facilities by ADF PLC

Company Number: 13761460







GROUP ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED
31 DECEMBER 2023



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ANNUAL REPORT 2023
CONTENTS

	PAGE
Chairman's statement	04
Strategic report	06
Board of directors	22
Corporate governance report	24
Audit and risk committee report	30
Remuneration committee report	34
Directors' report	38
Statement of directors' responsibilities	42
Independent auditor's report	44
Consolidated statement of comprehensive income	52
Consolidated statement of financial position	53
Company statement of financial position	54
Consolidated statement of changes in equity	55
Company statement of changes in equity	56
Consolidated statement of cash flows	57
Company statement of cash flows	59
Notes to the consolidated financial statements	60
Company information	90

CHAIRMAN'S STATEMENT



John Richards
Non-Executive Chairman

Facilities by ADF PLC ("ADF") delivered a robust financial performance in FY23, despite the challenging operating environment across the film and TV industry starting in the second half of the year. These results demonstrate the Group's resilience and strong position in a market that was overshadowed, during the period, by the first joint strike of Hollywood actors and writers in over 60 years.

The Group delivered a record first half, working on larger, longer productions compared to the prior year, following strong demand for its services from global streaming providers. The Group had the full financial benefit in H1-FY23 of Location One, acquired in November 2022, alongside a significant increase in sales withing the core ADF business. However, with the onset of the USA Writers (Writers Guild of America (WGA)) and Actors (Screen Actors Guild - American Federation of Television and Radio Artists (SAG- AFTRA)) strikes (the "Strikes") in May 2023, several large productions that ADF was working on stopped filming immediately impacting revenue levels in H2-FY23, as documented in the Group's interim results.

In response to the Strikes, the Group took several mitigating actions to maximise profitability in H2-FY23, including securing shorter duration domestic productions, and also cutting the use of more expensive agency drivers which enabled the Group to respond quickly to more price sensitive market conditions and win a larger share of available business.

As a result, revenue and margins were lower in H2-FY23 than the first half. However, the Group delivered revenue of £34.8m and adjusted EBITDA of £7.3m for FY23.

Despite the significant period of market disruption, experienced during the year, we did experience continued demand for our services from global streaming brands including Netflix, Amazon, Apple and Disney and supported 84 high-profile productions across FY23, reinforcing the Group's position as the UK's leading facilities provider.

Whilst the Strikes ended after six months in November 2023, the impact on the film and high end TV ("HETV") industry has continued and carried on into H1-FY24. Actor availability and the securing of studio space have created scheduling difficulty for film and TV producers, who are seeking to both complete pre-strike productions as well as start new productions. Presently, we anticipate the financial performance in H1-FY24 to be significantly ahead of the second half of FY23 based on the Group order book, with the market situation continuing to normalise in the first half of the year. The cost and cash management measures implemented in H2-FY23 have remained in place into the new financial year.

Despite the Strikes impact, momentum remains strong, and the underlying market drivers alongside the Group's leading industry position, continue to provide the Board with confidence that demand for ADF's services will accelerate as production levels normalise.

Impact of Strikes

The Strikes, from May to November 2023, impacted productions around the globe and several large productions that ADF was working on stopped filming immediately. Furthermore, all the 'US' led productions that ADF had in the pipeline for the second half of the financial year were also suspended, creating capacity for the Group to win alternative business. ADF also implemented cost saving measures to ensure the business was well positioned for when market conditions returned to normal. Mitigating actions included working with clients and partners to understand the available pipeline and opportunities for ADF for the remainder of the year and, implement appropriate measures including a reduction in headcount, predominantly across the Group's base production teams, and the introduction on a freeze on all non-essential consultant services in H2-FY23.

Strategy

The Group remains committed to growth with an ambition to increase our revenue to over £100 million and intends do this through organic means by both investing in revenue generating fleet equipment, as well as through appropriate acquisitions.

In FY23, ADF officially opened its flagship central hub at Longcross, Surrey, highlighting the Group's commitment to its growth strategy and added 133 units to its fleet, predominantly in the first half of the year, bringing the total to 703 units by the end of the financial year.

Location One, acquired by ADF in November 2022, opened new branches at Longcross, Bridgend, and Glasgow during the year. The enlarged Group is now cross-selling to an increasing number of HETV and film companies in the UK, delivering services in a more efficient way, and moving the Group closer to its goal of becoming a one stop shop for film and HETV production. The success of this acquisition indicates that we have the right set of parameters when seeking to invest and confirms the benefits we can bring to businesses looking to scale in the industry. We will continue to review opportunities for complementary additions as they arise and are in discussion with several parties presently.

People

We have continued to invest in the expansion of our senior leadership team, including the appointment of a Chief Operating Officer, to ensure we have the depth and breadth of management to deliver our growth strategy and have been encouraged by the immediate positive contribution that the new team members have made.

In November 2023, Jo Goodson was appointed as an independent Non-Executive Director to the Company, bringing over 25 years' experience working with high growth businesses across both the public and private sectors. She has held several senior roles across the entertainment and technology industries and is already proving to be a valuable additional voice to the Board as we work together to deliver on our growth ambitions and capitalise on our strong market position.

ESG

As a Board and a business, ADF is committed to high standards within all areas of ESG. In FY23 we launched our ESG strategy, Greenlighting the Future, focusing on sustainability, innovation, knowledge and being a 'great place to work'.

This includes developing initiatives that have a positive impact on society and our employees, as well as supporting our staff with accessibility, inclusion, and diversity, and reducing our environmental impact through collaborating with stakeholders towards a low carbon production industry.

In support of this strategy, we commissioned a third-party specialist agency (Creative Zero) to carry out an operational and supply chain emissions audit for ADF for 2022. The output of this audit identified the total operational carbon footprint for the business, with the majority of emissions generated coming from the use of the vehicles we hire out, followed by staff commuting. We aim to decarbonise our operation by tackling our emissions at source and only offset what we are not able to remove. We intend to do this by transitioning to green energy, focusing on energy reduction and increasing efficiency and positive behavioural change These opportunities will be maximised moving forward and the carbon footprint and carbon reduction plan exercise that is underway will provide the data required for the SECR submission to be prepared in respect of the 2024 financial year.

As an example of these initiatives to transition towards greener and more efficient energy usage, last year ADF launched its new EcoBase offering in conjunction with Location One. This innovative solution is set to redefine unit base operations by offering a sustainable infrastructure that minimises environmental impact, maximises production efficiency, and sets a new standard for eco-friendly practices. EcoBase is designed to provide production teams with an eco-friendly unit base that embraces resource conservation, waste reduction, renewable power integration, and sustainable water supply and wastewater treatments. A key feature of the EcoBase is its site wide power monitoring and hybrid power solution, combining battery and HVO fuel generated power to lower production emissions. Results from one of our production case studies in 2023 have shown that this innovative power solution was able to silent-run for as much as 70% of the time, reduce overall fuel usage by 30%, and the use of HVO fuel instead of diesel enabled the reduction in overall fuel emissions by as much as 90%. By prioritising sustainability, we aim to reduce the industry's environmental footprint and spark positive change.

In terms of our people practices, due to the challenges caused by the Strikes, in H2-FY23 we focused on protecting the employment status of our teams as best as possible during this turbulent period.

We also continued to move forward with low-cost initiatives that promoted a greater awareness of the key company objectives to the wider business as this was an area that was highlighted in the 2023 Employee Survey results. We launched the quarterly Company Update Call in December 2023 where all the teams were invited, and we gave an overall update along with a "spotlight" focus on a specific department. These calls will continue in 2024 to further strengthen the internal communications processes.

We delivered "Displaying Positive Behaviours" training to the management team and have started cascading those messages to the other teams to ensure that we promote a positive working environment and company culture.

Post-period end, our second Employee Satisfaction survey launched in February 2024 to measure the results against the previous year and identify where we should focus our next areas. Highlights were an improved focus on management training and coaching, more positive feedback on line management and team-working and increased scores relating to understanding goals and objectives. Areas to focus on included opportunities for development and pay, and benefits was once more highlighted as a key issue.

In addition to wellbeing, the health & safety (H&S) of our staff as well as our customers and contractors, is a key focus for ADF. We have an established H&S framework and resources in place to ensure that the conduct of the business ensures the lowest level of risk, supported by an external specialist, Safety Forward. The Group has a full-time H&S Coordinator, reporting to the CFO, who in turn reports H&S matters to the Board. Detailed accident reporting is maintained, all incidents are investigated, and procedures changed where necessary. Training continued across the year for managers and supervisors in accident reporting and accident management, and a hazard spotting campaign began in Q4 FY23.

As a Board, we are dedicated to maintaining our strong corporate governance framework. Following our IPO, we have chosen to adopt the QCA Corporate Governance Code, which will help to inform the evolution of our governance approach in future. The appointments we have made to the Board to date are a clear demonstration of this commitment and we will continue to ensure this remains as we grow as a listed business.

Outlook

While market challenges stemming from the Strikes impacted our performance in H2-FY23 and have continued to impact the first few months of FY24, we remain poised to capitalise on the significant opportunities awaiting us as the Film and HETV industry returns to its regular trajectory.

Our financial results and operational advancements throughout FY23 underscore our resilience and capability. The underlying market dynamics, coupled with our expanding partner network and proven offerings, including the successful integration of Location One, reinforce the Board's confidence in our ability to achieve sustainable growth over the medium to long term.

The Group expects that the market situation will continue to normalise as the first half of the year progresses, and order visibility for H2-FY24 and beyond is expected to be in line with pre-strike levels.



John Richards
Chairman of the Board



STRATEGIC REPORT

CEO REVIEW

Our performance in FY23 demonstrates the resilience and commitment of the ADF team and I am incredibly proud of how each employee operated against a backdrop of the Strike. I would like to thank all ADF employees for their commitment and hard work that has enabled the Group to strengthen its position and to capitalise on the opportunities in the market as previous productions level return.

Financial performance

The Group delivered an outstanding first half, with high levels of fleet utilisation. We achieved revenue growth of 73% and adjusted EBITDA growth of 117% compared to H1-FY22, evidencing the ongoing high level of demand for our products and services, before the strikes ensued. The growth in the first half was the result of the a combination of the inclusion of Location One performance within the Group, and also significant organic growth achieved within the core business. ADF worked on larger, longer productions in H1-FY23 compared to H1-FY22, which were more geographically centred around the main London studios making them more efficient from a transport and mobilisation perspective. A sustained effort was also made in H1-FY23 to increase the number of 'employed' HGV drivers, as opposed to relying on more costly agency HGV drivers. Consequently, overall gross margins rose from 33.0% in H1-FY22 to 38.8% in H1-FY23. In H2-FY23, the reduced levels of revenue due to the Strike led to lower margins which averaged 29.7%. Whilst margins were lower in H2-FY23, the Group delivered revenue of £34.8m and adjusted EBITDA of £7.3m for FY23, in line with revised market expectations.

Notwithstanding the strikes, the Group supported 84 high-profile productions across FY23 (FY22: 76) with an average revenue per production for FY23 of £385K (FY22: £388K).

The market opportunity

The UK's film and HETV production spend reached £4.23bn in 2023, 32% down on a record breaking 2022, with UK production heavily impacted by the Strike. This was still the third highest annual spend since the tax reliefs were introduced in 2013, reflecting the varying dynamics at play across our sector and whilst a level of disruption occurred, the industry continues to contribute billions and support a high number of jobs across the UK.

Demand for film and TV studio space remains very strong. A CBRE survey in May 2023 across 450 major business involved in the industry, reported a 30% increased in the requirement for studio space to meet demand. This is backed up by the many large scale studio developments in progress across 2023 including:

- Shinfield Studio, Reading- 13 stages built with a further 5 planned in 2024 making it one of the largest studios in the UK once complete with a total of 1 million square feet.
- Pinewood - the iconic West London studio, announced plans for a £800 million development of 21 stages, making it, once complete, the largest studio in the world.
- Crown Works Studio, Sunderland – announced a £450 million development.

In February 2024, FilmLA issued its sixth Sound Stage Study, updating its ongoing survey of Los Angeles area studio developments, and releasing new stage occupancy and use data for calendar year 2022. Since FilmLA's last sound stage update in March 2023, both the UK and Georgia State, USA have added more than one million square feet of stage inventory to their existing supply. Now comparable to Los Angeles, the UK currently has around 6.6 million square feet of stage space, with plans to add dozens of new facilities.

We are confident that as production returns to previous levels to meet the pent-up demand for film and HETV productions, ADF is well placed to benefit given its market leading position.

Competitive strength

We remain the provider of choice for many in the UK for large scale and quality productions. This has allowed us to benefit from high valued productions and customers, which was particularly crucial during the Strike. This market position has taken many years to establish, enabling high barriers to entry, and we have the right infrastructure in place to support continued successful customer delivery and further expansion.

To deliver such a high quality of service to our customers and successfully compete at this level, the quality, and more importantly compliance of a supplier's vehicle fleet needs to be incredibly high.

ADF prides itself upon the strength of its vehicle fleet and excellent customer service, which allows ADF to have positive and pro-active dialogue with its customers which include some of the world's largest traditional and on-demand production companies and positions us well to capture a growing proportion of the expanding market.

We supported 84 high-profile productions across FY23 including The Crown season 6, Slow Horses, Star Wars Andor, The Gentleman, Rivals, The Diplomat, Industry, Paris Has Fallen, The Famous Five, Back to Black and Sex Education. The strength of our reputation and the professional integrity we exhibit in all we do was particularly important during the Strikes as we worked with our customers and suppliers to review our remaining available pipeline and how to protect the business until normal production levels resumed.

We report our Net Promotor Score ("NPS"), an internationally recognised customer service measurement, throughout the year which did not drop below 82, a figure which Bain & Company, the creators for NPS, has described as 'world class'. We continue to perform extremely well, reflecting the skills, knowledge and expertise of our staff that enables us to remain the market leader.

Delivering against growth strategy

The Group has ambitions to grow organically through further investment into its revenue-generating vehicle fleet, and also through appropriate acquisitions.

During FY23, the Group successfully executed on our organic growth strategy, adding 133 units to the fleet, predominantly in the first half, bringing the total to 703 units at the end of the year. We also officially opened our new flagship central hub at Longcross, Surrey. A key focus in FY23 was to ensure we improved our planning, sales and financial systems. This included developing a bespoke planning system (BMS) with our external IT partner ITCS, streamlining our booking system, and helping to ensure we can provide our customers with the very best level of customer service.

At IPO, we emphasised our intention to also grow through acquisitions which we approach with a robust set of criteria. The acquisition of Location One met all the criteria such as having an experienced, well regarded management team, leaders in their sector, excellent record regarding health and safety and employee practises and common customers to ADF. The Location One team is now fully integrated into the Group. During FY23, Location One opened branches at the Group's new operational base in Longcross, Surrey, and also depots in Bridgend, South Wales and Pioneer Studios, Glasgow. The enlarged Group is now cross-selling to an increasing number of HETV companies in the UK, delivering services in a more efficient way, strengthening the enlarged Group's position across the UK, moving the Group closer to becoming a one stop shop for film and HETV production.

CEO REVIEW

People

We will always maintain that our employees are the most essential asset of ADF and are key to the Group's long-term success. In August 2023, we welcomed James Long to the business as Chief Operating Officer, to strengthen the Executive team. James has over 20 years' leadership experience in senior commercial roles, including Managing Director at Radio Times, and Commercial Director at Bounty. The Group is already benefiting from his operational expertise and highly collaborative approach.

In November 2023, Jo Goodson joined the Board as an independent Non-Executive Director, bringing over 25 years' experience working with high growth businesses across both the public and private sectors. She has held several senior roles across the entertainment and technology industries we look forward to her guidance as we continue on our journey as a listed business.

Outlook

I am incredibly proud of what the ADF team has achieved against the challenging market backdrop in FY23. The effects of the Strike will continue to be felt through the first half of the current year, but we will carefully manage our cost base during this time and the long-term market dynamics remain very much in ADF's favour with continued high levels of investment in the UK HETV industry and continued, and recently enhanced government support in terms of grants and tax credits. The Board is confident that we will return to pre-strike order levels and beyond as market conditions normalise.



Marsden Proctor
Chief Executive Officer



STRATEGIC REPORT

CHIEF FINANCIAL OFFICER'S REVIEW

Summary

The financial results for the 12 months ended 31 December 2023 reflect a challenging year for the business, and the film and HETV industry in general with the onset of the Strike in May 23, which continued until November 23. This had the effect of arresting the great start the business had in the first 6 months of the year as outlined below.

Group P&L	H1-FY23	H2-FY23	FY23	H1-FY22	H2-FY22*	FY22
CAD Services	£16.6	£9.8	£26.4	£12.6	£18.1	£30.7
Location One	£5.2	£3.2	£8.4	£0.0	£0.7	£0.7
Total Sales	**£21.8**	**£13.0**	**£34.8**	**£12.6**	**£18.8**	**£31.4**
Cost of Sales	£13.4	£9.1	£22.5	£8.4	£11.3	£19.7
Gross Margin	**£8.4**	**£3.9**	**£12.3**	**£4.2**	**£7.5**	**£11.7**
%	39%	30%	35%	33%	40%	37%
Cost of Sales	£2.6	£2.3	£4.9	£1.5	£2.2	£3.7
Adjusted EBITDA	**£5.8**	**£1.6**	**£7.4**	**£2.7**	**£5.3**	**£8.0**
%	27%	12%	21%	21%	28%	25%
Non recurring expenses	£0.0	£0.3	£0.3	£0.0	£0.1	£0.1
Share based payments	£0.0	£0.1	£0.1	£0.0	£0.1	£0.1
EBITDA	**£5.8**	**£1.2**	**£7.0**	**£2.7**	**£5.1**	**£7.8**
Depreciation & amortisation	£2.4	£2.6	£5.0	£1.1	£1.4	£2.5
EBIT	**£3.4**	**(£1.4)**	**£2.0**	**£1.6**	**£3.7**	**£5.3**
Finance expenses	£0.6	£0.8	£1.4	£0.3	£0.4	£0.7
Profit before tax	**£2.8**	**(£2.2)**	**£0.6**	**£1.3**	**£3.3**	**£4.6**
Taxation charge / (credit)	£0.2	(£0.4)	(£0.2)	£0.1	(£0.1)	£0.0
Profit after tax	**£2.6**	**(£1.8)**	**£0.8**	**£1.2**	**£3.4**	**£4.6**
Dividends			**£1,130,004**			**£349,600**
Undiluted EPS - pence			**£1.40**			**£0.44**

NB Location One acquired Dec-22

H1- FY23

The first half of FY23 shows record levels of revenue at £21.8 million, which was 73% ahead of the same period in FY22 (£12.6 million), and ahead of the Board's expectations. The increase in sales is partly due to the addition of Location One to the Group (+41%) and also to organic growth in the core business (+32%).

Profit margins also improved in H1-FY23. The productions ADF worked on in the period were more geographically centred around the main London studios and other studios close to our operational hubs in Wales, Manchester and Glasgow which therefore made them more efficient from a transport and mobilisation perspective.

Furthermore, a sustained effort was made over H1-FY23 to increase the number of employed HGV drivers as opposed to relying on agency HGV drivers. This is reflected in agency driver costs reducing to 9.6% of revenue in H1-FY23 compared to 16.0% in H1-FY22.

There was some upwards pressure on pay rates at the start of the 2023, and some (below inflation) pay awards were made at that time for a number of employee groups including HGV drivers, mechanics and trailer manufacturing staff.

H1- FY23

Prior to the onset of the Strike, the order book for H2 FY23 was very strong, however the strikes significantly reduced the Groups existing work programme and pipeline for the remainder of the year, with the majority of the larger productions planned for H2 being put on hold, or in some cases cancelled.

With the immediate and ongoing reduction in film and TV productions, the focus for the business was therefore to:

- establish which of the active and planned productions were being effected by the strikes;
- secure as much of the work available in the market – this meant some discounting and undertaking work on smaller & shorter productions;
- reduce operating costs and overheads;
- defer any major capital spend until the strikes were resolved to preserve cash and working capital;
- all non-essential costs such as training, travel, overtime, weekend working etc was put on hold. It also meant many of the production base staff, that are predominantly on flexible working contracts, had larger breaks between productions; and
- suspended the block-hiring of agency HGV drivers.

EBITDA

The Group measures performance based on EBITDA and Adjusted EBITDA. EBITDA is a common measure used by investors and analysts to evaluate the operating financial performance of companies. We consider EBITDA and Adjusted EBITDA to be useful measures of operating performance, EBITDA approximates the underlying operating cash flow by eliminating depreciation and amortisation. Adjusted EBITDA adds back any non-recurring or exceptional costs.

