

Company Registration No. 07463003 (England and Wales)

Altair Consultancy and Advisory Services Limited

**Annual report and financial statements
for the year ended 31 March 2023**



Altair Consultancy and Advisory Services Limited

Company information

Directors	Dr Fiona Underwood Michael Appleby Claire Banks Catherine Beazley Matthew Carroll James Lashmar
Company Secretary	Claire Banks
Registered office	Tempus Wharf 29A Bermondsey Wall West London England SE16 4SA
Independent Auditors	Crowe U.K. LLP 55 Ludgate Hill London EC4M 7JW
Company number	07463003

Altair Consultancy and Advisory Services Limited

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Altair Consultancy and Advisory Services Limited

Directors' report For the year ended 31 March 2023

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

Principal activities

The principal activity of the company continued to be that of specialist housing consultancy.

Dividends

The directors propose a final dividend for the year ended 31 March 2023 of £nil per share (2022: £500). The total dividend for the year was £975 per share (2022: £200).

Directors

The following directors have held office since 1 April 2022:

Dr Fiona Underwood
Michael Appleby
Claire Banks
Catherine Beazley
Matthew Carroll
James Lashmar

Statement of directors' responsibilities

The directors are responsible for preparing the Directors 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 prepared the company financial statements in accordance with United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 101 'Reduced Disclosure Framework' and applicable law. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and the profit or loss of the company for that period.

In preparing the 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

Altair Consultancy and Advisory Services Limited

**Directors' report
For the year ended 31 March 2023**

Statement of disclosure to auditors

So far as each of the directors is aware, there is no relevant information that has not been disclosed to the company's auditors and each of the directors believes that all steps have been taken that ought to have been taken to make them aware of any relevant audit information and to establish that the company's auditors have been made aware of that information.

Auditors

The auditor, Crowe U.K. LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report has been prepared and taken advantage of the exemption under s415A of Companies Act 2006 and was approved and authorised for issue by the board and signed on its behalf.



Fiona Underwood – Chief Executive

04 August 2023

Altair Consultancy and Advisory Services Limited

Independent Auditor's report to the members of Altair Consultancy and Advisory Services Limited

Opinion

We have audited the financial statements of Altair Consultancy and Advisory Services Limited (the 'Company') for the year ended 31 March 2023 which comprise the Statement of comprehensive income, the Statement of financial position, the Statement of changes in equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 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 affairs of the Company as at 31 March 2023 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the director's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the 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.

Independent auditors' report to the members of Altair Consultancy and Advisory Services Limited

Other information

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

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

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in 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 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; or
- the directors were not entitled to take advantage of the small companies' exemptions in preparing the Directors' Report and from the requirement to prepare a Strategic Report.

Independent auditors' report to the members of Altair Consultancy and Advisory Services Limited

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement set out on page 1, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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

We obtained an understanding of the legal and regulatory frameworks within which the company operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Companies Act 2006 and taxation legislation.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be the override of controls by management, inappropriate revenue recognition and judgement surrounding the carrying value of goodwill. Our audit procedures to respond to these risks included enquiries of management about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, reviewing accounting estimates for biases, corroborating amounts recognised to supporting documentation on a sample basis and ensuring accounting policies are appropriate under the relevant accounting standards and applicable law.

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. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

These inherent limitations are particularly significant in the case of misstatement resulting from fraud as this may involve sophisticated schemes designed to avoid detection, including deliberate failure to record transactions, collusion or the provision of intentional misrepresentations.

Independent auditors' report to the members of Altair Consultancy and Advisory Services Limited

Auditor's responsibilities for the audit of the financial statements (continued)

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Steve Gale
Senior Statutory Auditor

For and on behalf of
Crowe U.K. LLP
Statutory Auditor
55 Ludgate Hill
London
EC4M 7JW

4 August 2023

Altair Consultancy and Advisory Services Limited

**Statement of comprehensive income
For the year ended 31 March 2023**

	Notes	2023 £'000	2022 £'000
Revenue	4	10,558	8,421
Cost of sales		<u>(8,338)</u>	<u>(6,476)</u>
Gross profit		2,220	1,945
Administrative expenses		<u>(800)</u>	<u>(560)</u>
Profit before taxation	5	1,420	1,385
Income tax expense	8	<u>(131)</u>	<u>(146)</u>
Profit for the year		1,289	1,239
Other comprehensive income		<u>-</u>	<u>-</u>
Total comprehensive income for the year		<u>1,289</u>	<u>1,239</u>

The income statement has been prepared on the basis that all operations are continuing operations.

