.1 Accounting convention**

The financial statements have been prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101) and in accordance with applicable accounting standards.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The company applies accounting policies consistent with those applied by the group. To the extent that an accounting policy is relevant to both group and parent company financial statements, please refer to the group financial statements for disclosure of the relevant accounting policy.

As permitted by FRS 101, the company has taken advantage of the following disclosure exemptions from the requirements of IFRS:

- inclusion of an explicit and unreserved statement of compliance with IFRS;
- presentation of a statement of cash flows and related notes;
- disclosure of the objectives, policies and processes for managing capital;
- disclosure of key management personnel compensation;
- disclosure of the categories of financial instrument and the nature and extent of risks arising on these financial instruments;
- the effect of financial instruments on the statement of comprehensive income;
- disclosure of the future impact of new International Financial Reporting Standards in issue but not yet effective at the reporting date;

**ADSURE SERVICES PLC****NOTES TO THE COMPANY FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 MARCH 2024****33 Employees - Individual parent company**

The average monthly number of persons employed by the company during the year was:

	<b>2024</b>	<b>2023</b>
	<b>Number</b>	<b>Number</b>
Number of management staff	2	-
	<u>          </u>	<u>          </u>

Their aggregate remuneration comprised:

	<b>2024</b>	<b>2023</b>
	<b>£</b>	<b>£</b>
Wages and salaries	115,794	-
Social security costs	11,823	-
Pension costs	11,250	-
	<u>          </u>	<u>          </u>
	<u>138,867</u>	<u>          </u>

**34 Investments - Individual parent company**

	<b>Current</b>		<b>Non-current</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Investments in subsidiaries	-	-	52,912	-
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>

**Fair value of financial assets carried at amortised cost**

Except as detailed below the directors believe that the carrying amounts of financial assets carried at amortised cost in the financial statements approximate to their fair values.

**Investment in subsidiary undertakings**

Details of the company's principal operating subsidiaries are included in note 15.

**ADSURE SERVICES PLC****NOTES TO THE COMPANY FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 MARCH 2024****34 Investments - Individual parent company (Continued)****Movements in non-current investments**

	<b>Shares in subsidiaries £</b>
<b>Cost or valuation</b>	
At 1 April 2023	-
Additions	52,912
	<hr/>
At 31 March 2024	52,912
	<hr/>
<b>Carrying amount</b>	
At 31 March 2024	52,912
	<hr/> <hr/>
At 31 March 2023	-
	<hr/> <hr/>

On 6 September 2023, in line with the signed share transfer agreement, the Company acquired all of the issued share capital in TIAA Limited, comprising 52,671 Ordinary shares of 5p each and 42,870 A Ordinary shares of 5p each, for total consideration of £52,912 settled by the issue of 10,582,430 Ordinary shares of 0.5p each.

**35 Share capital - Individual parent company**

Refer to note 24 of the group financial statements.