EBITDA and Adjusted EBITDA are not direct measures of our liquidity, which is shown by our cash flow statement, and need to be considered in the context of our financial commitments. Adjusted EBITDA for FY23 was £7.3M (21.0%) compared to FY22 at £8.0M (25.4%)

A reconciliation of Adjusted EBITDA is shown below:

Adjusted EBITDA (£000's)	FY23	FY22
Revenue	**34,796**	**31,414**
Profit before tax	615	4,615
Add back:		
Finance expenses	1,396	702
Depreciation	4,978	2,510
Amortisation	18	3
Non-recurring expenses	258	78
Share based payments	59	59
Adjusted EBITDA	**7,324**	**7,967**
Adjusted EBITDA %	**21.0%**	**25.4%**

The tax charge/(credit) for FY23 is £(179,000), and is deferred tax only as the group currently has excess capital allowances and tax losses to cover its taxable profits, hence profit after tax was £0.8M (FY22: £4.6M).

ADF greatly accelerated its capex plans during H1-FY23 to take advantage of the final months of the Capital Allowance Super-Deduction regime ("CASD") which was due to end in March 2023 but was extended by Jermey Hunt, in a new format, in the Spring Budget. Overall, the CASD programme has led to a very large tax loss carried forward which will mitigate ADF's tax charges for a number of years.



STRATEGIC REPORT

CHIEF FINANCIAL OFFICER'S REVIEW

Revenue

The table below shows the revenue between the two main facilities hire categories, being main packages (pre-agreed before filming) and additional sales (during the course of filming), plus other miscellaneous sales. Revenue for Location One is shown separately.

Uplift is an important metric being the increase in total facilities sales from the initial main packages. This reduced in H2-FY23 due to the Strike and smaller scale productions ADF was working on.

Turnover £M's	H1-FY23	H2-FY23	FY23	FY22
Facilities - Main packages	£10.1	£6.4	**£16.5**	£18.5
Facilities - Additional sales	£6.4	£3.3	**£9.7**	£11.9
Facilities - Other income	£0.1	£0.1	**£0.2**	£0.3
Facilities - Total	**£16.6**	**£9.8**	**£26.4**	**£30.7**
Location Equipment hire (Location One)	£5.2	£3.2	**£8.4**	£0.7
Total Revenue	**£21.8**	**£13.0**	**£34.8**	**£31.4**
Uplift on main packages %	64%	54%	60%	66%

Revenue Mix

ADF worked on 46 productions in H1-FY23, the same number as in H1-FY22. In the second half of FY23, ADF worked on a further 38 productions (H2-FY22: 30) taking the total for the year to 84 (FY22: 76). However, there was a small reduction in the average revenue per production from £388K in FY22 to £385K in FY23. This was due to the impact of the Strikes and having to take production with less equipment and of shorter duration than normal. Netflix remained the Group's single largest customer in FY23, however the level of diversification across broadcasters increased during the year, with ITV and Disney in particular significantly increasing their share of the Group's overall revenue.

	FY-23		FY-22	
Broadcaster	**Total £M's**	**%**	**Total £M's**	**%**
Amazon	£1.22	3.5%	£2.93	9.3%
Apple	£2.70	7.8%	£2.20	7.0%
BBC	£5.93	17.0%	£4.67	14.9%
C4	£0.73	2.1%	£0.00	0.0%
Disney	£4.55	13.1%	£2.36	7.5%
HBO	£0.78	2.2%	£0.00	0.0%
Hulu	£0.39	1.1%	£0.87	2.8%
ITV	£4.92	14.1%	£3.00	9.5%
NBC Universal	£0.23	0.7%	£1.45	4.6%
Netflix	£5.27	15.2%	£7.34	23.4%
Paramount	£1.45	4.2%	£2.37	7.6%
Sky	£1.95	5.6%	£2.31	7.4%
Independent	£1.01	2.9%	£0.00	0.0%
Studiocanal	£1.26	3.6%	£0.00	0.0%
Other / Cross Hire / Misc	£2.41	6.9%	£1.91	6.1%
	£34.80	**100.0%**	**£31.41**	**100.0%**
Split				
ADF	£26.42	75.9%	£30.70	97.7%
Location One	£8.37	24.1%	£0.72	2.3%
	£34.79	**100.0%**	**£31.41**	**100.0%**
ADF main productions	84		76	
Average revenue per production	£0.385		£0.388	

CHIEF FINANCIAL OFFICER'S REVIEW

Revenue Mix

The split of productions across the revenue bands is shown below:

Production value	FY23	FY22
£0 - £500k	72	54
£500k - £1.0m	7	16
£1.0m - £1.5m	3	4
£1.5m - £2.0m	1	1
£2.0m - £2.5m	1	0
£2.5m - £3.0m	0	1
	84	**76**

STRATEGIC REPORT

CHIEF FINANCIAL OFFICER'S REVIEW

Share Based Payments & Non-Recurring Expenses

The share-based payments relate to certain options granted to the two current Executive Directors. The non-recurring expenses relate to adjustments to the carrying value of goodwill and provisions for deferred consideration payments relating to the acquisition of Location One.

Dividend & EPS

The Company paid a final dividend of 0.90 pence per share in June 2023 in relation to the year ended 31st December 2022. This took the total dividend for that year to 1.36 pence per share, with the interim dividend of 0.46 pence per share in October 2022. The Company also paid an interim dividend in October 2023 of 0.50 pence per share in relation to the year ended 31st December 2023. The dividend policy is progressive with growth in earnings.

Basic earnings per share for FY23 was 0.99 pence per share, (FY22: 6.1 pence per share).



Capex

During FY23, ADF acquired new equipment with a cost of £11.9 million (£4.4 million included as property, plant, and equipment, and the remaining relating to leased assets of £7.5m). The majority of this spend (£9.0 million) occurred in H1-FY23 to ensure maximum claims under the super-deduction capital allowance regime. 133 assets were added across the year (FY22: 106 units) taking the total to 703 units at the end of the year. The average cost of assets purchased in FY23 was £72K (FY22: £67K).

Group Capex - £000's	Units	Capex (£000's)	Per Unit (£000's)
2 way trailer	28	£2,298	£82
3 way trailer	22	£2,005	£91
Costume	5	£268	£54
Diners	8	£262	£33
Generator	4	£337	£84
Honey wagon	7	£183	£26
Make up	4	£418	£104
Production office	9	£1,084	£120
School room	3	£54	£18
Single artist trailer	11	£973	£88
Tech truck	6	£548	£91
Tractor unit	25	£1,139	£46
Van	1	£43	£43
	133	**£9,611**	**£72**
Movement in assets under construction		(£315)	
Other - P&M, software etc		£709	
		£10,005	
Location One Capex		**£1,889**	
Total Capex		**£11,894**	

Cash Flow, Funding & Net Debt

During FY23, ADF financed capex of £7.3 million by hire purchase, and the balance of £4.6 million was paid for out of cash. The majority of the funding was with 2 providers, PACCAR Finance, the in-house finance company for DAF vehicles, and HSBC.

Interest rates have increased in line with the Bank of England base rate and averaged 7.5% across FY23 (FY22: 5.0%). Total hire purchase repayments including interest were £4.8 million. In addition, new property leases with an inception value of £1.1 million were capitalised under IFRS 16, being the renewal of the lease at the factory unit in Brynmenyn, Wales, additional space at the corporate Head Office in Bridgend, and additional capacity at Location One's main operational base in Barking.

Net debt, excluding IFRS 16 leases, at the end of FY23 was £12.8 million (FY22: £3.4 million) with hire purchase liabilities increasing from £12.9 million at the end of FY22 to £16.3 million at the end of FY23, and cash reducing from £9.5 million to £3.5 million.

During the year a dividend of £1.1 million was paid, being the only other significant cash flow item.

Financial Reporting Council (FRC) Review

The FRC raised a number of queries in November 2023 in relation to the accounting of the acquisition of Location One in the FY22 accounts. We acknowledge that the review was conducted by staff of the FRC who have an understanding of the relevant legal and accounting framework based on our annual report and accounts but not with detailed knowledge of our business or an understanding of the underlying transactions entered into. However, we worked closely with the FRC so that their queries were satisfactorily addressed, and their findings are reported on the FRC website. We appreciate the very thorough review of our financial statements, and the observations and recommendations provided.

Neil Evans

Neil Evans FCA
Chief Financial Officer



STRATEGIC REPORT

Principal Risks and Uncertainties

The Board of Directors of the Company (the Board) has overall responsibility for monitoring internal and external risks to which the Company is or may be. ADF has established internal controls and systems to identify, assess, monitor and manage such risks.

A risk register is maintained on a rolling basis by our Chief Financial Officer and is subject to regular review by ADF's Management Board, which meets regularly and is attended by the executive directors. As a part of these meetings, the Management Board reviews ongoing trading, budgets and forecasts and considers new, emerging and ongoing risks and uncertainties affecting ADF's operating businesses and the execution of its strategy. Where appropriate, additional separate analyses or follow-up is undertaken for particular risks and issues identified.

The risk register identifies inter alia key risks, impacts, and active and planned mitigation measures. It is regularly reviewed by the Audit and Risk Committee on behalf of the Board and by the Board itself. The Audit and Risk Committee also reviews the internal financial controls and assurance processes on behalf of the Board, and formally reports back to the Board following such reviews.

Set out below were the principal risks and uncertainties facing the business, and the key controls and actions in place to manage such risks.

Set out below were the principal risks and uncertainties facing the business over the course of 2022, and the key controls and actions in place to manage such risks.

Risk	Key Controls	Actions
Economic Environment The current and forecast rate of inflation remains a concern, along with recession risk and the impact that has on confidence and spending. Inflationary and recessionary pressures could adversely impact ADF in a number of areas with pressure on pricing, increased operating costs and increased cost of equipment purchases.	We monitor our industry very closely and maintain close relationships with our customers, suppliers, and manufacturers. Our customers in the film and TV sector generally have the funding for their project ahead of their filming dates. Therefore, we arrange payment for our services ahead of their provision, to therefore be at low risk of non-payment. Working capital is monitored weekly with robust debtor control. Budgets and KPIs are regularly reviewed also. We mitigate against supply chain risk through continual pricing reviews and ongoing management of supply chain relationships. We continue to review and manage our cost base and look for efficiencies in all areas through competitive procurement, volume discounts, advance ordering of goods, services and equipment. We continue to explore synergies and savings following the acquisition of Location One including the rationalisation of infrastructure, capacity, and costs. We will continue to focus on our pricing strategy, taking into account the approach taken by our competitors.	We are continuing to pursue opportunities to expand our footprint within our particular sector within the TV & film industry and to diversify our business into complimentary services to better serve our customers and limit our risk exposure through diversification. Our strategy to grow the business through the acquisition of competitors on a national and regional basis will ensure our position in the market will remain strong.
Industrial Action The impact of the Writers and Actors' Guild strikes in the USA during 2023 was a defining feature of the year. While this sort of event is extremely rare and outside the control of the Group, it inevitably has a significant impact on the business as the industry seeks to service a smaller pool of clients which brings a degree of competitive tension and pricing pressure. The business has not been able to implement a normal cycle of annual price increases since the strikes. Although the strikes are now over, the recovery of the industry, alleviation of pricing pressure and the pace thereof remains a risk to the business during FY24. The business' cash resources have been negatively affected by the strikes.	The business managed all non-essential costs and capital expenditure to minimise cash outflows and actively pursued all available opportunities to serve productions in the UK to maximise utilisation of the fleet, even at lower than normal margins. The business has sought to position itself in the best possible way for a return to normalised activity in the industry (expected H2-FY24).	The business continues to actively manage and minimise cost and capital expenditure. The business expects activity levels to increase in H2-FY24.
Retention of Key Staff The success of the business depends to a large degree on the senior leadership team who have considerable experience, and hold key relationships with our customers and suppliers. Therefore, the inability to attract and retain the right calibre of management may impact our ability to meet our performance expectations as we continue to grow the business in line with our strategy. Likewise, succession planning for key colleagues is a key priority.	Development and training of our existing staff is actively promoted. We continue to monitor our remuneration policies and practices to make sure our pay structures are competitive in the market to ensure we attract and retain high calibre staff. We use responsible incentives to motivate staff to perform to their highest levels at all times, and towards unified goals. Ensuring appropriate succession plans are in place for the two current executive directors remains a key priority.	The company has employee incentives in place and continues to review all aspects of its pay arrangements and rewarding of staff. A Chief Operating Officer has recently been appointed to support the CEO and support our succession planning. The CEO continues to mentor and develop a number of senior sales and account management executives.
Margin Management Margins may be squeezed by both customer resistance to price increases and the inevitable inflationary creep across our cost base. Both may impact on our financial performance. Planning & management systems may not keep pace with the requirements of the business as it grows and acquires other operators.	We operate a fixed price book for all our hire assets and staff. Historically, as we built up our capacity and utilisation, discounts have been provided on vehicle hire costs to some high value and long-standing customers. The fixed price model helps maintain revenue continuity. Direct costs are closely monitored and managed on a continuous basis – with trackers in place for high value costs such as agency driver bookings, motor vehicle running costs, and fuel costs.	We continue to develop our systems and tools to monitor costs in real time and improve the accuracy of ordering, scheduling and forecasting. Relationships are maintained with our core suppliers at a senior level and we endeavour to fix prices annually with our vehicle suppliers. We also look for alternative suppliers to mitigate any margin pressures. New systems are being introduced in FY23 to improve financial reporting and management, and operation efficiency.
Loss of a Key Trading Partner Loss of a key customer or key supplier could adversely impact business performance.	Key relationships are maintained at the most senior level by the Group's Executive Directors. We also continue to monitor the market for alternative suppliers and develop prototypes with new suppliers.	The development of sustainable, long-term relationships with our customers and suppliers are key performance metrics for the business, including an ongoing Net Promoter Score programme. We also seek to mitigate this risk through diversifying our client base, thereby reducing our dependency on any one client.
Cyber Risk There is an ever-growing risk of fraudulent attacks on businesses in all sectors and geographies. Such an attack could have the potential to significantly disrupt the Group's operations and result in a financial loss to the business.	ADF has disaster recovery plans in place and tests all aspects on a regular basis. The Group's third-party IT support partner, ITCS, regularly updates ADF systems with the latest cyber protection software.	Regular testing and software updates are the main risk management approach. The Group has a full-time experienced IT manager and service contracts with a local IT specialist provider.
Environmental & Social Responsibility Increased mandatory reporting on environmental and social practices, increases the risk of an adverse impact on ADF's reputation should expectations not be met. ADF's customers, and the film and TV industry in general, are becoming increasingly demanding in terms of evidencing a robust approach towards carbon neutrality and reducing emissions.	Updates to legislation are discussed regularly within the leadership team and ADF is a member of various industry groups promoting best practice in terms of environmental impact including Albert and Creative Zero.	ESG is actively managed within ADF, with further details captured on page 21 of the Strategic Report.



STRATEGIC REPORT

SECTION 172 STATEMENT

The Board of Directors confirms that during the year under review, it has acted to promote the long-term success of the Group for the benefit of shareholders, whilst having due regard to the matters set out in Section 172(1)(a) to (f) of the Companies Act 2006, being:

(a) the likely consequences of any decision in the long term;

(b) the interests of employees;

(c) the need to foster the business relationships with suppliers, customers and others;

(d) the impact of the Group's operations on the community and the environment;

(e) the desirability of maintaining a reputation for high standards of business conduct; and

(f) the need to act fairly between all shareholders.

This statement describes how the Directors have regard for s172 Matters.

The Company Secretary sets out the s172 Matters in all Board meeting packs to ensure these are front of mind, and the Directors are reminded of their duty under s172(1) at the start of each Board meeting. Consideration of the broader s172 matters forms an integral part of Board discussion; the Directors as a matter of course have regard to the need to maintain a reputation for high standards of business conduct, the need to act fairly between shareholders, and the long term consequences of their decisions. Stakeholder considerations on the whole will be brought to the Board's attention through reports and presentations from the Executive Directors and senior management.

We are aware that each stakeholder group requires a tailored engagement approach in order to foster effective and mutually beneficial relationships. The Board determined its key stakeholders on the basis of each group's potential to a) be impacted by the Group's activities, and/or b) have an impact on the Group's activities. The relevance of each stakeholder group may increase or decrease depending on the matter or issue in question, so the Board seeks to consider the needs and priorities of each stakeholder group during its discussions and as part of its decision-making. Set out below are those stakeholders that the Board has identified as being key, alongside details of how the Board engages with each key stakeholder group.

Stakeholder	Why is this stakeholder group important for the Company's long term success?	How the Board engages with this stakeholder group
Shareholders	Our shareholders expect us to operate efficiently and cost effectively to maximise long-term value creation. Ultimately, the Group operates for the long-term benefit of its shareholders	• Management meetings with investors. • The AGM. • Investor roadshows (including via Investor Meet Company). • Keeping shareholders up to date with the Group's activities through our Annual Report, the Group's website, stock exchange announcements, press releases and regular reports and analyses for investors and shareholders. • Regular site visits to our core operational hub at Longcross.
Employees	Our employees play a central role in delivering the Group's long-term strategy and in delivering the standards of service our customers expect.	• The Board receives regular updates from management on any material issues affecting colleagues. • The Remuneration Committee reviews group-wide pay reviews. • The Board receives reports on HR data (including staff retention and other potential cultural metrics) and themes emerging from employee surveys and forums. • The Company has instigated a quarterly all-staff live briefing & update with Q&A submissions addressed on the call.
Customers	Customer satisfaction is a key differentiator in the Group's long-term strategy. Customers also provide guidance for developing our offer and provide insights into the quality of our existing offer.	• The Board receives data and metrics on customer retention rates and customer satisfaction periodically. • The Board also receives information on how the Group manages its relationships with its key customers and customer groups. • The Board actively monitors the Company's Net Promoter Score.
Suppliers	The quality of our relationships with suppliers is fundamental to the Group's strategy.	• The Board receives data and metrics on payment practices and other indicators of relationships with suppliers. • The Executive team and Senior Management regularly meet with its key suppliers for equipment, services and facilities.
Our communities and the environment	We have an important role to play as an employer in supporting the communities in which we operate and ensuring that our long-term growth is sustainable and minimises our environmental footprint.	• The Board takes its ESG responsibilities seriously and receives periodic reports on our broader ESG activities. We appreciate that societal expectations on corporates to tackle climate change continue to change, and we will continue to look at new and innovative ways of reducing our carbon footprint. More information on our sustainability programme is set out on page 5. • As an Albert-approved supplier, we are committed to establishing environmental management as a corporate priority, and tackling carbon emission through our supply chain. • The Company invest heavily in its fleet to ensure it is clean and efficient, meeting Euro 6 emission standards. • We work with our partners and production clients to identify and implement initiatives ensuring that we always improve our environmental performance. We aim to balance our environmental and economic obligations and to become a truly sustainable company, reducing our carbon footprint and our environmental impact.
Government and regulators	Compliance with all applicable legal and regulatory obligations is key to our long-term success.	The Board is provided with regular updates from management and the Company Secretary on any forthcoming legal and regulatory changes and measures needed to meet any new requirements emerging from those changes.

As a result of these processes, the Directors have the necessary oversight of the Group's engagement with stakeholders to enable them to discharge their duty under s172(1) in the course of their decision making. Moreover, the Board has concluded that the Company's methods of engagement for each key stakeholder group are proportionate and effective. The Company's key stakeholders and methods of engagement will be kept under review and reported on each year in the Company's Annual Report.

The Strategic Report was approved by the Board on 25 April 2024 and signed on its behalf by:

Marsden Proctor
Chief Executive Officer
25 April 2024

BOARD OF DIRECTORS

The Board is responsible for the Group's systems of financial controls and maintaining robust operational controls. The Board comprises the independent Non-Executive Chairman, two Executive Directors and three independent Non-Executive Directors. The Company is supported by a management board consisting of the Chairman, Executive Directors and senior management.



JOHN RICHARDS
Non-Executive Chairman

Date of appointment
23 November 2021

Experience
John joined ADF in 2018. He is an experienced business manager who, following graduation from Aston University, worked as a graduate trainee at Delta Metals Group. He served as Sales and Marketing Director of Ibstock Brick before becoming Managing Director of a number of Ibstock PLC subsidiaries.

External Appointments
He is now Chairman of Brickability Group PLC, a national supplier of building materials, Chairman of JR and M Investments, a provider of finance to the home building industry, and a Director of Birmingham Moseley Rugby Limited.

Skills and experience brought to the Board
- Extensive experience of corporate governance in listed company environment.
- Involvement in mergers and acquisitions and transactional activity.