The notes on pages 10 to 22 form part of these financial statements.

Altair Consultancy and Advisory Services Limited**Statement of financial position
As at 31 March 2023**

		2023	2022
	Note	£'000	£'000
Non-current assets			
Property, plant and equipment	9	191	230
Goodwill	10	1,710	1,710
		<u>1,901</u>	<u>1,940</u>
Current assets			
Trade and other receivables	11	2,710	2,171
Cash and bank balances		1,078	1,892
		<u>3,788</u>	<u>4,063</u>
Current liabilities			
Trade and other payables	12	2,101	2,692
Lease liabilities	13	47	47
		<u>2,148</u>	<u>2,739</u>
Net current assets		<u>1,640</u>	<u>1,324</u>
Total assets less current liabilities		<u>3,541</u>	<u>3,264</u>
Non-current lease liabilities	13	<u>126</u>	<u>173</u>
Net assets		<u>3,415</u>	<u>3,091</u>
Equity			
Share capital	14	1	1
Share premium account		280	280
Capital contribution	19	817	805
Retained earnings	19	2317	2,005
Equity attributable to the owners of the parent		<u>3,415</u>	<u>3,091</u>

The notes on pages 10 to 22 form part of these financial statements.

The financial statements were approved and authorised for issue by the board on 4 August 2023.



Claire Banks – Finance Director

Company Registration No.07463003

Altair Consultancy and Advisory Services Limited

**Statements of changes in equity
For the year ended 31 March 2023**

	Share capital £'000	Share premium account £'000	Retained Earnings £'000	Capital Contribution £'000	Total £'000
Balance at 31 March 2021	1	280	966	786	2,033
Total comprehensive income	-	-	1,239	-	1,239
Share based payment expense	-	-	-	19	19
Dividend	-	-	(200)	-	(200)
Balance at 31 March 2022	1	280	2,005	805	3,091
Total comprehensive income	-	-	1,289	-	1,289
Share based payment expense	-	-	-	12	12
Dividend	-	-	(977)	-	(977)
Balance at 31 March 2023	1	280	2,317	817	3,415

The notes on pages 10 to 22 form part of these financial statements.

**Notes to the financial statements
For the year ended 31 March 2023**

1 General information

Altair Consultancy and Advisory Services Limited ("the Company") provides specialist housing consultancy services. The company is a private company limited by shares incorporated in England and Wales and is domiciled in the United Kingdom. The Company's registered office is Tempus Wharf, 29a Bermondsey Wall West, London, England, SE16 4SA.

2 Accounting policies

The principal accounting policies applied in preparation of these consolidated financial statements are set out below. These policies have been consistently applied unless otherwise stated.

Basis of preparation

The financial statements have been prepared in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework' and the Companies Act 2006.

The financial statements have been prepared on the historical cost basis.

The preparation of the financial statements in compliance with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas of critical accounting estimates and judgements are set out in note 3.

In preparing these financial statements the Company has taken advantage of all disclosure exemptions conferred by FRS 101, therefore these financial statements do not include:

- certain comparative information as otherwise required in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006;
- a statement of cashflows;
- the effect of future accounting standards, not yet adopted; and
- disclosure of related party transactions with other wholly owned members of the group.

Going concern

The budgets and cashflow forecasts that have been produced and reviewed demonstrate that the Company is forecast to generate profits and cash in the year ended 31 March 2024 and beyond and that the Company has sufficient cash reserves to enable the Company to meet its obligations as they fall due for a period of at least 12 months from the date of signing the financial statements.

Foreign currencies

The financial information is presented in Pound Sterling which is the Company's functional and presentational currency. The Company invoiced a small number of its clients in Euros and Dollars.

Transactions in currencies other than the local functional currency are recognised at the rates of exchange on the dates of the transactions. At each balance sheet date, monetary assets and liabilities are retranslated at the rates prevailing at the balance sheet date with differences recognised in the Profit and Loss account in the period in which they arise.

Notes to the financial statements (continued)
For the year ended 31 March 2023

2 Accounting policies (continued)

Revenue recognition

The Company earns income from its principal activity of specialist housing consultancy services. For these services, revenue represents amounts recoverable from clients for professional services provided during the year. Revenue is measured based on the consideration to which the Company expects to be entitled in a contract with a customer and excludes amounts collected on behalf of third parties.