Committees
A R N D



MARSDEN PROCTOR
Chief Executive Officer

Date of appointment
23 November 2021

Experience
Marsden began working in the Television and Film industry in 1996 at Screen Facilities as a facilities driver. He then worked at Bristol Television Film Services for 14 years prior to joining ADF in July 2014. Marsden's initial appointment at ADF was as General Manager with the objective of implementing an infrastructure that would give the business the capacity to grow, along with developing the sales department.

Marsden was appointed as Chief Executive Officer of ADF in 2016. During his tenure, Marsden has driven the Group's long-term growth strategy through the growth of its infrastructure and has overseen the increase in the Group's fleet from 50 to over 700 units.

External Appointments
None

Skills and experience brought to the Board
- 20 plus years' experience in the provision of facilities to the film and tv industry.
- Extensive relationships with key personnel in film and TV production.
- Detailed knowledge and understanding of the competitive landscape.
- Broad knowledge and contacts within the supplier chain – highly relevant for our M&A and growth ambitions.

Committees
None



NEIL EVANS
Chief Financial Officer

Date of appointment
23 November 2021

Experience
Neil joined ADF in April 2019. His career began as an officer in the Royal Marine Commandos before joining Deloitte in 1989 where he qualified as a Chartered Accountant.

After leaving Deloitte, Neil has worked in a variety of directorship roles. Having been Group Finance Director at family-owned business Greens Motor Group Limited for five years, Neil then joined Dublin-based outsource call centre business Conduit, where he worked as Managing Director for seven years, growing the UK work force from 150 to over 3,500. Neil then joined FTSE 100 company Serco PLC as Chief Commercial Officer of its newly formed BPO division, before taking up the Finance Director role at Bluestone National Park, where he brought the business back into employee/family ownership in 2018 and became a part-owner as a result.

External Appointments
None

Skills and experience brought to the Board
- 30 years' board level experience.
- General management, strategy and delivery.
- Extensive business planning and modelling skills.
- Corporate finance, MBO, MBI experience.

Committees
D



ALEXANDRA INNES
Senior Independent Non-Executive Director

Date of appointment
9 May 2022

Experience
Alexandra's executive career spans investment banking, global capital markets, and investment management, most latterly as Managing Director at Barclays PLC, and prior to that as Director of Global Capital Markets at Bank of America Merrill Lynch.

Alexandra holds an M.A. Hons Economics from Cambridge University. She is a member of the Chartered Institute for Securities and Investments (MCSI), a Green & Sustainable Finance Professional, Chartered Banking Institute (CCBI GSFP), a Fellow of Chapter Zero, and holds the CFA Institute Certificate in ESG Investing.

External Appointments
Non-Executive Committee Member at the Bank of England.

Non- Executive Adviser and Board Member at Knight Frank LLP (resigned 31 March 2024).

Non-Executive Director of STS Global Income & Growth Trust PLC, Dowlais Group PLC, Waverton Investment, Management Group Ltd, Schroder Real Estate Investment Trust Ltd, and UCI Cycling World Championships Ltd.

Skills and experience brought to the Board
- Significant experience in capital markets.
- Strong understanding of ESG and investor relations.
- Broad financial skills.

Committees
A R N



VINODHA (VIN) WIJERANTE
Independent Non-Executive Director

Date of appointment
20 December 2021

Experience
In December 2022 Vin was appointed Chief Financial Officer at BRE Group, which provides science-led solutions to improve the sustainability, safety and security of the built environment and has held a number of other executive and board roles during his career. Vin was formerly Chief Financial Officer for The Royal Mint between 2010 and 2018 and previously the Director of Strategic Planning at Orange and EE and Commercial Finance Director of Orange. Vin is a fellow at the Institute of Chartered Accountants of England and Wales and a fellow of the Institute of Directors.

External Appointments
Chief Financial Officer of BRE Group Limited.

Skills and experience brought to the Board
- Significant senior-level experience of strategic planning and commerce.
- Recent and relevant financial experience and qualified accountant.

Committees
A R



JOANNE (JO) GOODSON
Independent Non-Executive Director

Date of appointment
20 November 2023

Experience
Jo is a technology entrepreneur and experienced board director having spent over 25 years leading and advising high-growth businesses across both the public and private sectors. Jo has held several senior executive roles across the entertainment and technology industries, she co-founded MediaGold UK Ltd before it was sold to Avanquest in 2003 where she then became a Managing Director and was also previously Vice President at Broderbund Software Inc. She has invested in a range of technology companies including Tonic Games Group, a subsidiary of Epic Games since 2021, where she was an early-stage investor. Until recently, Jo was Managing Partner of Hampleton Ltd, a boutique technology M&A and corporate finance firm, where she was responsible for the UK, Germany and Scandinavian operations from 2013, and remains an advisor. Jo is currently on the board of AIM-listed Devolver Digital, a video game publisher.

External Appointments
Advisor to Hampleton Ltd, a boutique technology M&A and corporate finance firm.

Board member of AIM-listed Devolver Digital, a video game publisher.

Skills and experience brought to the Board
- 25 years leading and advising high-growth businesses across both the public & private sectors.
- Experience in several senior executive roles across the entertainment and technology industries.

Committees
A R N

KEY
- A Audit and Risk Committee
- R Remuneration Committee
- N Nomination Committee
- D Risk Disclosure and AIM Rules Compliance Committee ("Disclosure Committee")



CORPORATE GOVERNANCE REPORT

Chairman's Corporate Governance Statement

Overview

As Chairman of the Board of Directors of Facilities by ADF PLC ("**ADF**", "**Group**" or the "**Company**" as the context may require), it is my responsibility to ensure that the Group has both sound corporate governance and an effective Board. My remit includes leading the Board, overseeing the Group's corporate governance model, communicating with shareholders, and ensuring that good information flows freely between the Executive and Non-Executive Directors in a timely manner.

The Company has adopted the Quoted Companies Alliance Corporate Governance Code (the "QCA Code"). This statement follows the structure of the principles of the QCA Code and explains how ADF has applied the guidance. The Board is of the view that the Company complies with the principles of the QCA Code in all material respects.

The Board recognises the value of good corporate governance in delivering shareholder value and being a good corporate citizen and seeks continuous improvement in its governance environment commensurate with its growth.

I am delighted that, in 2023, we were able to strengthen the range of skills and experience on the Board through the appointment of Joanne Goodson as an Independent Non-Executive Director, bringing additional experience of leading and advising high-growth businesses. We were also pleased to appoint Alexandra Innes as our Senior Independent Director.

We note the recent updates to the QCA Code and will be devoting time during the year to ensuring that we have considered those updates in full and will make appropriate changes where necessary to ensure compliance with the provisions of the updated Code.



John Richards
Chairman of the Board

QCA Corporate Governance Code Principles

1. Establish a strategy and business model which promotes long-term value for shareholders

ADF is a leading provider of premium serviced production facilities, location and equipment hire to the UK film and HETV industry. The Group hires out its facilities to productions throughout the UK and Europe, providing its services to some of the world's largest traditional and on-demand content production companies. The Group's strategy continues to focus on a blend of organic growth, driven through the expansion of the Group's current fleet and facilities, and potential further acquisition opportunities. Notwithstanding the impact of the strike action by the US Writers and Actors Guilds during 2023, the Board is confident that the industry in which the Group operates continues to have strong growth prospects, which the Group is well positioned to capitalise upon.

The Group has implemented remuneration policies that reinforce this strategy, by rewarding Executive Directors and senior management in a manner that ensures that they are properly incentivised and motivated to perform in the best interests of shareholders.

Further information on our strategy and business model, including the ways in which the Group generates long-term value, can be found in our Strategic Report on pages 6 to 21.

2. Seek to understand and meet shareholder needs and expectations

The Board is committed to maintaining good communication and having constructive dialogue with shareholders by providing effective communication through our annual and interim financial statements along with Regulatory News Service ("RNS") announcements, and information on the Company's website.

The Company also offers shareholders the opportunity to meet the Directors in person at the Company's AGM. Shareholders are invited to attend and there are opportunities to ask questions during the AGM and to meet with the Directors after the formal proceedings have ended.

The Group announces the detailed results of shareholder voting to the market, in accordance with recommended practice. All 2023 AGM resolutions passed comfortably.

During the year, the Company joined the Investor Meet Company platform which enabled it to present its interim results roadshow to all interested stakeholders and potential investors. The Company intends to repeat this exercise as part of its full-year results roadshow to ensure its entire shareholder base (and other interested parties) has the opportunity to participate in the investor roadshow process, hearing from the management and having an opportunity to ask questions directly. Recordings of Investor Meet Company presentations are on the Company's website and on the Investor Meet Company platform.

Further details on how the Company seeks to understand and meet shareholder needs and expectations can be found in the Section 172 Statement in the Strategic Report on pages 20-21.

3. Take into account wider stakeholder and social responsibilities and their implications for long-term success

The Board recognises that the sustainable growth and long-term success of the Group is reliant upon the efforts of employees of the Group and its contractors, suppliers, regulators, and other stakeholders. The Board has put in place a range of processes and systems to ensure that there is close oversight and contact with its key resources and relationships.

ADF seeks to be a socially responsible company which has a positive impact on the communities in which it operates. No discrimination is tolerated and the Company endeavours to give all employees the opportunity to develop their capabilities.

Everyone within the Group is a valued member, and the Group seeks to implement provisions to retain and incentivise its employees to help every individual achieve their full potential. The Group offers equal opportunities regardless of race, gender, gender identity or assignment, age, disability, religion, and sexual orientation. The Company encourages employees to participate in employee satisfaction surveys and feedback is taken into account by the Board to ensure that the Company can provide an optimum working environment for its employees.

The Company has close ongoing relationships with a broad range of its stakeholders and provides them with the opportunity to raise issues and provide feedback to the Company. Clients and prospective clients are crucial to the growth and long-term success of the Group, and the Group believe in being a service-led business placing client satisfaction and interaction at the heart of its business. The Group conducts regular client surveys and has a client engagement programme.

Where regulations have been introduced, the Company has taken appropriate steps for having policies relating to Modern Slavery & Human Trafficking, Anti-Bribery and Whistle Blowing in order to discourage unethical business conduct, thus helping to ensure its employees are protected. The Group's Modern Slavery & Human Trafficking Policy is published on its website.

Further details on the Company's take on stakeholder and social responsibilities and their implications for long-term success can be found in the Section 172 Statement in the Strategic Report on pages 20 to 21.

4. Embed effective risk management, considering both opportunities and threats, throughout the organisation

The Board recognises the need for an effective and well-defined risk management process and, whilst the Board oversees and regularly reviews the current risk management and internal control mechanisms, it has delegated this responsibility primarily to the Audit and Risk Committee and senior management. We outline what the Board considers to be the principal risks to the business on pages 18 to 19.

The Company has an ongoing process to identify, evaluate, manage and mitigate the significant risks the business faces and review the effectiveness of related controls, both standard industry-related risks and risks relating specifically to the business, assessment to determine the relative likelihood of them impacting the business and the potential severity of the impact,

and determination of what needs to be done to manage them effectively. Risk management is integral to the ability of the Group to deliver on its strategic objectives. The Company has a risk register which identifies risks, evaluates the risk level (level of impact and the probability of the risk materialising), and the principal person responsible for each risk. This is reviewed by the Audit and Risk Committee and the Board.

The system of internal control is structured around an assessment of the various risks to the business and is designed to address those risks that the Board considers to be material. It acts to safeguard assets against unauthorised use or disposition and to maintain proper accounting records which produce reliable financial and management information. The Board has established appropriate reporting and control mechanisms to ensure the effectiveness of its control systems. These continue to evolve as the Group develops and expands.

An internal audit function is not yet considered necessary. However, the Board and Audit and Risk Committee will continue to monitor the need for an internal audit function as the Company grows and develops.

5. Maintain the board as a well-functioning, balanced team led by the Chair

The Chairman is responsible for the leadership of the Board and ensuring its effectiveness in all aspects of its role. He is also responsible for creating the right Board dynamic and for ensuring that all important matters, in particular strategic decisions, receive adequate time and attention at Board meetings.

The Board comprises one-third Executive Directors and two-thirds Non-Executive Directors. Details of the Directors are set out on pages 22 to 23. All Non-Executive Directors are expected to dedicate at least 25 days per annum to the Company.

The Board conducted a review in January 2024 to assess the independence of the Non-Executive Directors. In particular, the Board considered John Richards' shareholding and his loan arrangement with the Company. The Board considered the arrangements in the context of John's portfolio of interests and concluded that it was not sufficiently significant in the context of John's other interests to compromise his independence.

The Board is satisfied it has a suitable balance between independence on the one hand, and knowledge of the Company on the other. The Board believes that a range of perspectives, insights and challenge is needed to support good decision-making and has adopted a Board Diversity Policy which sets out the Board's approach to inclusion and diversity at board and senior management level. The Board reflected on its diversity during the year and confirmed that it was very satisfied with the diversity of experience and thought on the Board, noting particular diversity of socio-economic and educational background amongst its members.

Director	Position	Board Meetings	Audit & Risk Committee	Remuneration Committee	Nominations Committee
John Richards	Executive Chairman	5/5	3/3	4/4	1/1
Marsden Proctor	Chief Executive Officer	5/5	-	-	-
Neil Evans	Chief Financial Officer	5/5	-	-	-
Vin Wijeratne	Independent Non-Executive Director	5/5	3/3	4/4	-
Alexandra Innes	Senior Independent Non-Executive Director	5/5	3/3	4/4	1/1
Joanne Goodson*	Independent Non-Executive Director	1/1	-	-	-

*Joanne Goodson was appointed to the Board on 20 November 2023

The Nominations Committee is responsible for reviewing the composition of the Board, including evaluating the skills, knowledge, and experience of Board members and its overall diversity. New appointments are made on merit, taking into account the specific skills and experience, independence and knowledge needed to ensure a rounded Board and the diverse benefits each candidate can bring to the overall Board composition.

The Board aims to meet formally a minimum of five times in the year, with additional meetings as required to discuss particular strategic, transactional or regulatory reporting matters A calendar of scheduled meetings and principal matters to be discussed is agreed at the beginning of each year. The Directors meet formally and informally in person and by video- and telephone- conference calls. Board papers are collated by the relevant personnel (Chairman, Company Secretary, CFO, Committee Chair), compiled into a Board/ Committee Pack, and circulated before meetings, with sufficient time for full consideration and necessary clarifications before the meetings.

During the financial year ended 31 December 2023, the Board held five scheduled meetings and met on a number of other occasions to specifically discuss specific matters. The Board intends to repeat this in 2024.

The Board has constituted the following main committees of the Board:

- Audit and Risk Committee;
- Nomination Committee; and
- Remuneration Committee.

The Committees comprise Non-Executive Directors only, and the members of each Committee are considered to have the necessary skills and knowledge to discharge their duties effectively.

The Board has also constituted a Risk Disclosure and AIM Rules Compliance Committee (further details in section 9), which comprises John Richards and Neil Evans and is chaired by John Richards.

In accordance with the Articles of Association, all new Directors appointed to the Board are required to seek election by shareholders at the next AGM of the Company following their appointment and, in line with good practice, the Company requires each of the Directors to retire and offer themselves for re-appointment at each subsequent AGM.

6. Ensure that between them the Directors have the necessary up-to-date experience, skills and capabilities

The Board currently considers that the skill set of its members is complementary and appropriate to the business. The Board was delighted to announce the appointment of Joanne Goodson in November 2023, who brings additional experience leading and advising high-growth businesses across both the public and private sectors. Jo also has experience in relation to listed remuneration structures and we are pleased that Jo has taken on the role of Remuneration Committee Chair. More information on the Board members and their relevant experience, skills and personal qualities can be found on pages 22 to 23.

The Company has employed the services of ONE Advisory Limited to act as Company Secretary, responsible for ensuring that Board procedures are followed, as well as assisting the Chairman in maintaining high standards of corporate governance. The Company Secretary regularly provides updates on legal and corporate governance developments that are pertinent to the Company and to the Board.

If required, the Directors are entitled to take independent legal advice and, if the Board is informed in advance, the cost of the advice will be reimbursed by the Company.

The Company joined the QCA at the beginning of 2024 to enhance the training and development opportunities and resources available to Board members and to supplement their own professional learning.



CORPORATE GOVERNANCE REPORT

7. Evaluate board performance based on clear and relevant objectives, seeking continuous improvement

The Board undertakes evaluation processes aided by the Chairman and ONE Advisory Limited. The Chairman is responsible for ensuring the evaluation process is 'fit for purpose', as well as dealing with matters raised during the process. The Chairman will keep under review the frequency, scope and mechanisms for the evaluation process and amend the process as required.

Since our last annual report, we have conducted Board and Committee evaluation exercises and refreshed our annual agenda plans for the Board and its committees. The evaluations found, broadly, that many of the processes we have in place as a Board serve us well, and that the dynamics and relationships at Board level are effective. The evaluation has also helped us to identify key focus areas for 2024, some of which have been actioned and some of which we will be continuing to take forward over the year. These include further development of board reports, and sourcing development opportunities for the directors. I am also pleased to report that the Company has joined the QCA, and the Board looks forward to making good use of the opportunities for professional development this will provide.

8. Promote a corporate culture that is based on ethical values and behaviours

The Board recognises that part of its responsibility is to model and promote ethical values and behaviours and ensure that this culture is embedded in the organisation. The Board is very aware that the tone and culture set by the Board will greatly impact all aspects of the Group as a whole and the way that employees behave. Besides the moral value in being a responsible corporate citizen, the Board consider that it is essential to the long-term success of the Company and achievement of its corporate objectives that its customers, suppliers and other stakeholders view it as a trustworthy, reliable and ethical business partner, employer and investment.

As part of being a responsible corporate citizen, the Company recognises its responsibility to manage its environmental impact and has implemented various sustainability measures and initiatives.

The Group has adopted the following policies in line with its ethical business values:

- Whistleblowing Policy.
- Modern Slavery and Trafficking Policy.
- Anti Bribery and Corruption Policy.
- Share Dealing Policy.
- Diversity & Inclusion Policy/ Anti-Discrimination Policy.

The Group also seeks to ensure through its contractual arrangements that its suppliers also have appropriate measures in place to protect against modern slavery and bribery and corruption.

9. Maintain governance structures and processes that are fit for purpose and support good decision-making by the board

The Board keeps the Group's corporate governance arrangements under review and expects these to evolve in line with the Group's growth and development. The Board delegates responsibilities to Committees and individuals as it sees fit, with the Chairman being responsible for the effectiveness of the Board, and the Executive Directors being accountable for the management of the Group's business and being the primary contact with shareholders.

The Chairman is responsible for the leadership of the Board and ensuring its effectiveness in all aspects of its role. The Chairman is also responsible for the Group's corporate governance framework. He is also responsible for ensuring that all important matters, in particular strategic decisions, receive adequate time and attention at Board meetings. The Executive Directors are responsible for the day-to-day running of the business and developing corporate strategy. The Non-Executive Directors are tasked with constructively challenging the decisions of executive management and satisfying themselves that the systems of business risk management and internal financial controls are robust.

All Directors participate in the key areas of decision-making, including agreeing strategic goals, setting budgets and approval and oversight of corporate transactions.

The Board has adopted appropriate delegations of authority which sets out matters which are reserved to the Board. The Board delegates certain authority to the Committees of the Board to assist in meeting its business objectives whilst ensuring a sound system of internal control and risk management. The Committees meet independently of Board meetings. Each Committee has terms of reference setting out its duties, authority and reporting responsibilities. The terms of reference of each Committee are kept under review to ensure they remain appropriate and reflect any changes in legislation, regulation and best practice. During 2024, the Committees' Terms of Reference will be reviewed in light of the updated QCA Corporate Governance Code.

Audit and Risk Committee

During the reporting period, the Audit and Risk Committee had four members, John Richards, Vin Wijeratne (Chair), Alexandra Innes and Joanne Goodson (effective 29 November 2023), all of whom are deemed by the Board to be independent. All members of the Committee are Non-Executive Directors. The CEO, CFO and external auditors attend meetings by invitation. The Committee is responsible for assisting the Board in fulfilling its financial and risk responsibilities and oversees the financial reporting, risk management and internal control procedures. The Committee advises the Board on the appointment and removal of the external auditor and discusses the nature, scope and results of the audit with the auditors. The Committee reviews the extent of non-audit services provided by the auditors and reviews with them their independence and objectivity.

Remuneration Committee

During the reporting period, the Remuneration Committee had four members, John Richards as interim Chairman following Kathryn James' departure in May 2023, Alexandra Innes, Vin Wijeratne, and Joanne Goodson as Chair (effective 29 November 2023). The remit of the Committee is primarily to determine and agree with the Board the framework or broad policy for the remuneration of the Company's Executive Directors and the Senior Management of the Group. The Remuneration Committee reviews the performance of the Executive Directors and makes recommendations to the Board on matters relating to their terms of employment and remuneration, including short-term bonus and long-term incentives. The Remuneration Committee meets not less than twice a year.