Revenue is recognised when control of a product or service is transferred to a customer. Revenue from fixed fee assignments is recognised over a period of time by reference to the stage of completion of the actual services provided at the reporting date, as a proportion of the total services to be provided because the customer receives and uses the benefits simultaneously. This is determined based on the actual labour hours spent relative to the total expected labour hours.

Time and materials assignments are recognised as services are provided at the fee rate agreed with the client. Unbilled revenue on individual client assignments is classified as contract assets for client work within trade and other receivables. Where individual on-account billings exceed recognised revenue on a client assignment, the excess is classified as contract liabilities for client work within trade and other payables.

Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and any recognised impairment loss. The cost of an item of property, plant and equipment initially recognised includes its purchase price and any cost that is directly attributable to bringing the asset to the location and condition necessary for use. Depreciation is recognised so as to write-off the cost of assets less their residual values over their estimated useful lives, using the straight-line method, on the following bases:

Right of use asset	Over unexpired term of lease
Fixtures and fittings	3 years
Computer equipment	3 years

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. The gain or loss arising on the disposal of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the Statement of comprehensive income.

Notes to the financial statements (continued)
For the year ended 31 March 2023

2 Accounting policies (continued)

Property, plant and equipment (continued)

Financial instruments

Financial assets and financial liabilities are recognised on the Company's balance sheet when the Company becomes a party to the contractual provisions of the instrument.

Financial assets can be measured at amortised cost, fair value through profit and loss or fair value through other comprehensive income. Financial assets are assigned to the different categories by management on initial recognition, depending on the purpose for which the instruments were acquired. The designation of financial assets is re-evaluated at every reporting date at which a choice of classification or accounting treatment is available.

De-recognition of financial instruments occurs when the rights to receive cash flows from investments expire or are transferred and substantially all of the risks and rewards of ownership have been transferred. An assessment for impairment is undertaken at least at each balance sheet date whether or not there is objective evidence that a financial asset or a group of financial assets is impaired.

Trade receivables

Trade receivables are measured at initial recognition at fair value plus, if appropriate, directly attributable transaction costs and are subsequently measured at amortised cost using the effective interest method. Appropriate allowances for estimated irrecoverable amounts are recognised in the Statement of comprehensive income when there is objective evidence that the asset is impaired. The allowance recognised is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at an effective interest rate computed at initial recognition.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Financial liabilities and equity

Financial liabilities and equity instruments issued by the Company are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument. A financial liability is a contractual obligation to either deliver cash or another financial asset to another entity or to exchange a financial asset or financial liability with another entity, including obligations which may be settled by the Company using its equity instruments.

At initial recognition, financial liabilities are measured at their fair value plus, if appropriate, any transaction costs that are directly attributable to the issue of the financial liability. After initial recognition, all financial liabilities are measured at amortised cost using the effective interest method.

Notes to the financial statements (continued)
For the year ended 31 March 2023

2 Accounting policies (continued)

Financial liabilities and equity (continued)

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities.

Current income tax

The tax expense represents the sum of current and deferred tax.

Current tax is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit or loss, because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are disallowable for tax purposes. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting date.

Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate of the amount can be made. If the effect is material, provisions are determined by discounting the expected future cash flows at an appropriate pre-tax discount rate.

Pensions

The Company contributes to defined contribution schemes for the benefit of its directors. Contributions payable are charged to the statement of comprehensive income in the year they are payable.

Share capital / equity instruments

Ordinary shares are classified as equity. Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs. The Company has one class Ordinary share which carries no right to fixed income.

Share based payments

The parent undertaking has issued share options to certain directors and employees of the Company. The share options granted become exercisable at varying future dates. If certain conditions are met, following the vesting period, the employee will be eligible to exercise their option at an exercise price determined on the date the share options are granted.

The share-based payment charge is recognised in the statement of comprehensive income and is calculated based on the estimate of the number of share options that will eventually vest. The fair value of share options granted is determined by applying the Black Scholes model. This model utilises inputs for the risk-free rate, expected volatility in share price, dividend yield and the current share price at fair value, which are factors determined on the date the share options are granted.

Leases

Under IFRS 16, leases are accounted for on a 'right-of-use model' reflecting that, at the commencement date, the Company as a lessee has a financial obligation to make lease payments to the lessor for its right to use the underlying asset during the lease term. The financial obligation is recognised as a lease liability, and the right to use the underlying asset is recognised as a right-of-use asset. The right-of-use assets are recognised within property, plant and equipment on the face of the financial position and are presented separately in note 9.

**Notes to the financial statements (continued)
For the year ended 31 March 2023**

2 Accounting policies (continued)

Leases (continued)

The lease liability is initially measured at the present value of the lease payments using the rate implicit in the lease or, where that cannot be readily determined, the incremental borrowing rate. Subsequently the lease liability is measured at amortised cost, with interest increasing the carrying amount and lease payments reducing the carrying amount. The carrying amount is re-measured to reflect any reassessment or lease modifications, or to reflect revised in-substance fixed lease payments.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability;
- any lease payments made at or before the commencement date less any lease incentives received;
- any initial direct costs; and
- restoration costs.

Subsequently the right-of-use asset is measured at cost less accumulated depreciation and impairment losses. Depreciation is calculated to write off the cost on a straight line-basis over the lease term.

3 Critical accounting estimates and judgements

In application of the Company's accounting policies, which are described in note 2, the directors are required to make judgements, estimates and assumptions about the carrying amounts 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.

Critical judgements in applying the Company's accounting policies

The following are the critical judgements, apart from those involving estimations, that the directors have made in the process of applying the Company's accounting policies and that have a significant effect on the amounts recognised in the financial statements.

Work in progress within revenue recognition

Work in progress is calculated on a project by project basis using the fair value of chargeable time that is un-invoiced at the period end. Historic analysis shows that recovery rates of work in progress are very high; the Company does not expect any work in progress to be irrecoverable. Work in progress is reviewed on a monthly basis to ensure it is recognised appropriately, it is probable that economic benefits will flow to the Company and that the fair value can be reliably measured.

Notes to the financial statements (continued)
For the year ended 31 March 2023

3 Critical accounting estimates and judgements (continued)

Share based payments

The parent undertaking operates a share option scheme, under which certain directors and employees of the Company receive options to purchase shares in the parent undertaking. The share options granted become exercisable at varying future dates. If certain conditions are met, following the vesting period, the employee will be eligible to exercise their option at an exercise price determined on the date the share options are granted. The share-based payment charge is recognised in the statement of comprehensive income and is calculated based on the estimate of the number of share options that will eventually vest.

Assumptions regarding the fair value of the parent undertaking's shares and assumptions regarding employee fluctuation are taken into account when measuring the value of share-based payments for employees, which are required to be accounted for as equity-settled share-based payment transactions pursuant to IFRS 2. The resulting staff costs are recognised pro rata in the statement of comprehensive income to reflect the services rendered as consideration during the vesting period.

Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the balance sheet date, that may have a significant risk of causing material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

Impairment of goodwill

The carrying amount of goodwill is reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated, and an impairment loss is recognised where the recoverable amount is less than the carrying value of the asset. Any impairment losses are recognised in the Statement of comprehensive income.

The recoverable amount of the goodwill is determined from value in use calculations. The key assumptions for the value in use calculations are those regarding the discount rates, growth rates and expected changes to income and direct costs during the period.

Management estimates discount rates using pre-tax rates that reflect current market assessments of the time value of money and the risks specific to each acquisition of goodwill. Discount rates of 16.1% and a terminal value of 1% has been used.

Growth rates of 0-7% have been applied, these are based on industry rates, managements' knowledge of the different businesses and the markets and the ability for the businesses to expand. The maximum period over which the cashflows are reviewed is 5 years.

Sensitivities have been applied to all assumptions.

Notes to the financial statements (continued)
For the year ended 31 March 2023

4 Revenue

Specialist consultancy income from external customers, based on location of the customer, are shown below:

	2023	2022
	£'000	£'000
Continuing operations		
UK	10,371	8,100
Europe	176	110
Rest of World	11	211
	<u>10,558</u>	<u>8,421</u>

5 Profit before taxation

	2023	2022
	£'000	£'000
Profit before taxation is arrived at after charging:		
Depreciation of plant and equipment	19	17
Depreciation of right of use asset	47	47
Staff costs (see note 7)	<u>5,572</u>	<u>4,175</u>

6 Auditors' remuneration

Auditors' remuneration is borne by the parent company. The fees attributable to the Company were £9k (2022: £8k)

7 Staff costs

	2023	2022
The average monthly number of employees (including directors) employed by the Company was:	<u>71</u>	<u>54</u>
	2023	2022
	£'000	£'000
Aggregate remuneration (including directors)		
Wages and salaries	4,737	3,796
Share-based payments	12	19
Pension contributions	259	202
Social security costs	<u>564</u>	<u>158</u>
	<u>5,572</u>	<u>4,175</u>