Nominations Committee

During the reporting period, the Nominations Committee had three members, John Richards (Chair), Alexandra Innes and Joanne Goodson (effective 29 November 2023). The Nominations Committee reviews the structure, size and composition of the Board and makes recommendations to the Board, considers succession planning and nominates candidates to fill Board vacancies. The Nominations Committee also keeps key positions outside the main board and other personnel considered critical to the business under review. The Nominations Committee meets at least once per year, and otherwise as necessary to consider proposals for Board appointments and other matters.

Risk Disclosure and AIM Rules Compliance Committee ("Disclosure Committee")

The Board has constituted a Disclosure Committee, which will provide support to the Board in relation to compliance with UK Market Abuse Regulation, the Disclosure Guidance and Transparency Rules and the AIM Rules for Companies and the identification, control and disclosure of "inside information". The Committee will meet at such times and in such manner (including by telephone) as shall be necessary or appropriate. The Committee has two members, John Richards, and Neil Evans.

More information about the Committees and the work undertaken during the period in review can be found on pages 30-37.

10. Communicate how the company is governed and is performing by maintaining a dialogue with shareholders and other relevant stakeholders

The Board is committed to maintaining effective communication and having constructive dialogue with its shareholders. The Company aspires to have close ongoing relationships with its private shareholders, institutional shareholders, and analysts and for them to have the opportunity to discuss issues and provide feedback at meetings with the Company. In addition to the formal channels of the London Stock Exchange regulatory news service, the Company utilises its brokers' research services to support its engagement with private shareholders. The Directors, through the Investor Meet Company platform, offer a live webinar following the interim and full year results, where questions can be asked. These are available to watch on the Company's website https://facilitiesbyadf.com.

All shareholders are encouraged to attend the Company's AGM. The Board discloses the result of general meetings by way of announcement and discloses the proxy voting numbers. The Board will take measures to ensure that, if there is a resolution passed at an AGM with at least 20% of votes cast being against the resolution, the Company will seek to understand the reason for the result and, where appropriate, take suitable action.

All resolutions at the Company's 2023 AGM were passed with over 99.95% of votes in favour of each resolution.

Investors have access to current information about the Company through the Company's website https://facilitiesbyadf.com. The Company uses electronic communications with shareholders in order to maximise efficiency.





AUDIT AND RISK COMMITTEE REPORT

Chair's Introduction

Dear shareholder,
I am pleased to present the Audit and Risk Committee (the "Committee") Report for the year ended 31 December 2023.

The Committee is chaired by me, Vin Wijeratne, and over the reporting period also comprised John Richards, Alexandra Innes and Joanne Goodson (following her appointment as Director in November 2023), all of whom were and are considered to be independent Non-Executive Directors by the Board. The CEO and CFO are invited to meetings where appropriate. Representatives from the external auditor are also invited to attend meetings when audit matters are discussed.

In terms of the Committee's composition, I am a qualified accountant, John has significant business management experience, Alexandra has significant capital markets and ESG experience and Joanne has significant experience leading and advising high-growth businesses across both the public and private sectors. As such, the Committee and the Board is satisfied that the members of the Committee possess recent and relevant financial experience in various sectors to contribute to our work on the Committee as well as a relevant grounding in risk.

As we move into 2024, our focus areas will remain on the quality of financial reporting to shareholders, whilst also dedicating further time to ensure that our risk management and internal control environment continues to develop and remains appropriate for the increased size, scale and complexity of the Group.

Vin Wijeratne
Chair, Audit and Risk Committee
25 April 2024

AUDIT AND RISK COMMITTEE REPORT

Objectives and Responsibilities

The role of the Committee is set out in its Terms of Reference. These include:

- To report on and review the Group's financial performance.
- To monitor the integrity of the Group's financial statements and any formal announcements relating to the Group's financial performance.
- To review the content of the annual report and accounts and advise the Board on whether, taken as a whole, it is fair, balanced and understandable and provides the information necessary for shareholders to assess the Group's performance, business model and strategy.
- To review the Group's internal financial controls and risk management systems.
- To review any changes to accounting policies.
- To make recommendations to the Board in relation to the appointment of the external auditors.
- To make recommendations to the Board concerning the approval of the remuneration and terms of engagement of the external auditors.
- To review and monitor the extent of the non-audit services undertaken by external auditors.
- To review and monitor the external auditors' independence and objectivity.
- To consider any matter specifically referred to the Committee by the Board.

Activities

The Committee is required by its Terms of Reference to meet at least three times in each financial year and otherwise as required by the Committee Chair to properly fulfil its duties. The Committee met three times during the reporting period.

Since the date of my last report, the Committee's primary activities have been to focus on:

- The quality of financial reporting, having reviewed the full year and interim results in 2023. Post-year end, the Committee also reviewed this Annual Report and Accounts and, following careful consideration, recommended them to the Board. The focus areas of the Committee's review included reviewing those reporting issues and judgements identified by the auditor during their audit, considering the disclosures on principal risks and uncertainties facing the business, the appropriateness of the preparation of the accounts on a going concern basis, and advising the Board on whether the Annual Report is, when taken as a whole, fair, balanced and understandable with all necessary information included for shareholders to reasonably assess the business.
- Lead liaison with the external auditor and reviewed the efficacy and efficiency of the external audit process. Having completed this exercise post-year end, the Committee is pleased to recommend to shareholders the reappointment of Crowe U.K. LLP (Crowe) as external auditors to the Company.
- Reviewed the Company's internal control and risk management framework. As a Committee, we are satisfied that the internal control framework and systems are sufficiently robust and appropriate for the size and scale of the Company. We are also pleased with the work that has been undertaken to develop the risk management framework and risk register process and we will support management in developing this framework further over the course of 2024.

All meetings were attended by all members. The Executive Directors and the external auditors also attended the Committee meetings at the invitation of the Committee Chair. The Chair of the Committee also has regular conversations between scheduled meetings with the external auditor.

Audit Committee Effectiveness

The Committee performed an assessment of its effectiveness in January 2024, the conclusions of which were that the Committee is competent and carries out its functions effectively. A small number of areas were identified as areas for focus for the Committee, including supporting our culture of continuous improvement, including the Chair providing feedback on the quality of audit and risk papers and management responses to the Executive team and when complex topics arise providing further time for both informal and formal discussion.

Financial Reporting

The Committee met to review the full-year and half-year results prior to them being released to the market in 2023. The Committee also reviewed the Annual Report and Accounts and considered reports from the external auditors identifying accounting or judgmental issues requiring its attention. We set out in further detail below the significant areas that the Committee considered in relation to the FY23 Annual Report and Accounts. Mindful of the budget for FY24 and longer-term market outlook and applicable sensitivities, it came to the conclusion that the going concern basis of preparation is suitable. The Committee has concluded that the Annual Report and Accounts provides a fair, balanced, and understandable overview of the business.

Significant areas considered in relation to the financial statements

Risk	How is this risk managed?
Going concern: risk of inability to meet liabilities as they fall due.	Review of forward-looking rolling financial forecasts and cash projections.
Revenue recognition	Operation of appropriate processes, systems and controls throughout the financial year.
Management override of controls	Satisfactory operation of controls throughout the financial year with no instances of inappropriate function or management override.
Impairment of goodwill	Review of financial forecast and cash flows for Location One.
Deferred consideration provisions	Review of financial forecast for Location One over the deferred and contingent performance period.

Risk Management and Internal Controls

During the year, the Committee reviewed the adequacy and effectiveness of the Group's internal financial controls and risk management systems (including fraud and bribery detection and their respective prevention measures), including monitoring the proper implementation of such controls. The Committee has reviewed and approved the statements to be included in the annual report concerning internal controls and risk management. The Committee will also consider annually whether there is a need for an internal audit function and make a recommendation to the Board. At present, the function is not yet considered necessary as day-to-day control is sufficiently exercised by the Group's Executive Directors. However, the Committee will consider specific scope items for internal audit where appropriate.

Whistleblowing

The Committee also has a responsibility to review, and to report to the Board on, the adequacy of the Group's arrangements for its employees and contractors to confidentially raise any concerns about possible wrongdoings regarding financial reporting or other matters. The Committee has reviewed the Whistleblowing Policy and is satisfied with it for the time being. The Committee will continue to monitor the appropriateness of the arrangements as the Group grows to ensure that they provide proportionate and independent investigation of such matters and appropriate follow up action. The Committee receives reports on any matters raised under the Whistleblowing Policy. During 2023 and since the year end, no whistleblowing disclosures were reported.

Policy Reviews

The following Group policies are reviewed each year by the Committee:

- Whistleblowing Policy.
- Anti-Bribery and Corruption policy.
- Non-Audit Services Policy.

External Audit

As described above, the Committee meets with the auditor at least twice a year, once at the planning stage, where the nature and scope of the audit will be considered, and once post-audit at the reporting stage. The Committee will be responsible for reviewing and approving the annual audit plan with the auditor and ensuring that it is consistent with the scope of the audit engagement and the effectiveness of the audit. In addition, the Committee is responsible for reviewing the findings of the audit with the external auditor which shall include but not be limited to discussing major issues which arose during the audit, any accounting and audit judgements, levels of errors identified during the audit and the effectiveness of the audit.

The Committee engages in discussions with the auditor regarding fees, internal controls and such issues as compliance with accounting standards and any proposals which the external auditor has made regarding the Group's internal auditing standards. Where the auditor has made recommendations, the Committee monitors the satisfactory implementation of these by management and identified action owners.

As part of its annual agenda cycle, the Committee also meets with the auditor at least once a year without management present to obtain feedback on the conduct of the audit and also commence a review on lessons to be learnt from the process. The Committee was pleased to learn from both the external auditor and management that the audit process had been completed with the business and audit teams working well together.

Auditor's Independence

The Committee approves the external auditor's terms of engagement, scope of work, the process for the interim review and the annual audit. It also reviews and discusses with the auditor the written reports submitted and the findings of their work. It has primary responsibility for making recommendations to the Board, for it to put to shareholders for their approval at a general meeting, in relation to the appointment, re-appointment, and removal of the external auditor.

The Committee is also responsible for reviewing and monitoring external auditor's independence and objectivity as well as their qualifications, expertise and resources and the effectiveness of the audit process, taking into consideration relevant UK and other relevant professional and regulatory requirements. The Company have considered the auditor's independence and continues to believe that Crowe is independent within the meaning of all UK regulatory and professional requirements and the objectivity of the audit engagement partner and audit staff are not impaired.

Following consideration of both the auditor's continued independence and objectivity, alongside the efficacy of the external audit process post-year end, the Committee formally recommends that Crowe be re-appointed as the Group's auditor at the next AGM.



Vin Wijeratne
Chair of the Audit and Risk Committee

25 April 2024



REMUNERATION COMMITTEE REPORT

This report is for the year ended 31 December 2023. It sets out the remuneration policy and the detailed remuneration for the Executive and Non-executive Directors of the Company. As an AIM-quoted company, the information is disclosed to fulfil the requirements of AIM Rule 19. The information is unaudited except where stated.

Dear Shareholder,
I am pleased to present the Remuneration Committee (the "Committee") Report ("Report") for the year ended 31 December 2023.

I am delighted to have assumed the role of Committee Chair following my appointment to the Committee on 29 November 2023. I would like to take this opportunity to thank John Richards on behalf of my fellow Committee colleagues for his stewardship of the Committee over the course of the last year following the departure of the former Chair earlier in the year.

The Committee is chaired by me, Joanne Goodson and the other members are Alexandra Innes, Vin Wijeratne and John Richards, all of whom are deemed by the Board to be independent Directors. The Committee is required by its Terms of Reference to meet at least twice in each financial year and otherwise as required by the Committee Chair to properly fulfil its duties. For the year ended 31 December 2023, the Committee formally met four times.

Key activities during the year

During the year, the Committee managed the remuneration of the Executive Directors in 2023 in line with its Terms of Reference as summarised below. The Committee also considered the development of Executive Directors' remuneration arrangements for 2024 and over the longer term, with a view to ensuring that executive remuneration and shareholder interests remain closely aligned.

Post-year end, the Committee's work has focussed on developing and putting in place an appropriate remuneration and incentivisation package for the Executive Directors.

Business performance in 2023

The performance of the business is summarised earlier in this report. Whilst H1 was exceptional, with record turnover and EBITDA, the second half of the year was severely impacted by the Strike. The Committee recognises that, while the financial performance of the Company for FY23 did not align with expectations set out at the beginning of the year, this was due to circumstances outside the Company's control and that the executive team successfully shepherded the Company through this very challenging time.

Remuneration during 2023

The salaries of our CEO and CFO were £250,000 and £195,000, respectively during 2023. Due to the impact of the Strike, there were no bonuses awarded to the CEO and CFO in respect of FY23. No long-term incentive awards were made to executive directors during 2023. No long-term incentive awards were due to vest in 2023.

Remuneration Policy

The role of the Committee is set out in its Terms of Reference. The Committee's role includes:

- determining and agreeing with the Board, the Company's broad policy and framework for the remuneration of the Company's Chair, Chief Executive and other executive directors including pension rights and compensation payments;

- reviewing and having regard to pay and employment conditions across the Group when setting the remuneration policy for Executive management and especially when determining salary increases;

- reviewing the on-going appropriateness and relevance of the remuneration policy;

- approving the design of, and determining targets for, any performance-related remuneration schemes operated by the Group and approve the total annual payments made under such schemes;

- reviewing the design of all share incentive plans for approval by the Board. For any such plans, determining each year whether awards will be made to executive directors or other colleagues and, if so, the overall amount of such awards, the individual awards to executive directors and other designated senior executives and the performance targets to be used; and

- determining the policy for, and scope of, pension arrangements for each executive director and other senior executives.

Decisions around the remuneration of Non-Executive Directors are a matter reserved for the Board. The Executive Directors and other senior personnel may be invited to attend meetings when appropriate but, no Director is present for, or participates in, any decision concerning their remuneration.

Remuneration consultants

During the year, the Committee used the services of specialist third-party remuneration consultants, h2glenfern Remuneration Advisory, to provide advice on remuneration strategy. The Committee reviewed the potential for conflicts of interest in connection with this engagement and is comfortable that there are no conflicts which might impair the independence of h2glenfern. h2glenfern do not provide any other services to the Company.

Remuneration policy objectives

The Committee's policy is to attract and retain individuals of the highest calibre by offering remuneration competitive with comparable publicly quoted companies, and to drive the Group's financial performance by providing arrangements which fairly and responsibly reward individuals for their contribution to the success of the Group. The Committee is focused on ensuring that Executive Directors and employees continue to be rewarded in line with the delivery of long-term shareholder value and will continue ensuring that the remuneration structure in place reflects and incentivises the Company's culture of employee-shareholder alignment.

Long-term equity-based remuneration linked to financial performance and share price targets represents a significant proportion of Executive Directors' potential remuneration, which aligns the interests of the individuals with those of the shareholders.

Remuneration policy

The below table sets out the broad outline of the Company's remuneration policy framework as adopted by the Committee.

Purpose and link to strategy	Operation	Maximum potential value	Performance conditions
Base Salary Competitive fixed salary that attracts and retains key individuals reflecting their experience and role.	Salaries will be reviewed annually normally in line with the financial year.	Base salaries are set at appropriate level based on comparable-sized listed companies.	Not applicable.
Pension and Benefits Supports recruitment and retention of high calibre executive directors.	Our policy is to provide a contribution to a defined contribution scheme at a proportion of basic salary.	Pension funding for executive directors is aligned with the wider workforce currently equal to 3% of base salary subject to the current maximum pensionable earnings limit of £50,270 per annum.	Not applicable.
Annual Bonus Incentivises the achievement of critical strategic objectives in the short- to medium-term.	Each Executive Director is eligible for an annual bonus award (in cash) upon the achievement of certain key strategic objectives.	Maximum opportunity of cash bonus equal to 100% of the recipient's base salary.	Annual bonus awards are made upon the achievement of certain agreed annual financial, strategic and ESG objectives for the Company as determined by the Committee from year to year. The award of such bonuses is entirely at the discretion of the Remuneration Committee.
Long Term Incentive Plan Supports the recruitment and retention of executive directors and aligns interests with shareholders.	LTIP awards are generally expected to be granted annually. LTIP awards will vest at the end of a three-year period, subject to delivery against performance conditions and to the executive directors still being employed.	Normal maximum opportunity equal to a grant of such number of shares as is equal to 100% of the recipient's base salary.	LTIP awards are subject to the achievement of performance conditions set by the Remuneration Committee each year. Performance conditions may include financial, total shareholder return and other targets.
Chairman and non-executive director fees Support the recruitment and retention of high-calibre non-executive directors.	Non-executive directors are paid a base fee plus reasonable expense. No additional fees are paid to non-executive directors or the chairman of the company for membership or chairmanship of committees.	Base fees for non-executive directors are set with reference to market rates.	Not applicable.

The Committee may apply its discretion when agreeing any remuneration outcomes, to help ensure that the implementation of the Remuneration Policy is consistent with underlying Company performance and is equitable to all parties.

All share-based elements of remuneration are subject to clawback or repayment in the event of serious financial misstatement or misconduct.

Certain senior staff and Executive Directors receive basic salaries, annual bonuses according to performance against defined targets, and certain benefits in kind. To date no LTIP awards have been granted to anyone other than the Executive Directors although the Committee envisage grants to certain senior team members in FY24.

The Committee is continually aware and mindful of any potential risks associated with its remuneration arrangements. We, therefore, seek to provide a structure that seeks to incentivise long-term value generation through key performance measures and an optimal remuneration mix. The Committee works with a third-party remuneration consultant to review whether our reward programmes achieve the correct balance and do not encourage excessive risk-taking.

REMUNERATION COMMITTEE REPORT

IMPLEMENTATION OF REMUNERATION POLICY FOR 2023

Remuneration Outcomes – Single Total Figure of Remuneration

The following tables detail the total remuneration earned by each Director from the Group in respect of the financial year ended 31 December 2023 and the previous financial year ended 31 December 2022.

2023 Executive Directors	Salary £	Fees £	Pension Contributions £	Other benefits £	Bonus £	Share-based payments £	Total £
Marsden Proctor	250,000	-	1,321	-	-	32,972	284,293
Neil Evans	195,000	-	1,321	10,051	-	25,717	232,089
Non- Executive Directors	**Salary £**	**Fees £**	**Pension Contributions £**	**Other benefits £**	**Bonus £**	**Share-based payments £**	**Total £**
John Richards	-	60,000	-	6,271	-	-	66,271
Kathryn James	-	9,375	-	-	-	-	9,375
Vin Wijeratne	-	37,500	-	-	-	-	37,500
Alexandra Innes	-	45,000	-	-	-	-	45,000
Joanne Goodson	-	5,865	-	-	-	-	5,865

2022 Executive Directors	Salary £	Fees £	Pension Contributions £	Other benefits £	Bonus £	Share-based payments £	Total £
Marsden Proctor	253,775	-	1,321	-	125,000	32,972	413,068
Neil Evans	202,809	-	1,321	4,924	97,500	25,719	332,273
Non- Executive Directors	**Salary £**	**Fees £**	**Pension Contributions £**	**Other benefits £**	**Bonus £**	**Share-based payments £**	**Total £**
John Richards	-	62,308	-	4,770	-	-	67,078
Kathryn James	-	38,942	-	-	-	-	38,942
Vin Wijeratne	-	38,942	-	-	-	-	38,942
Alexandra Innes	-	29,192	-	-	-	-	29,192

Salaries

The salaries of the Company's CEO and CFO were £250,000 and £195,000, respectively, during 2023.

Annual Bonus

Due to the shortfall in sales and profit in FY23 against what was envisaged at the start of the year due to the strikes, no bonus was paid to the CEO or CFO.

LTIP

No LTIP awards were made during 2023 and none were due to vest in 2023.

In addition to the above on 3 December 2021, a loan agreement was entered into between Facilities by ADF Plc and John Richards, the Company's Chairman, for the purpose of paying the subscription price and related taxation liabilities for 2,000,000 ordinary shares of £0.01 each in the capital of the company. The loan is unsecured, interest free and is repayable on the earlier of the sale of the shares by Mr Richards, his stepping down as a director of the company, or the fifth anniversary of Admission. The balance due from Mr Richards at 31 December 2023 was £306,684 (2022: £306,684).