Altair Consultancy and Advisory Services Limited

Notes to the financial statements (continued)
For the year ended 31 March 2023

8 Taxation

	2023	2022
	£'000	£'000
Corporation tax:		
Current year	<u>131</u>	<u>146</u>

The charge for the year can be reconciled to the profit in the income statement as follows:

	2023	2022
	£'000	£'000
Profit before taxation	<u>1,420</u>	<u>1,385</u>
Tax at the UK corporation tax rate of 19% (2022: 19%)	270	263
Expenses not deductible	6	5
Group relief	<u>(145)</u>	<u>(122)</u>
Tax expense for the year	<u>131</u>	<u>146</u>

9 Property, plant and equipment

	Right of use asset £'000	Fixtures and fittings £'000	Computer equipment £'000	Total £'000
At 31 March 2022	328	36	114	478
Additions	-	-	27	27
At 31 March 2023	<u>328</u>	<u>36</u>	<u>141</u>	<u>505</u>
Accumulated depreciation				
At 31 March 2022	117	36	95	248
Charge for the year	47	-	19	66
At 31 March 2023	<u>164</u>	<u>36</u>	<u>114</u>	<u>314</u>
Net book value				
At 31 March 2022	211	-	19	230
At 31 March 2023	<u>164</u>	<u>-</u>	<u>27</u>	<u>191</u>

Altair Consultancy and Advisory Services Limited

Notes to the financial statements (continued)
For the year ended 31 March 2023

10 Intangible assets

	Goodwill
Cost	£'000
At 31 March 2022	1,710
Additions	-
At 31 March 2023	1,710
 Accumulated impairment losses	
At 31 March 2022	-
Impairment losses for the year	-
At 31 March 2023	-
 Net book value	
At 31 March 2022	1,710
At 31 March 2023	1,710

Goodwill acquired in a business combination is allocated, at acquisition, to the cash generating units that are expected to benefit from that business combination.

The Company tests goodwill annually for impairment, or more frequently if there are any indications that goodwill might be impaired.

The recoverable amount of goodwill is determined from value in use calculations. The key assumptions for the value in use calculations are disclosed under critical accounting estimates and judgements in note 3.

Sensitivity analysis has been performed on the value in use calculations, holding all other variables constant to:

- Apply a 5-10% reduction to the forecasted turnover.
- Apply a 5-10% reduction in gross profit margins.
- Apply an increase in the discount rate to 20%.

The sensitivities applied do not provide reasonable possible changes and therefore no impairment has been made.

Altair Consultancy and Advisory Services Limited

Notes to the financial statements (continued)
For the year ended 31 March 2023

11 Trade and other receivables

	2023	2022
	£'000	£'000
Trade receivables	2,417	1,941
Other receivables	13	10
Prepayments and contract assets	280	220
	<u>2,710</u>	<u>2,171</u>

12 Trade and other payables

	2023	2022
	£'000	£'000
Trade payables	473	450
Other payables	90	72
Other taxes and social security costs	704	594
Corporation tax	152	151
Amounts owed to group undertakings	191	1,035
Accruals and contract liabilities	491	390
	<u>2,101</u>	<u>2,692</u>

13 Lease liabilities

	2023	2022
	£'000	£'000
Opening balance at 1 April	220	264
Lease payments	(52)	(50)
Interest expense	5	6
Closing amounts as at 31 March 2023	<u>173</u>	<u>220</u>
Current	47	47
Non-current	<u>126</u>	<u>173</u>

14 Share capital

	2023	2022
	£'000	£'000
Allotted, called up and fully paid		
1,002 Ordinary shares of £1 each	<u>1</u>	<u>1</u>

The Company has one class of ordinary shares which carry no right to fixed income, all shares have full voting rights.

Altair Consultancy and Advisory Services Limited

Notes to the financial statements (continued) For the year ended 31 March 2023

15 Dividends

	2023	2022
	£'000	£'000
Amounts recognised as distributions to equity holders	977	200

16 Share-based payment transactions

Aquila Services Group plc, the immediate parent company, has granted options over shares in Aquila Services Group plc to certain directors and employees of Altair Consultancy and Advisory Services Limited under an Enterprise Management Incentives (EMI) Scheme. The share option charge arising on these options of £12k (2022: £19k) has been recognised in the Statement of comprehensive income of the Company, with a corresponding capital contribution made by Aquila Service Group plc being recognised through retained earnings (see Statement of changes in equity).