Director Share Options

Details of the interests in share options held by the Directors of the Company as at 31 December 2023 are set out below:

Executive Directors	Plan	Number of Options	Exercise Price £	Date of Grant	Date Exercisable
Marsden Proctor	LTIP	500,000	0.01	5 January 2022	Not before December 2026
Neil Evans	LTIP	390,000	0.01	5 January 2022	Not before December 2026
Neil Evans	Pre-IPO *	2,000,000	0.056	12 March 2020	From December 2021
Neil Evans	Pre-IPO *	500,000	0.01	2 December 2021	From December 2021

Awards granted on 5 January 2022 are IPO Incentive Awards and are subject to performance conditions with 50% of the award linked to adjusted EBITDA over the three financial years ended 31 December 2024 with a threshold trigger of 6% per annum (with full vesting where there is an increase of 10% per annum). The remaining 50% is subject to an increase in Total Shareholder Return over the three years from the date of grant of at least 6% per annum (with full vesting at 10% per annum). On vesting, the IPO Incentive Awards will be capable of exercise at any time until the tenth anniversary of Admission, subject to a requirement for any new Ordinary Shares acquired as a result of exercise of an IPO Incentive Award to be held by the awardee for a period of 2 years from exercise (save for any Ordinary Shares required to be disposed of to meet exercise related taxation).

* Certain of the Options described above for N Evans are replacement options for those options that were granted by CAD Services Limited prior to the Share Exchange Agreement. The option holders were invited to accept an exchange of options, in accordance with the terms of the share option plan rules and, where they accepted an exchange of options, were granted replacement options in the Company. On 2 December 2021, the Company granted Options over 500,000 Ordinary Shares to N Evans.

Directors' interests

The interests and beneficial interests of the Directors in the shares of the Company at 31 December 2023 are set out below:

Executive Directors	Number of Shares
Marsden Proctor	1,400,000
Neil Evans	-
Non-Executive Directors	-
John Richards	2,400,000
Alexandra Innes	-
Vin Wijeratne	-
Joanne Goodson	-

Non-Executive Director Annual Fees

The Annual Fees paid to the Non-Executive Directors during 2023 are set out below. The fees include any role on a Board Committee.

John Richards	£60,000
Alexandra Innes	£45,000
Vin Wijeratne	£37,500
Joanne Goodson	£5,865

Remuneration in 2024

Annual bonus for 2024 will operate in the same way as for 2023. In March 2024, the company granted 571,429 and 429,796 LTIP awards, respectively, to its CEO and CFO. These awards will vest three years from grant subject to the meeting of performance targets.

Joanne Goodson
Chair of the Remuneration Committee
25 April 2024



DIRECTORS' REPORT

The Directors present their report together with the audited financial statements of the Group for the year ended 31 December 2023. The following matters are reported by the Directors in accordance with the Companies Act 2006 requirements in force at the date of the Annual Report.

Information contained elsewhere in this Annual Report

Information required to be included in this Directors' Report can be found elsewhere in the Annual Report as indicated in the table below and is incorporated into this report by reference:

Information	Section
Future Developments	Strategic Report (pages 6 - 17)
Going Concern Statement	Notes to the Accounts (pages 60)
Risk Management and Principal Risks	Strategic Report (pages 18 to 19)
Corporate Governance Statement	Corporate Governance Statement (pages 24 to 29)
Information on the Group's financial risk management objectives and policies, and its exposure to credit risk, liquidity risk, interest rate risk, foreign currency risk and financial instruments	Notes to the Accounts (pages 86 to 88)

Principal Activities and Business Review

The principal activities of Facilities by ADF PLC (the "Company"), together with its wholly owned subsidiaries (the "Group") during the period under review centred around the provision of premium serviced production facilities, location and equipment hire to the UK film and high-end TV (HETV) industry. More information can be found on pages 6-17 of the Strategic Report.

The requirements of the business review have been considered within the Strategic Report.

Corporate Status

The Company is a public limited company domiciled in the United Kingdom and was incorporated in England & Wales with company number 13761460 on 23 November 2021. The Company has its registered office at Ground Floor 31 Oldfield Road, Bocam Park, Pencoed, Bridgend, United Kingdom, CF35 5LJ. The principal places of business of the Group are the United Kingdom and Europe.

Results and dividends

An analysis of the Group's performance is contained within the Strategic Report. The Group's income statement is set out on page 53 and shows the result for the year.

The Board is proposing a final dividend of 0.9 pence per share (2022: 0.9 pence), bringing the total dividend for 2023 to 1.4 pence per share (2022: 1.36 pence).

For further information on dividends paid over the reporting period, please see note 11 to the accounts.

Directors

The present membership of the Board is set out with brief biographies detailed on pages 22 to 23. The Directors of the Company during the reporting period were:

In accordance with good corporate governance practice, all directors in post at the date of the signing of this Report will retire, being eligible, offer themselves for election at the Company's forthcoming AGM.

John Richards	
Marsden Proctor	
Neil Evans	
Vin Wijeratne	
Alexandra Innes	
Joanne Goodson	(Appointed 20 November 2023)

Director's emoluments

Details of the emoluments of the Directors are given in note 8 to the Financial Statements.

The beneficial interests of the Directors in the ordinary shares of the Company on 31 December 2023 are set out on page 37, alongside details of the Executive Directors' participation in the Company's Long-Term Incentive Plan, which are contained in the Remuneration Committee Report on pages 34 to 37.

The beneficial interests of the Directors in the Ordinary Shares of the Company on 22 April 2024 are set out below:

Number of Shares held on 22 April 2024

Executive Directors

1.4m	0
Marsden Proctor	Neil Evans

Non-Executive Directors

2.4m	0	0	0
John Richards	Alexandra Innes	Vin Wijeratne	Joanne Goodson





DIRECTORS' REPORT

Substantial shareholdings

As at 22 April 2024, the following interests in 3% or more of the issued Ordinary Share capital had been notified to the Company:

% of issued share capital

18.93% Business Growth Fund	**11.80%** Andrew Dixon	**11.54%** Stephen Haines	**7.43%** Sian Dixon
7.69% Julie Fletcher	**6.18%** Canaccord Genuity Group	**6.18%** Ennismore Fund Management	

Share Capital

Details of the changes in the share capital of the Company during the year are set out in note 23.

Engagement with employees

The Group focuses on employee engagement and maintaining the positive culture that motivates existing and attracts new colleagues. During the year, the business engaged with its partners and employees on an ongoing basis and through multiple channels to ensure that their views were taken into account appropriately and the business was able to communicate its strategy, priorities, values and goals effectively throughout the organisation.

The Group's approach toward employee engagement is set out more fully in pages 6 to 9 in the Strategic Report.

The Board will take employee interests into account in its principal decisions, which the Board reports on further in its s172 compliance statement on pages 20 to 21.

Branches

The Company has no branches outside of the UK.

Political and charitable donations

The Company made no political or charitable donations during the year ended 31 December 2023.

Post-Balance Sheet Events

Post balance sheet events of the Group are set out in note 31 to the Accounts.

Research and Development

The Group did not undertake any research and development during the year ended 31 December 2023.

Share buybacks

The Company did not acquire any of its own shares during the year ended 31 December 2023.

Directors' third-party indemnity provisions

The Company has agreed to indemnify its Directors against third party claims which may be brought against them and has put in place a Directors' and officers' insurance policy.

Statement of disclosure to auditors

So far as each Director is aware, there is no relevant audit information of which the Company's auditors are unaware.

Each Director has taken all the steps that they ought to have taken as a Director in order to make himself or herself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Auditor

Crowe U.K. LLP has expressed their willingness to continue in office and a resolution to re-appoint them will be proposed at the annual general meeting.

The report of the Directors was approved by the Board on 25 April 2024 and signed on its behalf by:

Neil Evans
Chief Financial Officer
25 April 2024



STATEMENT OF DIRECTORS' RESPONSIBILITIES

Directors are responsible for preparing the Annual Report and the Group and Parent Company financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare Group and Parent Company financial statements for each financial year. The Directors are required by the AIM Rules of the London Stock Exchange to prepare Group Financial Statements in accordance with UK-adopted international accounting standards and applicable law and have elected to prepare the Parent Company financial statements on the same basis.

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 Group and Parent Company and of the Group's profit or loss for that period.

In preparing each of the Group and Parent Company financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable, relevant and reliable;
- state whether they have been prepared in accordance with UK-adopted international accounting standards;
- assess the Group and Parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Group or the Parent Company or to cease operations or have no realistic alternative but to do so.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Parent Company's transactions and disclose with reasonable accuracy at any time the financial position of the Parent Company and enable them to ensure that its financial statements comply with the Companies Act 2006.

They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities. Under applicable law and regulations, the Directors are also responsible for preparing a Strategic Report, Directors' Report, Directors' Remuneration Report and Corporate Governance Statement which comply with that law and those regulations.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Group's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Legislation in the United Kingdom governing the preparation and dissemination of Financial Statements may differ from legislation in other jurisdictions.

RESPONSIBILITY STATEMENT OF THE DIRECTORS IN RESPECT OF THE ANNUAL FINANCIAL REPORT

We confirm that to the best of our knowledge:

- The financial statements, prepared in accordance with UK-adopted international accounting standards, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company and Group and the undertakings included in the consolidation taken as a whole; and
- The Strategic Report includes a fair review of the development and performance of the business and the position of the issuer and the undertakings included in the consolidation, taken as a whole, together with a description of the principal risks and uncertainties that they face. We consider the Annual Report and Accounts, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Group's position and performance, business model and strategy.

We consider the Annual Report and Accounts, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Group's position and performance, business model and strategy.

Marsden Proctor
Chief Executive Officer

Neil Evans
Chief Financial Officer

25 April 2024

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF FACILITIES BY ADF PLC



Opinion

We have audited the financial statements of Facilities by ADF PLC (the "Parent Company") and its subsidiaries (the "Group") for the year ended 31 December 2023, which comprise:

- the Group statement of comprehensive income for the year ended 31 December 2023;
- the Group and Parent Company statements of financial position as at 31 December 2023;
- the Group and Parent Company statements of cash flows for the year then ended;
- the Group and Parent Company statements of changes in equity for the year then ended; and
- the notes to the financial statements, including significant accounting policies.

The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and UK-adopted international accounting standards.

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 31 December 2023 and of the Group's profit for the period then ended;
- have been properly prepared in accordance with UK-adopted international accounting standards;
- 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 section of our report named 'Auditor's responsibilities for the audit of the financial statements'. We are independent of the Group and the 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 as applied to listed entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the directors' assessment of the Group's and Parent Company's ability to continue to adopt the going concern basis of accounting included:

- obtaining managements forecasts covering the period 1 January 2024 to 31 December 2026. We have assessed how these forecasts have been prepared, including the appropriateness of management's forecasts and sensitivities to the underlying assumptions, as well as verifying the numerical inputs and accuracy of calculations;
- challenging the key assumptions used in the forecasts;
- reviewing the disclosures made in the financial statements relating to going concern and agreeing they are consistent with management's 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 the date that 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.

Overview of our audit approach

Materiality

In planning and performing our audit we applied the concept of materiality. An item is considered material if it could reasonably be expected to change the economic decisions of a user of the financial statements. We used the concept of materiality to both focus our testing and to evaluate the impact of misstatements identified.

Based on our professional judgement, we determined overall materiality for the Group financial statements to be £250,000 (2022: £325,000), based on approximately 3.5% of EBITDA. Materiality for the Parent Company as a whole was set at £249,999 (2022: £300,000) based on approximately 1% of net assets.

We use a different level of materiality ('performance materiality') to determine the extent of our testing for the audit of the financial statements. Performance materiality is set based on the audit materiality as adjusted for the judgements made as to the entity risk and our evaluation of the specific risk of each audit area having regard to the internal control environment. Performance materiality was set at £175,000 (2022: £210,000) for the group. Performance materiality was set at £174,999 (2022: £210,000) for the Parent Company.

Where considered appropriate performance materiality may be reduced to a lower level, such as, for related party transactions and directors' remuneration.

We agreed with the Audit Committee to report to it all identified errors in excess of £15,000 (2022: £15,000). Errors below that threshold would also be reported if, in our opinion as auditor, disclosure were to be required on qualitative grounds.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF FACILITIES BY ADF PLC

Overview of the scope of our audit

The group and its subsidiaries are accounted for at two locations, being the parent company's registered office and at Location One. The company consists of one parent company and two subsidiaries. Both subsidiaries have taken the subsidiary audit exemption and therefore we have not issued separate audit opinions on the individual financial statements of the subsidiaries. The subsidiaries were audited for the purposes of providing an audit opinion on the group. For the subsidiaries we set a lower level of component materiality at £225,000 for CAD Services Limited and £187,500 for Location One Limited.

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 period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included 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.

This is not a complete list of all risks identified by our audit.

Key audit matter	How the scope of our audit addressed the key audit matter
Impairment and earn-out (notes 14 and 21) In accordance with IFRS the group is required to test goodwill annually for impairment or more frequently if there are indications that goodwill or intangible assets might be impaired. In 2022 the group recognised £7.1m of goodwill in relation to its acquisition of Location One Limited. The risk of impairment is increased this year due to the writers strikes, resulting in the group being behind budget and interest rate increases impacting the discount rate at which future cashflows are required to be discounted. As part of the acquisition of Location One Limited deferred contingent consideration is payable. Due to the writers strikes this year there was considered to be a risk that the deferred contingent consideration EBITDA hurdles would be missed and therefore revisions would need to be made to the estimated earn-out.	**Impairment** We obtained management's impairment review, which included a discounted cash flow model. We challenged the inputs into the model, including the growth rates, forecast capital expenditure and discount rate applied. We requested that management sensitise the model to show a range of potential outcomes. **Contingent consideration** We obtained management's workings to calculate the revised earn-out and reviewed the basis of the calculations. We ensured that the calculations matched the forecasts used in the impairment modelling.

Our audit procedures in relation to these matters were designed in the context of our audit opinion as a whole.
They were not designed to enable us to express an opinion on these matters individually and we express no such opinion.



INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF FACILITIES BY ADF PLC

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 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.

Opinion on other matter 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 directors' report and strategic report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the Group and the 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 where 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 the directors for the financial statements

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

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



INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF FACILITIES BY ADF PLC



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.

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.

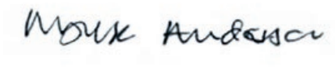
We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be the override of controls by management. Our audit procedures to respond to these risks included:

- enquiry of management about the Group's policies, procedures and related controls regarding compliance with laws and regulations and if there are any known instances of non-compliance;
- examining supporting documents for all material balances, transactions and disclosures;
- review of the board meeting minutes;
- evaluation of the selection and application of accounting policies related to subjective measurements and complex transactions;
- testing the appropriateness of journal entries recorded in the general ledger and other adjustments made in the preparation of the financial statements; and
- review of accounting estimates for bias.

A further description of our responsibilities is available 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.



Mark Anderson (Senior Statutory Auditor)
for and on behalf of

Crowe U.K. LLP
Statutory Auditor

Crowe U.K. LLP
55 Ludgate Hill
London
EC4M 7JW



CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Note	Year ended 31 December 2023 £'000	Year ended 31 December 2022 £'000
Revenue	3	34,796	31,414
Cost of sales		(22,399)	(19,742)
Gross profit		12,397	11,672
Administrative expenses		(10,069)	(6,218)
Non-recurring expenses	5	(258)	(78)
Share based payment expense	23	(59)	(59)
Operating profit		2,011	5,317
Finance expense	9	(1,396)	(702)
Profit before taxation		615	4,615
Taxation	10	179	(3)
Profit for the year		794	4,612
Other comprehensive income			
Other comprehensive income for the year		-	-
Total other comprehensive income		794	4,612
Earnings per share for profit attributable to the owners			
Basic earnings per share (Pence)	12	0.99	6.1
Diluted earnings per share (Pence)	12	0.93	5.4

The accompanying notes on page 60 to 89 form an integral part of these consolidated financial statements.

All amounts relate to continuing operations.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	As at 31 December 2023 £'000	As at 31 December 2022 £'000
Assets			
Current assets			
Inventories	13	576	417
Trade and other receivables	18	1,710	3,045
Cash and cash equivalents	19	3,533	9,518
Total current assets		5,819	12,980
Non-current assets			
Property, plant and equipment	15	12,638	10,680
Right-of-use assets	16	31,527	25,901
Intangible assets	14	6,262	7,289
Total non-current assets		50,427	43,870
Total assets		56,246	56,850
Liabilities			
Current liabilities			
Trade and other payables	20	2,941	6,322
Lease liabilities	16	5,624	3,705
Total current liabilities		8,565	10,027
Non-current liabilities			
Other provisions	17	40	38
Lease liabilities	16	19,584	17,524
Contingent consideration	21	60	878
Deferred tax liabilities	10	3,030	2,966
Total non-current liabilities		22,714	21,406
Total liabilities		31,279	31,433
Net Assets		24,967	25,417
Equity			
Called up share capital	23	809	794
Share premium	24	15,547	15,492
Share based payment reserve	24	1,459	1,652
Merger reserve	24	(400)	(400)
Retained earnings	24	7,552	7,879
Total equity		24,967	25,417

The notes on pages 60 to 89 form an integral part of these consolidated financial statements.
The financial statements were approved and authorised for issue by the Board on 25 April 2024 and signed on its behalf by:



Neil Evans
Director
Company registered number: 13761460

COMPANY STATEMENT
OF FINANCIAL POSITION

	Note	As at 31 December 2023 £'000	As at 31 December 2022 £'000
Assets			
Current assets			
Trade and other receivables	18	307	307
Amounts due from subsidiaries	18	11,588	12,959
Total current assets		11,895	13,266
Non-current assets			
Investment in subsidiary	22	14,799	15,534
Deferred tax assets	10	861	752
Total non-current assets		15,660	16,286
Total assets		27,555	29,552
Liabilities			
Current liabilities			
Trade and other payables	20	65	1,161
Total current liabilities		65	1,161
Non-current liabilities			
Contingent consideration	21	60	878
Total non-current liabilities		60	878
Total liabilities		125	2,039
Net Assets		27,430	27,513
Equity			
Called up share capital	23	809	794
Share premium	24	15,547	15,492
Share based payment reserve	24	1,459	1,652
Merger relief reserve	24	7,947	7,947
Retained earnings		1,668	1,628
Total equity		27,430	27,513

The notes on pages 60 to 89 form an integral part of these consolidated financial statements.

The Company has elected to take exemption under section 408 of the Companies Act 2006 from presenting the Company statement of comprehensive income. The profit for the Company for the year ended 31 December 2023 was £1,161,162.

The financial statements were approved and authorised for issue by the Board on 25 April 2024 and signed on its behalf by:

Neil Evans

Neil Evans
Director
Company registered number: 13761460

CONSOLIDATED STATEMENT
OF CHANGES IN EQUITY

	Note	Share Capital £'000	Share Premium £'000	Share Based Payment Reserve £'000	Merger Reserve £'000	Retained Earnings £'000	Total Equity £'000
Balance at 01 January 2022		455	787	1,332	(400)	3,322	5,496
Comprehensive Income							
Profit for the year		-	-	-	-	4,612	4,612
Transactions with owners							
Issue of shares on AIM listing	23	300	14,700	-	-	-	15,000
Costs of issue of shares on AIM listing		-	(1,457)	-	-	-	(1,457)
Exercise of options	23	5	-	-	-	-	5
Share based payment charge on AIM listing		-	(261)	261	-	-	-
Share based payment charge on long term incentive program	-	-	59	-	-	59	1,332
Deferred tax adjustment	10	-	-	-	-	295	295
Business acquisition		34	1,846	-	-	-	1,880
Costs of issue of shares		-	(123)	-	-	-	(123)
Dividends	23	-	-	-	-	(350)	(350)
Balance at 31 December 2022		794	15,492	1,652	(400)	7,879	25,417
Balance at 01 January 2023		794	15,492	1,652	(400)	7,879	25,417
Comprehensive Income							
Profit for the year		-	-	-	-	794	794
Transactions with owners							
Exercise of options	23	15	55	(252)	-	252	70
Share based payment charge on long term incentive program		-	-	59	-	-	59
Deferred tax on share options	10	-	-	-	-	(243)	(243)
Dividends	23	-	-	-	-	(1,130)	(1,130)
Balance at 31 December 2023		809	15,547	1,459	(400)	7,552	24,967

The notes on pages 60 to 89 form an integral part of these consolidated financial statements.



COMPANY STATEMENT OF CHANGES IN EQUITY

	Note	Share Capital £'000	Share Premium £'000	Share Based Payment Reserve £'000	Merger Relief Reserve £'000	Retained Earnings £'000	Total Equity £'000
Balance at 01 January 2022		455	787	1,332	7,947	(2,655)	7,866
Comprehensive Income							
Profit for the year		-	-	-	-	4,338	4,338
Transactions with owners							
Issue of shares on AIM listing	23	300	14,700	-	-	-	15,000
Costs of issue of shares on AIM listing		-	(1,457)	-	-	-	(1,457)
Exercise of options	23	5	-	-	-	-	5
Share based payment charge on AIM listing		-	(261)	261	-	-	-
Share based payment charge on long term incentive program		-	-	59	-	-	59
Deferred tax adjustment	10	-	-	-	-	295	295
Business acquisition		34	1,846	-	-	-	1,880
Costs of issue of shares		-	(123)	-	-	-	(123)
Dividends	11	-	-	-	-	(350)	(350)
Balance at 31 December 2022		794	15,492	1,652	7,947	1,628	27,513
Balance at 01 January 2023		794	15,492	1,652	7,947	1,628	27,513
Comprehensive Income							
Profit for the year		-	-	-	-	1,161	1,161
Transactions with owners							
Exercise of options	23	15	55	(252)	-	252	70
Share based payment charge on long term incentive program		-	-	59	-	-	59
Deferred tax on share options	10	-	-	-	-	(243)	(243)
Dividends	11	-	-	-	-	(1,130)	(1,130)
Balance at 31 December 2023		809	15,547	1,459	7,947	1,668	27,430

The notes on pages 60 to 89 form an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CASHFLOWS

	Note	Year ended 31 December 2023 £'000	Year ended 31 December 2022 £'000
Cash flows from operating activities			
Profit before taxation from continuing activities		615	4,615
Adjustments for non-cash/non-operating items:			
Depreciation of property, plant and equipment	15	1,751	611
Amortisation of right-of-use assets	16	3,227	1,899
Amortisation of intangible assets	14	18	3
Impairment of goodwill	14	1,019	-
(Profit)/ loss on disposal of property, plant and equipment	15	(84)	52
Loss on disposal of right of use assets	16	75	-
Share based payment charge	23	59	59
Fair value gain on deferred consideration	21	(818)	-
Finance expense	9	1,396	702
		7,258	7,941
Increase in inventories	13	(159)	(417)
Decrease in trade and other receivables		1,335	259
Decrease in trade and other payables		(3,381)	(3,517)
Net cash generated from operating activities		5,053	4,266
Cash flows from investing activities			
Purchase of property, plant and equipment	15	(4,437)	(4,056)
Purchase of intangible assets	14	(10)	(81)
Purchase of right-of-use assets1		(90)	(964)
Proceeds from sale of property, plant and equipment		434	-
Increase in amounts due from directors		-	(180)
Cost of business acquisition		-	(3,595)
Net cash used in investing activities		(4,103)	(8,876)
Cash flows from financing activities			
Proceeds from ordinary share issue	23	70	15,005
Cost of share issue		-	(1,580)
Repayment of borrowings	29	-	(342)
Payments on lease liabilities	16	(4,479)	(2,890)
Interest paid on lease liabilities	9, 16	(1,335)	(695)
Interest on deferred consideration	9	(57)	-
Other interest paid	9	(4)	(7)
Dividends paid	11	(1,130)	(350)
Net cash used in financing activities		(6,935)	9,141
Net (decrease)/ increase in cash and cash equivalents	19	(5,985)	4,531
Cash and cash equivalents at beginning of year	19	9,518	4,987
Cash and cash equivalents at end of year	19	3,533	9,518

1The purchase of right-of-use assets relates to cash additions made to improve assets held on hire purchase, included in right -of-use assets as detailed in note 16.

The notes on pages 60 to 89 form an integral part of these consolidated financial statements.



COMPANY STATEMENT OF CASHFLOWS

	Note	Period ended 31 December 2023 £'000	Period ended 31 December 2022 £'000
Cash flows from operating activities			
Profit before taxation from continuing activities		808	3,881
Adjustments for non-cash/non-operating items:			
Impairment of investment		735	-
Fair value gain on deferred consideration	21	(818)	-
Share based payment charge	24	59	59
		784	3,940
Decrease in trade and other receivables	18	-	508
(Decrease)/ increase in trade and other payables	20	(1,096)	998
Cash from operations		(312)	5,446
Net cash generated from operating activities		(312)	5,446
Cash flows from investing activities			
Acquisition of investment in subsidiary		-	(4,430)
Receipts from/ (funds advanced to) subsidiary	18	1,372	(13,911)
Increase in amounts due from directors		-	(180)
Net cash used in investing activities		1,372	(18,521)
Cash flows from financing activities			
Proceeds from ordinary share issue	23	70	15,005
Cost of share issue		-	(1,580)
Dividends paid	11	(1,130)	(350)
Net cash used in financing activities		(1,060)	13,075
Net movement in cash and cash equivalents		-	-
Cash and cash equivalents at incorporation		-	-
Cash and cash equivalents at end of period		-	-

Facilities by ADF Plc does not hold its own bank account, the cash flow has been presented as if the Group bank account had a protected Company cell in order to present meaningful cash flow information.

The notes on pages 60 to 89 form an integral part of these consolidated financial statements.

1 Accounting policies

1.1 Basis of preparation

Facilities by ADF PLC (the "Company") and its subsidiaries (together, the "Group") is a public company limited by shares, incorporated, domiciled and registered in England and Wales in the UK. The registered number is 13761460 and the registered address is Ground Floor 31 Oldfield Road, Bocam Park, Pencoed, Bridgend, United Kingdom, CF35 5LJ.

The consolidated and Company financial statements are for the year ended 31 December 2023. They have been prepared in accordance with UK-adopted international accounting standards in conformity with the requirements of the UK Companies Act 2006.

The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") under the historical cost convention, as modified by the use of fair value for financial instruments measured at fair value. The financial statements are presented in thousands of pounds sterling ("£'000") except where otherwise indicated.

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to both the Company and the Group where applicable. The policies have been consistently applied to all the periods presented, unless otherwise stated.

For the year ending 31 December 2023 the following subsidiaries of the parent company are entitled to take exemptions from audit under Section 479A of the Companies Act 2006 relating to subsidiary companies.

Subsidiary	Company registered number
CAD Services Limited	04533535
Location 1 Group Limited	11786214
Location One Limited	05949293

The Company has provided a guarantee for all outstanding debts and liabilities to which the subsidiary companies listed above are subject at the end of the financial year, in accordance with Section 479C of the Companies Act 2006.

1.2 Going concern

The Group has continued to invest in growth throughout the financial year, with the Group continuing to trade throughout in a net asset position.

The Directors are pleased with the progress of trading to date, and in particular, the progress made relative to the challenges of the film and television industry, whereby the USA Writers (Writers Guild of America (WGA)) and Actors (Screen Actors Guild - American Federation of Television and Radio Artists (SAG-AFTRA)) strikes impacted productions around the globe, from July 2023 through to late Autumn 2023. The strikes caused film and TV productions in the UK, on which ADF were engaged, to stop or delay productions that were scheduled to start filming in autumn 2023 and pushing these to early 2024. The Directors note that the strikes were a short-term impact on the business and are confident the Group is in a robust position to capitalise on the opportunity ahead once previous production levels resume, underpinning confidence in the long-term success of the Group.

The Directors are continuing to identify acquisitions as well as focussing on the continuation of the organic growth experienced in recent years. The Company acquired a new a business in the previous financial period and significant synergies are expected to continue to be achieved over the coming 12 months from this.

The financial statements have been prepared on the going concern basis which the Directors believe to be appropriate for the following reasons. The Directors have prepared cash flow forecasts for a 12-month period from

the date of approval of these financial statements. They have applied a range of sensitivities to these forecasts and such forecasts and analysis have indicated that sufficient funds should be available to enable the Group to continue in operational existence for the foreseeable future by meeting its liabilities as they fall due for payment.

1.3 New standards, amendments, and interpretations

The following amendments to standards have become effective for the first time for annual reporting periods commencing on 1 January 2023 and have been adopted in preparing these financial statements:

- Amendments to IAS 1 and IFRS Practice Statement 2 – Disclosure of Accounting Policies;
- Amendments to IAS 8 – Definition of Accounting Estimates; and
- Amendments to IAS 12 – Deferred Tax related to Assets and Liabilities arising from a Single Transaction.

The adoption of these amendments had no material impact on the financial statements.

At the date of approval of these financial statements, the following amendments to IFRS which have not been applied in these financial statements were in issue, but not yet effective, until annual periods beginning on 1 January 2024:

- Supplier Finance Arrangements (Amendments to IAS 7 and IFRS 7);
- Non-current Liabilities with Covenants (Amendments to IAS 1);
- Amendments to IFSR 16 – Lease liability in sale and leaseback;
- Amendments to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current; and
- Amendments to IAS 21 Lack of Exchangeability*.

*Subject to endorsement by the UK

The adoption of these amendments is not expected to have a material impact on the consolidated and Company financial statements.

1.4 Basis of consolidation

The consolidated financial statements incorporate the results of the Company and all of its subsidiary undertakings. The Group applies the acquisition method in accounting for business combinations. The consideration transferred by the Group to obtain control of a subsidiary is calculated as the sum of the acquisition-date fair values of assets transferred, liabilities incurred, and the equity interests issued by the Group, which includes the fair value of any asset or liability arising from a contingent consideration arrangement. Acquisition costs are expensed as incurred. Assets acquired and liabilities assumed are generally measured at their acquisition-date fair value.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used in line with those used by other members of the Group.

Subsidiaries

Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group until the date that control ceases.

Transactions eliminated on consolidation

Intra-group balances, and any gains and losses or income and expenses arising from intra-group transactions, are eliminated in preparing the financial information. Losses are eliminated in the same way as gains, but only to the extent that there is no evidence of impairment.



1.5 Revenue recognition

IFRS 15 "Revenue from Contracts with Customers" is a principle-based model of recognising revenue from contracts with customers. It has a five-step model that requires revenue to be recognised when control over goods and services are transferred to the customer.

Revenue includes facilities rental incomes, fees from the provision of services incidental to facilities and fuel. Revenue is measured at the fair value of consideration received or receivable, net of discounts, VAT, and sales taxes.

Revenue from all other services rendered is recognised proportionally over the period in which the facilities are rented out based on the terms of the contract. The stage of completion is assessed on the basis of the actual service provided (number of days of rental in the accounting period).

Fuel income was recognised at the point of time of delivery. Revenue from sale of fuel cards ceased in the period ending 31 December 2022.

1.6 Employee benefits: Pension obligations

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

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

1.7 Net finance costs

Finance expense

Finance expense comprises of interest payable and lease interest which are expensed in the period in which they are incurred and reported in finance costs. Debt issue costs are capitalised and amortised over the life of the associated facility.

Finance income

Finance income relates to interest on bank deposits.

1.8 Foreign currency translation

Transactions in foreign currencies are translated to Sterling (the currency of the primary economic environment in which the Group operates) at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the statement of financial position date are retranslated to the functional currency at the foreign exchange rate ruling at that date. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Foreign exchange differences arising on translation are recognised in the Statement of Comprehensive Income, within interest receivable and interest payable.

The consolidated and Company financial statements are presented in GBP, which is the Group's and Company's presentational currency. The functional currency of the Company is GBP.

1.9 Current and deferred taxation

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

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

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

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

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



1 Accounting policies (continued)

1.10 Property plant and equipment

Property, plant and equipment is stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

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

Depreciation is provided on the following basis:

Plant and machinery	25% reducing balance and 1 – 10 years straight-line
Motor vehicles	10% reducing balance and 5 years straight-line
Computer equipment	25% reducing balance
Hire fleet	10% reducing balance
Leasehold improvements	25% reducing balance

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

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of Comprehensive Income.

Assets under construction are those that are being built or developed with the intention of being used in the business operations of the Group. These assets are not depreciated until they are completed and ready to be used. Once an asset is completed, it is transferred to a separate class of asset in property, plant and equipment or right-of-use assets and is then subject to depreciation. This transfer is made at the point of time the asset is completed and is ready for use.

The cost of the asset under construction includes all costs directly attributable to bringing the asset to the condition necessary for it to be used for its intended purpose. These costs may include direct labour, direct materials, and other expenses incurred during the construction period.

1.11 Impairment of assets

Assets that are subject to depreciation or amortisation are assessed at each reporting date to determine whether there is any indication that the assets are impaired. Where there is any indication that an asset may be impaired, the carrying value of the asset (or cash generating unit to which the asset has been allocated) is tested for impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's (or CGU's) fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (CGUs). Non financial assets that have been previously impaired are reviewed at each reporting date to assess whether there is any indication that the impairment losses recognised in prior periods may no longer exist or may have decreased.

1.12 Leased assets

The Group assesses whether a contract is, or contains, a lease. 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 at inception of a contract.

To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether: an identified physically distinct asset can be identified; and the Group has the right to obtain substantially all of the economic benefits from the asset throughout the period of use and has the ability to direct the use of the asset over the lease term being able to restrict the usage of third parties as applicable.

All leases are accounted for by recognising a right-of-use asset and a lease liability except for:

- Leases of low value assets; and
- Leases with a duration of 12 months or less.

Lease liabilities are measured at the present value of the contractual payments due to the lessor over the lease term, with the discount rate determined by reference to the rate inherent in the lease unless (as is typically the case) this is not readily determinable, in which case the Group's incremental borrowing rate on commencement of the lease is used.

On initial recognition, the carrying value of the lease liability also includes:

- amounts expected to be payable under any residual value guarantee;
- the exercise price of any purchase option granted in favour of the Group if it is reasonably certain to access that option; and
- any penalties payable for terminating the lease, if the term of the lease has been estimated on the basis of the termination option being exercised.

Right of use assets are initially measured at the amount of the lease liability, reduced for any lease incentives received, and increased for:

- lease payments made at or before commencement of the lease;
- initial direct costs incurred; and
- the amount of any provision recognised where the Group is contractually required to dismantle, remove, or restore the leased asset.

Subsequent to initial measurement lease liabilities increase as a result of interest charged at a constant rate on the balance outstanding and are reduced for lease payments made. Right-of-use assets are amortised on a straight-line basis over the remaining term of the lease or over the remaining economic life of the asset if, rarely, this is judged to be shorter than the lease term.

1 Accounting policies (continued)

1.13 Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand and short term highly liquid deposits which are subject to an insignificant risk of changes in value. Bank overdrafts that are repayable on demand and form an integral part of cash management are included as a component of cash and cash equivalents for the purpose only of the cash flow statement.

1.14 Financial Instruments

Financial instruments are all financial assets and financial liabilities that comprise a contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity and are detailed in notes to the accounts.

Financial assets and financial liabilities are recognised when the Group becomes party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable (other than financial assets or liabilities at fair value through profit or loss) are added to or deducted from the fair value as appropriate, on initial recognition.

Financial assets and financial liabilities are offset, and the net amount reported in the consolidated statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

Financial assets

The Group and Company's financial assets held at amortised cost comprise trade and other receivables and cash and cash equivalents in the consolidated statement of financial position.
These assets are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market.
They arise principally through the provision of goods and services to customers (e.g., trade receivables), but also incorporate other types of financial assets where the objective is to hold their assets in order to collect contractual cash flows and the contractual cash flows are solely payments of the principal and interest.
They are initially recognised at fair value plus transaction costs that are directly attributable to their acquisition or issue and are subsequently carried at amortised cost using the effective interest rate method, less provision for impairment.

Impairment of financial assets

Impairment provisions for trade receivables are recognised based on the simplified approach within IFRS 9 using the lifetime expected credit losses. During this process the probability of the non-payment of the trade receivables is assessed. This probability is then multiplied by the amount of the expected loss arising from default to determine the lifetime expected credit loss for the trade receivables.

Impairment provisions for other receivables are recognised based on the general impairment model within IFRS 9. In doing so, the Group follows the 3-stage approach to expected credit losses. Step 1 is to estimate the probability that the debtor will default over the next 12 months. Step 2 considers if the credit risk has increased significantly since initial recognition of the debtor. Finally, Step 3 considers if the debtor is credit impaired, following the criteria under IFRS 9.

The Group's financial liabilities held at amortised cost comprise trade payables and other short-dated monetary liabilities, and other borrowings in the consolidated statement of financial position.

Trade payables and other short-dated monetary liabilities are initially recognised at fair value and subsequently carried at amortised cost using the effective interest rate method.

Other borrowings are initially recognised at fair value net of any transaction costs directly attributable to the issue of the instrument. Such interest-bearing liabilities are subsequently measured at amortised cost using the effective

interest rate method, which ensures that any interest expense over the period to repayment is at a constant rate on the balance of the liability carried in the consolidated statement of financial position.
For the purposes of each financial liability, interest expense includes initial transaction costs and any premium payable on redemption, as well as any interest or coupon payable while the liability is outstanding.

Unless otherwise indicated, the carrying values of the Group's and Company financial liabilities measured at amortised cost represents a reasonable approximation of their fair values.

Financial liabilities

The Group and Company measures its financial liabilities at amortised cost. All financial liabilities are recognised in the statement of financial position when the Group and Company becomes a party to the contractual provision of the instrument.

1.15 Share based payments

The Group issues equity-settled share-based incentives to certain employees in the form of share options. Equity-settled share-based payments are measured at fair value at the date of grant. The fair value determined at the grant

date is expensed in the Group's financial statements on a straight-line basis over the estimated vesting period, based on the estimate of shares that will eventually vest.

Employee share scheme

Share options that have been issued by the Group have been reviewed under the Black Scholes model to evaluate any provision that may be required to set against the reserves of the Group. The share-based payment expense has been calculated and detailed per the notes to the financial statements.

Equity-settled share-based payments to employees are measured at the fair value of the equity instrument at the grant date. The fair value determined at grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of equity instruments that will eventually vest. At each reporting date, the Group revises its estimate of the number of equity instruments expected to vest as a result of the effect of non-market based vesting conditions. The impact of the revision of the original estimates, if any, is recognised in the profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to equity reserves.

Long-term incentive plan

The Group has a long-term incentive plan.

Long term incentive options that have been issued by the Group have been reviewed under the Monte Carlo model to evaluate any provision that may be required to set against the reserves of the Group. The share-based payment expense has been calculated and detailed per the notes to the financial statements. There are conditions associated with the long-term incentive options issued which requires the fair value charge associated with the options to be allocated over the minimum vesting period.

1.16 Provision

Provisions are charged as an expense to the Statement of Comprehensive Income in the year that the Group becomes aware of the obligation and are measured at the best estimate at the Statement of Financial Position date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties. When payments are eventually made, they are charged to the provision carried in the Statement of Financial Position.

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

1.17 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

1.18 Operating segments

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker ('CODM'). The CODM, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors of the Group. The Group had two reporting segments, being the hire of facilities, and Location One (which represents all revenues and cost of sales generated from Location 1 Group Limited and Location One Limited) during the year ending 31 December 2023. The Group previously report fuel cards by ADF as a separate operating segment, during the prior year ending 31 December 2022 the Group ceased trading of fuel cards.

1.19 Investments

Investments are stated at their cost less impairment losses.

1.20 Inventories

Inventories are stated at the lower of cost or net realisable value. Net realisable value is the amount that can be realised from the sale of the inventory in the normal course of business after allowing for the costs of realisation. An allowance is recorded for obsolescence and slow-moving items.

Inventories held consist of stored goods to be used in the support of production vehicles and maintenance.

1.21 Intangible assets

Goodwill is recorded as an intangible asset and is the surplus of the cost of acquisition over the fair value of identifiable net assets acquired. Goodwill is reviewed annually for impairment. Any impairment identified as a result of the review is charged in the statement of profit or loss and other comprehensive income.

Intangible assets, including software, acquired separately from a business are capitalised at cost. They are subsequently accounted for at cost less depreciation and impairment. The useful life of software is estimated to be 10 years.

Intangible assets acquired on business combinations are capitalised separately from goodwill at fair value on initial recognition. Intangible assets are amortised on a straight-line basis over their useful lives.

The estimated useful lives, residual values, and depreciation method are reviewed at the end of each period.

2 Critical accounting judgements and estimates

The preparation of the financial information in compliance with IFRS requires the use of certain critical accounting estimates. It also requires the Group management to exercise judgement and use assumptions in applying the Group's accounting policies. The resulting accounting estimates calculated using these judgements and assumptions will, by definition, seldom equal the related actual results but are based on historical experience and expectations of future events. Management believe that the estimates utilised in preparing the financial information are reasonable and prudent critical accounting judgements and estimates.

Estimates and judgements are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions. The judgements and key sources of estimation uncertainty that have a significant effect on the amounts recognised in the financial information is discussed below:

Key accounting estimates and judgements

The following are the areas requiring the use of estimates and judgements that may significantly impact the financial information.

Judgements

Hire of equipment revenues constitute leases

Any arrangement that is dependent on the use of a specific asset or assets should be accounted for as a lease under IFRS 16. The Directors have concluded that none of the Group contracts with customers include the use of an asset as substantive substitution rights exist throughout the period of use, whereby substitution would be economically beneficial to the Group. All revenues therefore are classified within the scope of IFRS 15.