EMI scheme	Number	Weighted average exercise price
Number of options outstanding as at 31 March 2022	1,473,747	£0.05
Granted during the year	930,770	£0.26
Lapsed during year	(168,675)	£0.05
Cancelled during the year	(40,000)	£0.05
Number of options outstanding as at 31 March 2023	2,195,842	
Number of options exercisable as at 31 March 2023	1,305,072	

The weighted average remaining contractual life of the options outstanding at 31 March 2023 is 5 years (2022: 3 years).

On 1 April 2022, the Company granted 930,770 options to certain employees and directors of the Group at an exercise price of 26p. The options are exercisable between 1 April 2025 and 31 March 2032. The weighted average fair value of the options at grant date was £0.0416. The fair value of the options was measured using the Black Scholes options valuation model. The inputs into that model in respect of the EMI share options were as follows:

Share price £0.26
Exercise price £0.26
Expected volatility 20.81%
Expected option life 10 years
Risk-free rate 1.3%

Notes to the financial statements (continued)
For the year ended 31 March 2023

17 Related party disclosures

As a wholly owned subsidiary, the Company takes the exemption of disclosing transactions with other Group companies.

At 31 March 2023, the balance owed to Fiona Underwood for reimbursement of expenses was £472 (2022: £111).

There were no other related party transactions during the year that require disclosure.

18 Retirement benefit schemes

The amount recognised in the profit and loss account as an expense in relation to defined contribution schemes is £259k (2022: £202k). Contributions amounting to £58k (2022: £41k) were payable to the fund at the year end and included in creditors.

19 Reserves

The distributable reserves of the Company comprise the retained earnings and the capital contribution reserve, which represents the costs arising from the share options issued by the parent company.

20 Financial instruments

Financial risk management

The Company's activities are exposed to a variety of market risk (including foreign currency risk and interest rate risk), credit risk and liquidity risk.

Credit risk

Credit risk is the risk of financial loss to the Company resulting from counterparties failing to discharge their obligations to the Company. The Company's principal financial assets are trade and other receivables and cash and cash equivalents.

The Company considers its credit risk to be low. Of the total trade receivables at the 2023 year-end, £729k (2022: £259k) is due from one customer. There are no other customers that represent more than 6% of the total balance of trade receivables. The maximum exposure to credit risk is equal to the carrying value of these instruments.

Liquidity risk

Liquidity risk is the risk of the Company being unable to meet its liabilities as they fall due. The Company manages liquidity risk by maintaining sufficient cash reserves and holding banking facilities, and by continuously monitoring forecast and actual cash flows. In addition, the Company is a cash generative business with income being received regularly over the course of the year.

Foreign currency risk

Foreign exchange risk is the risk of loss due to adverse movements in the exchange rates affecting the Company's profits and cash flows. Only a very small number of clients are invoiced in Euros or Dollars and the foreign exchange exposure is not considered a significant risk. The

**Notes to the financial statements (continued)
For the year ended 31 March 2023**

20 Financial instruments (continued)

Company's principal financial assets are cash and cash equivalents and trade and other receivables, which are almost exclusively denominated in Pounds Sterling.

Interest rate risk

The Company does not undertake any hedging activity in this area. The main element in interest rate risk involves sterling deposits which are placed on deposit.

Capital risk management

Internal working capital requirements are low and are regularly monitored. Externally imposed capital requirements to which the Company is subject have been complied with in the year.

The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern in order to provide return for shareholders, benefits for other stakeholders and to maintain optimal capital structure and to reduce the cost of capital.

In order to ensure an appropriate return for shareholder capital invested in the Company, management thoroughly evaluates all material projects and potential acquisitions and has them approved by the Board of Directors where applicable.

The Company monitors capital on a short- and medium-term view. Internal working capital requirements are low and are regularly monitored.

Externally imposed capital requirements to which the Company is subject have been complied with in the year.

21 Controlling Party

The immediate and ultimate parent undertaking is Aquila Services Group plc a company incorporated in England and Wales. Its registered office is Tempus Wharf, 29a Bermondsey Wall West, London, England, SE16 4SA. Aquila Services Group Plc prepares the only group financial statements into which the results of the company are consolidated and a copy of these financial statements can be obtained from its registered office or the Aquila website.

In the opinion of the directors there is no single ultimate controlling party.