Estimates

Discount rates

IFRS 16 states that the lease payments shall be discounted using the lessee's incremental borrowing rate where the rate implicit in the lease cannot be readily determined. Accordingly, all lease payments have been discounted using the incremental borrowing rate (IBR). The IBR has been determined by management using a range of data including current economic and market conditions, review of current debt and capital within the Group, lease length and comparisons against seasoned corporate bond rates and other relevant data points. Significant changes in IBR would cause changes to both the value of the right-of-use assets and corresponding lease liabilities. Sensitivity analysis has been performed on IBR rates in note 16 of these financial statements.

Impairment of intangible assets

Following the assessment of the recoverable amount of goodwill allocated to Location 1 Group Limited to which goodwill of £7,211,397 was allocated on completion of the acquisition in the year ended 31 December 2022, the Directors consider the recoverable amount of goodwill allocated Location 1 Group Limited to be most sensitive to the achievement of the Group's long-term budget and projected forecasts. Budgets comprise forecasts of costs, and capital expenditure based on current and anticipated market conditions that have been considered and approved by the Board. Approved budgets cover the next thirty-six months, whilst the forecasted period extends to five years. The recoverable amount of the Location 1 Group Limited (a singular cash-generating unit) is determined based on a value in use calculation which uses cash flow projections based on the financial budgets and forecasted five-year period, using a pre-tax discount rate of 18 per cent per annum.

Whilst the Group is able to manage most of the costs, the revenue projections are uncertain, in the short term, due to the current challenges which the film and television industry in the year ended 31 December 2023. The WGA and SAG-AFTRA strikes impacted productions around the globe, from July 2023 through to late Autumn 2023. The strikes caused film and TV productions in the UK, on which ADF were engaged, to stop or delay productions that were scheduled to start filming in autumn 2023 and pushing these to early 2024. The Directors note that the strikes were a short-term impact on the business and are confident the Group is in a robust position to capitalise on the opportunity ahead once previous production levels resume, underpinning confidence in the long-term success of the Group. Due to the timing of any rescheduled productions, it is possible that further differences between forecast and actual results may differ into early 2024.

The sensitivity analysis in respect of the recoverable amount of Location 1 Group Limited goodwill is presented in note 14. The Group recorded an impairment charge of £1,019,080 recorded in the current year ended 31 December 2023.

Deferred consideration

On completion of the acquisition of 100% of the share capital of Location 1 Group Ltd the payment of contingent consideration was valued at £60,474 (2022: £877,892). The contingent consideration value was estimated by management using a range of probabilities to determine the potential payment of earn out over the consideration period and the expected results of Location 1 Group Limited. The maximum value of contingent consideration payable, based on meeting all the earn out criteria, would be a liability due of £2,657,788 (2022: £4,059,788). Further if none of the criteria is met then no payment of consideration would be due, giving no liability to the Company. No payments were made in respect of deferred consideration in the year (2022: £Nil). The reduction in valuation in the year resulted as the deferred consideration is based on a cumulative earn out target, whereby due to the WGA and SAG-AFTRA strikes impacting productions, from July 2023 through to late Autumn 2023, management have estimated it is unlikely that the earn out will be met.

3 Revenue from contracts with customers

All of the Group's revenue was generated from the provision of services in the UK, apart from Hire of Facilities revenues totalling £314,323 (2022: £557,911) which were generated in the European Union. 4 platform customers make up 10% or more of revenue in the year ending 31 December 2023 (2022: 2). During the year management considered revenue derived from one business stream (2022: Two), being the 'hire of facilities'. As at 31 December 2022 the Group had ceased trading of fuel cards. Fuel cards by ADF was still identified as a separate reporting segment up until this date.

Revenue from customers[1]	Year ended 31 December 2023 £'000	Year ended 31 December 2022 £'000
Hire of facilities		
Customer 1	5,929	7,338
Customer 2	5,273	-
Customer 3	2,704	4,674
Customer 4	4,917	-
Customer 5	4,547	-
All other customers	11,426	19,224
Fuel by ADF	-	178
	34,796	31,414

Timing of transfer of goods or services	Year ended 31 December 2023 £'000	Year ended 31 December 2022 £'000
Services transferred over time	34,796	31,236
At a point in time	-	178
	34,796	31,414

The following table provides information about contract liabilities with customers, there were no contract assets as at 31 December 2023 (2022: None):

	Year ended 31 December 2023 £'000	Year ended 31 December 2022 £'000
Deferred income	33	576

Revenue recognised in the year that was deferred from the previous year was £575,697 (2022: £518,555). The contract liabilities relate to the deferred income in respect of facilities rented. Revenue is being recognised across the actual service provided (number of days of rental in the accounting period).

[1] Revenue has been disaggregated by platform commissioned productions, rather than at a invoiced special purpose vehicle company level, for the purpose of alignment with the Director's reporting in the Strategic Report.



4 Segmental reporting

The Group has two reporting segments, being the hire of facilities and Location One (which represents all revenues and cost of sales generated from Location 1 Group Limited and Location One Limited). No non-GAAP reporting measures are monitored. Total assets and liabilities are not provided to the CODM in the Group's internal management reporting by segment and therefore are not presented below, information on segments is reported at a gross profit level only. Information about geographical revenue is disclosed in note 3. All non-current assets are located in the UK.

As at 31 December 2022 the Group had ceased trading of fuel cards. Fuel cards by ADF was still identified as a separate reporting segment up until this date, as fuel cards were sold in the year to 31 December 2022.

	Year ended 31 December 2023 £'000	Year ended 31 December 2022 £'000
Revenue		
Hire of facilities	26,425	30,518
Location One	8,371	718
Fuel by ADF	-	178
	34,796	31,414
Cost of sales profit		
Hire of facilities	17,146	19,144
Location One	5,253	433
Fuel by ADF	-	165
	22,399	19,742
Gross Profit	12,397	11,672

5 Expenses by nature

Operating profit is stated after charging:

	Year ended 31 December 2023 £'000	Year ended 31 December 2022 £'000
Depreciation of property, plant and equipment	1,751	611
(Profit)/ loss on disposal of property, plant and equipment	(84)	52
Amortisation of right-of-use assets	3,227	1,899
Loss on disposal of right-of-use assets	75	-
Non-recurring expenses:		
Impairment of goodwill	1,019	-
Gain on deferred consideration	(818)	-
Social security costs in respect of options exercised	57	-
Expenses in respect of acquisitions	-	78

Non-recurring expenses relate to one off fee expenses charged to the statement of comprehensive income.

6 Auditor remuneration

	Year ended 31 December 2023 £'000	Year ended 31 December 2022 £'000
Fee payable for the audit of the Group's financial statements	68	71
Fees relating to tax services	3	-
Fees relating to other services	11	57
	82	109

£11,000 of other services relating to auditor remuneration has been recognised in the year ended 31 December 2023, in respect of due diligence fees. Fees incurred in the year ended 31 December 2022 of £57,000, were in respect of business acquisition due diligence.

7 Employee benefit expenses

For the Group employee benefit expenses (including directors) comprise:

	Year ended 31 December 2023 £'000	Year ended 31 December 2022 £'000
Wages and salaries	12,730	9,591
Social security contributions and similar taxes	1,222	1,118
Share based payment expense	59	59
Pension costs	235	170
	14,246	10,938

Average number of people (including directors) employed by activity for the Group are:

	Year ended 31 December 2023	Year ended 31 December 2022
Drivers and transport	107	35
Head office and senior management	46	40
Workshop, yard, and base staff	172	128
	325	203

The Group's subsidiary CAD Services Limited bears all the employee benefit expenses on behalf of Facilities by ADF PLC, apart from the share-based payment charges which are born by Facilities by ADF PLC. There were 6 (2022: 5) Directors employed by the Company as at 31 December 2023.

8 Director emoluments

Director emoluments comprise:

	Year ended 31 December 2023 £'000	Year ended 31 December 2022 £'000
Remuneration for qualifying services	619	858
Share based payment expense	59	59
Pension costs	3	3
	681	920

Directors participating in money purchase pension schemes as at the period end 2023 was 2 (2022: 2).

Key management personnel include all Directors of the Company and the Directors of CAD Services Limited, the Group's principal trading subsidiary, who together have authority and responsibility for planning, directing, and controlling the activities of the Group's business. There are no key management personnel other than the Directors.

Remuneration disclosed above include the following amounts paid to the highest paid Director:

	Year ended 31 December 2023 £'000	Year ended 31 December 2022 £'000
Wages and salaries	250	379
Share based payment expense	33	33
Pension costs	1	1
	284	413

9 Finance expense

	Year ended 31 December 2023 £'000	Year ended 31 December 2022 £'000
Interest on bank loans & overdrafts	4	7
Interest on lease liabilities	1,335	695
Interest on deferred consideration	57	-
	1,396	702

10 Taxation

Analysis of expense in year	Year ended 31 December 2023 £'000	Year ended 31 December 2022 £'000
Current tax on profits for the year	-	-
Adjustments in respect of previous years	-	-
Total current tax	-	-
Deferred tax		
Origination and reversal of temporary differences	(62)	683
Adjustments in respect of change in deferred tax rate	(117)	(680)
Total deferred tax	(179)	3
Tax expense per statement of comprehensive income	(179)	3

The tax credits for the periods presented differ from the standard rate of corporate tax in the UK. The differences are explained below:

	Year ended 31 December 2023 £'000	Year ended 31 December 2022 £'000
Profit on ordinary activities before tax	615	4,612
Tax using the Group's domestic tax rates	145	876
Effects of:		
Expenses not deductible for tax purposes	29	34
Deductions in respect of share options	(157)	-
Changes in contingent consideration not taxable	(205)	-
Effect of changes in tax rates	(4)	165
Adjustments in respect of change in deferred tax rate	(117)	(680)
Additional deductions for capital allowances	189	(392)
Share based payment adjustment	(59)	-
Total tax charge	(179)	3

Corporation tax for the year ended 31 December 2023 was calculated using a marginal tax rate of 23.5 per cent. (2022: 19%). The UK corporation tax was set at the main rate of 25% from 1 April 2023.

Current tax assets and liabilities

	As at 31 December 2023 £'000	As at 31 December 2022 £'000
Income tax payable	-	-
	-	-

10 Taxation *(continued)*

The following is the analysis of the deferred tax balances for financial reporting purposes:

Group	As at 31 December 2023 £'000	As at 31 December 2022 £'000
Accelerated capital allowances and other temporary differences	2,966	5,222
Losses	(179)	(1,659)
Share based payments	243	(597)
Deferred tax liability	3,030	2,966

Deferred tax liabilities of £3,029,677 consists of losses totalling £3,384,284 and share based payments totalling £(354,607).

Company	As at 31 December 2023 £'000	As at 31 December 2022 £'000
Accelerated capital allowances and other temporary differences	(752)	(155)
Losses	(352)	-
Share based payments	243	(597)
Deferred tax asset	(861)	(752)

Movement in the year

Group	£'000
Liability at 1 January 2022	2,714
Charge to profit and loss	683
Charge to equity	(295)
Arising on business acquisitions	544
Adjustments in respect of change in deferred tax rate	(680)
Liability at 31 December 2022	2,966
Liability at 1 January 2023	2,966
Charge to profit and loss	(62)
Charge to equity	243
Adjustments in respect of change in deferred tax rate	(117)
Liability at 31 December 2023	3,030

Company	£'000
Asset at 1 January 2022	-
Charge to profit and loss	(124)
Charge to equity	(295)
Adjustments in respect of prior years	(333)
Asset at 31 December 2022	(752)
Liability at 1 January 2023	(752)
Charge to profit and loss	(352)
Charge to equity	243
Asset at 31 December 2023	(861)

11 Dividends

	Year ended 31 December 2023 £'000	Year ended 31 December 2022 £'000
Dividends paid on ordinary shares	1,130	350
	1,130	350

The Company declared a final dividend of 0.90 pence per share in June 2023 in relation to the year ended 31st December 2022. This took the total dividend for that year to 1.36 pence per share, with the interim dividend of 0.46 pence per share in October 2022.

It was decided that an interim dividend of 0.50 pence per ordinary share was to be paid to shareholders for the year ended 31 December 2023.

During the year the Company discovered that the interim dividends paid during the year ended 31 December 2022 were made otherwise than in accordance with the Companies Act 2006. This occurred as the Company's latest set of filed accounts, at the time of the dividend payment, did not show relevant distributable reserves to make such payment. This principally resulted from the failure to identify the requirement to post interim financial statements of the Company showing the required distributable reserves prior to such payment. Prior to payment of the dividend the Company did have distributable reserves of £1.5m available to pay the dividend of £0.35m. Prior to payment of the dividend, additional dividends were paid by the subsidiaries totalling £4.5m to the parent Company.

As a result, the Company could have had claims against shareholders who received the relevant dividends and the Directors of the Company. The Company did not purse any such claim. Instead, the Company proposed certain resolutions to shareholders at its AGM held on 26 June 2023 to rectify the technical breaches of the Companies Act 2006 in this regard through the entry of deeds of release in favour of all shareholders who received such dividends for any and all claims the Company may have in respect of the payment of the relevant dividend (the "Shareholders' Deed of Release") and a dead of release in favour of persons who were Directors of the Company at the time of the relevant dividend pursuant to which the Company waived any rights to make claims against such Directors (the "Directors' Deed of Release and together with the "Shareholders' Deed of Release" the "Deeds of Release"). The Company also released interim financial statements as at 30 September 2022 showing distributable reserves prior to payment.

As set out in the notice convening the Company's AGM posted to shareholders on 16 May 2023, the entry by the Company into the Deeds of Release following approval by the Company's shareholders at the 26 June 2023 AGM constituted related party transactions (as defined in the AIM Rules for Companies). Accordingly, and as all of the Company's Directors were beneficiaries of the Directors' Deed of Release and/or the Shareholders' Deed of Release, Cenkos Securities plc, then the Company's nominated adviser and acting in that capacity, confirmed that it considered the terms of such related party transactions are fair and reasonable insofar as the Shareholders are concerned.

12 Earnings per share

The calculation of the basic earnings per share (EPS) is based on the results attributable to ordinary shareholders divided by the weighted average number of shares in issue during the year. Diluted EPS includes the impact of outstanding share options.

Basic	Year ended 31 December 2023 £	Year ended 31 December 2022 £
Profit attributable to owners of the parent (£)	793,528	4,611,797
Weighted average shares in issue	80,228,514	75,714,054
Basic profit per ordinary share (pence)	0.99	6.1
Diluted		
Profit attributable to owners of the parent (£)	793,528	4,611,797
Shares in issue	80,907,418	79,407,418
Shares options outstanding	4,590,000	6,090,000
Value of number of shares that could be repurchased (£)	238,774	344,440
Diluted weighted average number of shares	85,258,644	85,152,978
Diluted profit per ordinary share (pence)	0.93	5.4

13 Inventories

	Year ended 31 December 2023 £'000	Year ended 31 December 2022 £'000
Stored goods held	576	417
	576	417

Inventories held consist of stored goods to be used in the support of production vehicles and maintenance.

14 Intangible assets

	Software £'000	Goodwill £'000	Total £'000
Cost			
At 1 January 2022	-	-	-
Additions through business acquisitions	-	7,211	7,211
Additions	81	-	81
At 31 December 2022	81	7,211	7,292
Amortisation			
At 1 January 2022	-	-	-
Charge for the year	3	-	3
At 31 December 2022	3	-	3
Cost			
At 1 January 2023	81	7,211	7,292
Additions	10	-	10
At 31 December 2023	91	7,211	7,302
Amortisation			
At 1 January 2023	3	-	3
Charge for the year	18	-	18
Impairment	-	1,019	1,019
At 31 December 2023	21	1,019	1,040
Net book amount			
At 31 December 2023	70	6,192	6,262
At 31 December 2022	78	7,211	7,289

Software incorporates the cost and build of the Group's timesheet system. The initial cost of the system plus any additional capital expenditure is to be amortised over a ten-year period. On 30 November 2022, the Group completed the acquisition of 100% of the share capital of Location 1 Group Limited, creating £7,211,397 of Goodwill.

In accordance with the Group's accounting policies, an annual impairment test is applied to the carrying value of other intangible assets with indefinite useful economic life. Impairment recognised for the year totalled £1,019,080 (2022: £Nil). The impairment loss has been included in the Statement of Comprehensive Income within non-recurring expenses.

Location 1 Group Limited is considered a separate operating segment as per note 4 (Location One), as it generates cash inflows (revenues and cost of sales) that are largely independent of the cash inflows from Facilities by ADF's Hire of Facilities, and as such has been measured as its own individual cash generating unit ("CGU") by management, being the Location One CGU.

The recoverable amount of the Location One CGU is determined based on a value in use calculation which uses cash flow projections based on Group's long-term budget and projected forecasts covering a five-year period, and a pre-tax discount rate of 18 per cent per annum. The key assumptions used by management in setting the financial budgets for the initial five-year period were as follows:

Revenue growth rates
Revenue growth rates are based on past experience adjusted for changes in the Company's long term order book, and industry wide implications such as the WGA and SA-AFTR strikes, and its future impact on revenue. These rates do not exceed the long-term average growth rate of the Group's industry, for year's four and five of the cash flow model which are projected beyond the Group's long-term budget. A growth rate of 2% has been used for these periods. Years one to three growth rates (16.1%, 17.7%, and 17.7%, respectively) are taken from management reviewed budgets, based on known order book data and estimates, along with short term expectation changes in the industry, Group strategy, and comparisons to prior year budgets and analysis. Prior year budgets and assessment of change year on year were reviewed based on adjusted outcomes due to the FY23 Strikes.

Capital expenditure
Capital expenditure projections are based on expected estimated requirements and readily available assets for investment. Capital expenditure projections are extrapolated based on expected demand and turnover of historic assets, increasing at a steady rate year on year. Years one to three of the cash flow forecast, conclude capital expenditure rates based on management budgets (16%, 16%, and 13% of sales revenue, respectively) which are based on known contract expenditure, and estimates, along with short term expectation changes in the industry, Group strategy, and comparisons to prior year budgets and analysis. Years four and five are forecast at capital expenditure of 13% of revenue year on year. Prior year budget and assessment of change has been adjusted for the FY23 Strikes.

The Group has conducted a range of sensitivity scenarios of the key assumptions used to determine the recoverable amount of the CGU to which goodwill is allocated. As part of the review, management conducted different sensitivity analysis to stress test the impairment review. The assumed sensitivities included decreasing the revenue growth from 17.7% to 9.3% in year three and increasing the capital expenditures growth as a percentage of sales revenue from 13% year on year from year three, to 17% year on year from year three. The Directors applied a probability approach of the sensitivity analysis performed, enabling the recoverable amount to be estimated, and impairment charge calculated.

Therefore, whilst the Group is still able to manage most of the costs, the revenue projections are uncertain, in the short term. The WGA and SAG-AFTRA strikes impacted productions around the globe, from July 2023 through to late Autumn 2023. The strikes caused film and TV productions in the UK, on which ADF were engaged, to stop or delay productions that were scheduled to start filming in autumn 2023 and pushing these to early 2024. The Directors note that the strikes were a short-term impact on the business and are confident the Group is in a robust position to capitalise on the opportunity ahead once previous production levels resume, underpinning confidence in the long-term success of the Group. Due to the timing of any rescheduled productions, it is possible that further differences between forecast and actual results may differ into early 2024.

15 Property, plant and equipment

Cost	Plant and machinery £'000	Hire Fleet £'000	Motor vehicles £'000	Computer equipment £'000	Leasehold improvement £'000	Assets under construction £'000	Total £'000
At 1 January 2022	126	5,569	492	11	-		
Additions	33	1,984	221	-	-	-	6,198
Additions on acquisition	-	2,524	560	-	-	1,818	4,056
Transfers	-	677	401	-	-	69	3,153
Disposals	-	(91)	(58)	-	-	(1,078)	-
At 31 December 2022	159	10,663	1,616	11	-	-	(149)
Depreciation						809	13,258
At 1 January 2022	58	1,951	48	4	-	-	2,061
Charge for the year	19	516	74	2	-	-	611
Disposals	-	(63)	(31)	-	-	-	(94)
At 31 December 2022	77	2,404	91	6	-	-	2,578
Cost							
At 1 January 2023	159	10,663	1,616	11	-	809	13,258
Additions	75	875	419	223	509	2,336	4,437
Transfers	-	2,293	124	-	-	(2,796)	(379)
Disposals	-	(858)	(452)	-	-	-	(1,310)
At 31 December 2023	234	12,973	1,707	234	509	349	16,006
Depreciation							
At 1 January 2023	77	2,404	91	6	-	-	2,578
Charge for the year	33	1,370	274	11	63	-	1,751
Disposals	-	(670)	(291)	-	-	-	(961)
At 31 December 2023	110	3,104	74	17	63	-	3,368
Net book amount							
At 31 December 2023	124	9,869	1,633	217	446	349	12,638
At 31 December 2022	82	8,259	1,525	5	-	809	10,680

Leasehold improvements in the year to 31 December 2023, are in respect of improvements made to Kitsmead, Kitsmead Lane, Longcross KT16 0EF.

[2] Transfers are made between Property, Plant, and Equipment, and Right-of-Use-Assets whereby the amounts transferred between asset type are identical.

16 Leases

The Group leases a number of assets, all assets are leased from the UK, which is the main jurisdiction the Group operates in. All lease payments, in-substance, are fixed over the lease term. All expected future cash out flows are reflected within the measurement of the lease liabilities at each year end.

Nature of leasing activities

	As at 31 December 2023	As at 31 December 2022
Number of active leases	132	115

The Group leases include leasehold properties for commercial and head office use, motor vehicles and equipment. The leases range in length from 4 to 15 years and vary in length depending on lease type. Leasehold properties holding the longest-term length of up to 15 years, motor leases up to 4 years, hire fleet up to 7 years, and equipment of up to 5 years. All leases are held with the Group's subsidiaries.

Extension, termination, and break options

The Group sometimes negotiates extension, termination, or break clauses in its leases. In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

On a case-by-case basis, the Group will consider whether the absence of a break clause would expose the Group to excessive risk. Typically, factors considered in deciding to negotiate a break clause include:

- The length of the lease term;
- The economic stability of the environment in which the property is located; and
- Whether the location represents a new area of operations f or the Group.

Incremental borrowing rate

The Group has adopted a rate with a range of 3.1% - 4.65% as its incremental borrowing rate, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions. This rate is used to reflect the risk premium over the borrowing cost of the Group measured by reference to the Group's facilities.

The Group performed a sensitivity analysis where incremental borrowing rates have been used and identified if the incremental borrowing rate was 5% for all assets there would be a decrease in the carrying amount of the right-of-use asset at 31 December 2023 of £199,977 (2022: Decrease £88,483); there would be a subsequent decrease in the lease liability of £30,022 (2022: Decrease £62,047). If the incremental borrowing rate decreased to 1% for all assets there would be an increase in the carrying amount of the right-of-use asset at 31 December 2023 of £2,229,752 (2022: £203,628) and there would be a consequent increase in the lease liability of 2,382,156 (2022: £276,897).

Sensitivity analysis is not performed on hire purchase leases as interest is inherent within these lease agreements.

Right-of-use assets

Cost	Leasehold Property £'000	Motor Leasehold £'000	Hire Fleet and Motor Vehicles £'000	Equipment £'000	Assets under construction £'000	Total £'000
At 1 January 2022	1,397	137	16,313	22	-	17,869
Additions	6,863	-	3,108	-	1,812	11,783
Business acquisitions	808	24	-	87	-	919
Transfers	-	-	1,085	-	(1,082)	3
At 31 December 2022	9,068	161	20,506	109	730	30,574
Depreciation						
At 1 January 2022	840	57	1,871	6	-	2,774
Charge for the period	251	38	1,602	8	-	1,899
At 1 January 2022	1,091	95	3,473	14	-	4,673
Cost						
At 1 January 2023	9,068	161	20,506	109	730	30,574
Additions	1,081	-	1,572	118	5,778	8,549
Transfers	-	-	6,012	-	(5,633)	379
Disposals	(17)	-	(24)	(80)	-	(121)
At 31 December 2023	10,132	161	28,066	147	875	39,381
Depreciation						
At 1 January 2023	1,091	95	3,473	14	-	4,673
Charge for the period	896	53	2,237	41	-	3,227
Disposals	(17)	-	(3)	(26)	-	(46)
At 31 December 2023	1,970	148	5,707	29	-	7,854
Net book amount						
At 31 December 2023	8,162	13	22,359	118	875	31,527
At 31 December 2022	7,977	66	17,033	95	730	25,901

16 Leases *(continued)*

Lease liabilities

	Leasehold Property £'000	Motor Leasehold £'000	Hire Fleet and Motor Vehicles £'000	Equipment £'000	Total £'000
At 1 January 2022	583	91	11,574	17	12,265
Additions	6,770	-	4,165	-	10,935
Business acquisitions	808	24	-	87	919
Interest expense	106	3	585	1	695
Lease payments (including interest)	(172)	(28)	(3,376)	(9)	(3,585)
At 31 December 2022	8,095	90	12,948	96	21,229
At 1 January 2023	8,095	90	12,948	96	21,229
Additions	1,080	-	7,312	66	8,458
Interest expense	458	2	872	3	1,335
Lease payments (including interest)	(896)	(62)	(4,807)	(49)	(5,814)
At 31 December 2023	8,737	30	16,325	116	25,208

Reconciliation of minimum lease payments and present value

	As at 31 December 2023 £'000	As at 31 December 2022 £'000
Within 1 year	6,453	4,542
Later than 1 year and less than 5 years	16,473	12,506
After 5 years	7,393	8,759
Total including interest cash flows	30,319	25,807
Less: interest cash flows	(5,111)	(4,578)
Total principal cash flows	25,208	21,229

Reconciliation of current and non-current lease liabilities

	As at 31 December 2023 £'000	As at 31 December 2022 £'000
Current	5,624	3,705
Non-current	19,584	17,524
Total	25,208	21,229

Short term or low value lease expense

	As at 31 December 2023 £'000	As at 31 December 2022 £'000
Total short term or low value lease expense	137	28
	137	28

17 Other provisions

	As at 31 December 2023 £'000	As at 31 December 2022 £'000
Amounts falling after one year:		
Lease dilapidations liability	40	38
	40	38

Lease dilapidations liability	Leasehold Property £'000
At 1 January 2022	37
Interest expense	1
At 31 December 2022	38
At 1 January 2023	38
Interest expense	2
At 31 December 2023	40

As part of the Group's property leasing arrangements there is an obligation to repair damage which occurs during the life of the lease, such as wear and tear. These costs have been shown separately to the lease obligation liability. The provisions are expected to be utilised by 2029 as the leases terminate. The dilapidations provision is considered a source of estimation. The provision has been calculated using historical experience of actual expenditure incurred on dilapidations and estimated lease termination dates.

18 Trade and other receivables

Group	As at 31 December 2023 £'000	As at 31 December 2022 £'000
Amounts falling due within one year:		
Trade receivables	895	1,761
Director's loan accounts	307	307
Other receivables and prepayments	508	977
	1,710	3,045

Company	As at 31 December 2023 £'000	As at 31 December 2022 £'000
Amounts falling due within one year:		
Director's loan accounts	307	307
Amounts due from subsidiaries	11,588	12,959
	11,895	13,266

Trade receivables are amounts due from customers for services performed in the ordinary course of business. They are generally due for settlement within 30 days and therefore are all classified as current. Trade receivables are non-interest bearing. The carrying amount of trade and other receivables approximates fair value.

18 Trade and other receivables *(continued)*

Analysis of trade receivables based on age of invoices:

Cost	< 30 £'000	31 – 60 £'000	61 – 90 £'000	> 90 £'000	Total Gross £'000	ECL £'000	Total Net £'000
31 December 2022	1,724	12	(1)	26	1,761	-	1,761
31 December 2023	583	169	93	50	895	-	895

The Group applies the IFRS 9 general approach to measuring expected credit losses (ECL) which uses a lifetime expected loss allowance for all trade receivables. Historically there have been no material default levels giving rise to a specific provision. In determining the recoverability of accounts receivable, the Group considers any changes in the credit quality of the accounts receivable from the date credit was initially granted up to the reporting date. The accounts receivables that are neither past due nor impaired relate to customers that the Group has assessed to be creditworthy based on the credit evaluation process performed by management, which considers both customers' overall credit profile and its payment history with the Group. Having considered the impact of IFRS 9 the Directors concluded that the ECL balance has been determined as £7,201 (2022: £Nil) based on historical data available to management in addition to forward looking information utilising management knowledge. The aging of trade receivables over 30 days as at 31 December related to 35% (2022: 2%) of the total trade debtor balance, the nature in change from 31 December 2022 is due to the impact of the Strikes.

The Company makes assumptions when implementing the forward-looking ECL model. This model is used to assess intercompany loans for impairment. As at the 31 December 2023 the Company is due £11,586,833 (2022: £12,958,823) from subsidiaries.

Estimates are made regarding the credit risk and the underlying probability of default in credit loss scenarios. The Directors make judgements on the expected likelihood and outcome of scenarios, and these expected values are applied to the loan balances. Receivables due from Group undertakings are net of cumulative ECLs of £Nil (2022: £Nil).

19 Cash and cash equivalents

Group	As at 31 December 2023 £'000	As at 31 December 2022 £'000
Cash at bank available on demand	3,533	9,518
	3,533	9,518

20 Trade and other payables

Group	As at 31 December 2023 £'000	As at 31 December 2022 £'000
Amounts falling due within one year:		
Trade payables	877	1,932
Other payables	18	1,055
Taxation and social security	1,127	1,298
Accrued expenses	886	1,461
Deferred income	33	576
	2,941	6,322

Company	As at 31 December 2023 £'000	As at 31 December 2022 £'000
Amounts falling due within one year:		
Other payables	-	849
Taxation and social security	-	33
Accrued expenses	65	279
	65	1,161

The Directors consider that the carrying value of trade and other payables approximates to their fair value. Trade payables are non-interest bearing and are normally settled monthly.

Revenue recognised in the year that was deferred from the previous year was £575,697 (2022: £518,555).

Included in other payables in the Company and Group as at 31 December 2023 is amounts payable of £Nil (2022: £848,582) in respect of employer social security costs due on M Proctor share options exercised in 2021 and additionally in respect of the Group, alone, a pension payable liability of £Nil (2022: £202,699).

21 Contingent Consideration

Group	As at 31 December 2023 £'000	As at 31 December 2022 £'000
Contingent Consideration	60	878

Company	As at 31 December 2023 £'000	As at 31 December 2022 £'000
Contingent Consideration	60	878

Contingent consideration is payable up to maximum value of £2,657,788 (2022: £4,059,788) payable in cash, over a two-year period (2022: three), based on set performance criteria. Performance criteria is set against adjusted EBITDA targets of Location 1 Group Limited, each period. The contingent consideration is payable on a scaling basis based on the level of Adjusted EBITDA gained. The minimum payment of contingent consideration is £Nil. The fair value of the contingent consideration has been discounted to present value and adjusted based on management expectation of probability of outcome of reaching Adjusted EBITDA targets.

The payment of contingent consideration was valued at £60,474 (2022: £877,892) as at 31 December 2023. The reduction in valuation in the year resulted as the deferred consideration is based on a cumulative earn out target, whereby due to the WGA and SAG-AFTRA strikes impacting productions, from July 2023 through to late Autumn 2023, management have estimated it is unlikely that the probability of an earn out payment will be met.



NOTES TO THE FINANCIAL STATEMENTS

22 Investments

Subsidiary undertakings

The Company owns directly or indirectly the whole of the issued and fully paid ordinary share capital of its subsidiary undertakings.

The subsidiary undertakings of the Company are presented below:

Subsidiaries	Principal activity	Country of incorporation	Registered address	Ordinary shares held
CAD Services Limited	Supply of mobile facilities for television and film productions	UK	Ground Floor 31 Oldfield Road, Bocam Park, Pencoed, Wales, CF35 5LJ	100% (2022: 100%)
Location 1 Group Limited	Intermediate holding company	UK	Ground Floor 31 Oldfield Road, Bocam Park, Pencoed, Wales, CF35 5LJ	100% (2022: 100% from 30 November 2022)
Location One Limited	Supply of key location facilities for television and film productions	UK	Ground Floor 31 Oldfield Road, Bocam Park, Pencoed, Wales, CF35 5LJ	100% (2022: 100% from 30 November 2022)

Cost	Shares in group undertakings £'000
At 01 January 2022	8,347
Additions through business combinations	7,187
At 31 December 2022	15,534
At 01 January 2023	15,534
Impairment	(735)
At 31 December 2023	14,799

CAD Services Limited and Location 1 Group Limited are direct investments of the Company. Location One Limited is held indirectly.

Location 1 Group Limited and its 100% owned subsidiary Location One Limited were acquired by the Company on 30 November 2022.

In accordance with the Company's accounting policies, an annual impairment test is applied to the carrying value of investments. Impairment recognised for the year totalled £734,935 (2022: £Nil). The impairment loss has been included in the Statement of Comprehensive Income within non-recurring expenses, and details of this impairment are detailed in note 14.

23 Share capital

Ordinary Shares of 1p each	£'000
Allotted, called up and fully paid	
At 01 January 2022	455
30 million issued Ordinary Shares of 1p in respect of AIM listing	300
0.5 million issued Ordinary Shares of 1p in respect of exercised options	5
3.407 million issued Ordinary Shares of 1p in respect of business acquisition	34
At 31 December 2022	794
At 01 January 2023	794
1.5 million issued Ordinary Shares of 1p in respect of exercised options	15
At 31 December 2023	809

All classes of shares have full voting, dividends and capital distribution rights.

On 5 January 2022 the shares of the Company were admitted to the London Stock Exchange trading on the UK AIM market. Admission and dealings of the ordinary shares of Facilities by ADF PLC became effective on this date. As part of the listing, and on this date, 30,000,000 new ordinary shares were placed at a price of 50p.

On 30 November 2022, the Group completed the acquisition of 100% of the share capital of Location 1 Group Ltd for consideration of an initial cash payment of £4,429,646 and £1,879,575 consideration paid in shares, through Facilities by ADF PLC. The shares were issued at the share price on the day of the transaction being £0.55p, resulting in an issue of 3,407,400 Ordinary Shares of 1p.

On 9 June 2023, 1,200,000 new ordinary shares were issued in respect of options exercised. The options exercised were outstanding prior to the Company's January 2022 initial public offering ("IPO"), as detailed in the Company's Admission Document, with the majority having been issued in 2020 as part of the Company's Enterprise Management Incentive ("EMI") scheme.

On 5 July 2023, 300,000 new ordinary shares were issued in respect of options exercised. The options exercised were outstanding prior to the Company's January 2022 IPO, as detailed in the Company's Admission Document, with the majority having been issued in 2020 as part of the Company's EMI scheme.

Share options

The Group has two separate share option schemes in place, those being the Long-Term Incentive Plan ("LTIP"), and an Enterprise Management Incentive Share Scheme.

CAD Services Ltd operated two equity-settled share-based remuneration schemes for employees, under Enterprise Management Incentive Share Schemes. These options were to lapse if the individual leaves within 10 years from the date of grant if all vesting conditions had not been met earlier. These options were superseded, and all options were rolled over into new options held by Facilities by ADF PLC as part of the acquisition transaction that took place 3 December 2021. The exercisable options held were rolled over to equivalent options.

The Group has additionally put in place a LTIP, to ensure alignment between Shareholders, and those responsible for delivering the Group's strategy and attract and retain the best executive management talent. The LTIP will only reward the participants if shareholder value is created. This ensures alignment of the interests of management directly with those of Shareholders. On 5 January 2022, the Company issued 500,000 and 390,000 new ordinary share options to M Proctor and N Evans, respectively. The options hold an exercise price of 1p and will vest after 3 years subject to specific performance measurement criteria.

The Group has put in place a Long-Term Incentive Plan ("LTIP"), to ensure alignment between Shareholders, and those responsible for delivering the Group's strategy and attract and retain the best executive management talent. The LTIP will only reward the participants if shareholder value is created. This ensures alignment of the interests of management directly with those of Shareholders. On 5 January 2022, the Company issued 500,000 and 390,000 new ordinary share options to M Proctor and N Evans, respectively. The options hold an exercise price of 1p and will vest after 3 years subject to specific performance measurement criteria.

The terms and conditions of the grants outstanding as at the 31 December 2023 are detailed below:

Date of grant	No. of options	Exercise price £	Vesting conditions	Contractual life of options
3 December 2021	500,000	0.01	Immediately	10 years (Rollover)
3 December 2021	2,000,000	0.06	Immediately	10 years (Rollover)
5 January 2022	1,200,000	0.50	Immediately	3 years
5 January 2022	890,000	0.01	LTIP	10 years
	4,590,000			

23 Share capital *(continued)*

Details of the number of share options granted, exercised, lapsed and outstanding at the end of each period as well as the weighted average exercise prices in £ ("WAEP") are as follows:

	As at 31 December 2022	WAEP	As at 31 December 2023	WAEP
Outstanding at beginning of period	4,500,000	0.05	6,090,000	0.14
Granted during the period	2,090,000	0.29	-	-
Forfeited/lapsed during the period	-	-	-	-
Exercised during the period	(500,000)	(0.01)	(1,500,000)	(0.05)
Outstanding at year end	6,090,000	0.14	4,590,000	0.16

Employee schemes
As of December 31, 2020, all options with the same exercise conditions based on an exit criterion were considered valid. No expenses were recorded in the statement of comprehensive income for outstanding options because the Directors of the Group believed it was not highly probable that the exit criteria for the share option awards would be met in the foreseeable future. However, following the share for share exchange and the crystallisation of the rollover shares, new vesting conditions meant that the options could vest immediately. Consequently, the Directors believed that the exercise of options was highly probable, leading to the recognition of a charge for share-based payments in the statement of comprehensive income for options outstanding as of December 31, 2021.

The fair value of options granted was determined using the Black-Scholes option pricing model, deemed appropriate due to the short contractual lives of the options and the requirement to exercise them shortly after the employee becomes entitled to the shares. Management adjusted the expected life used in the model for non-transferability, exercise restrictions, and behavioural considerations. The fair value of the option at the grant date also took into account non-vesting conditions and market conditions, with adjustments made for service conditions and non-market performance conditions at each reporting date. No additional employee options have been granted since this date.

LTIP

Grant date
The grant date of the Options is the date of issue.

Exercise
Unless otherwise determined and subject to the redemption conditions having been met, the Company and the holders of the Options have the right to exchange each Option for Ordinary Shares in the Company, which will be dilutive to the interests of the holders of Ordinary Shares. It is currently expected that in the ordinary course options will be exchanged for Ordinary Shares.

Vesting Conditions and Vesting Period
The Options will vest and become exercisable following the end of the Performance Period, being the 1 January 2022 and ending on 31 December 2024.

The Options are subject to certain vesting Performance Conditions, the conditions are as follows:

i. 50% of the Options will be subject to EBITDA target over the Performance Period; and
ii. 50% of the Options will be subject to an absolute total shareholder return performance condition over the Performance Period.

If the Performance Conditions (or any element of it) is not satisfied in full at the end of the Performance Period any part of the Option that has not Vested as a consequence of the Performance Condition (or any element of it) not being satisfied in full shall lapse immediately on the Board's determination that the Performance Condition (or the applicable element of it) has not been satisfied in full.

Holding of Options
M Proctor and N Evans hold Options.

The following shares were in issue on 31 December 2023:

Issue date	Name	Share designation at balance sheet date	Nominal Price	Issue price per share £'s	Number of Ordinary shares	IFRS 2 Fair value £'s
5 January 2022	M Proctor	Ordinary Shares	£0.01	0.55	500,000	98,917
5 January 2022	N Evans	Ordinary Shares	£0.01	0.55	390,000	77,156

Valuation of Options
Valuations were performed by Pegasus Capital using a Monte Carlo model to ascertain the fair value at grant date. Details of the valuation methodology and estimates and judgements used in determining the fair value are noted herewith and were in accordance with IFRS 2 at grant date.

There are significant estimates and assumptions used in the valuation of the Options. Management has considered at the grant date, the potential range of value for the Options, based on the circumstances on the grant date.

The fair value of the Options granted under the scheme was calculated using a Monte Carlo model with the following material inputs:

Issue date	Name	Share designation at balance sheet date	Volatility	EBITDA target return probability	Total shareholder return target probability	Risk-free rate	Expected term (years)
5 January 2022	M Proctor	Ordinary Shares	50%	40.19%	33.73%	1.0175%	3
5 January 2022	N Evans	Ordinary Shares	50%	40.19%	33.73%	1.0175%	3

The Options are subject to the Performance Conditions being achieved, which are market and non-market performance conditions, and as such has been taken into consideration in determining their fair value. The model incorporates a range of probabilities for the likelihood of EBITDA and total shareholder return.

Expense related to Options
An expense of £58,691 (2022: £58,691) has been recognised in the Statement of Comprehensive Income in respect of the Options issued during the year. There is a condition associated with the Options issued which requires the fair value charge associated with the Options to be allocated over the minimum vesting period. This vesting period is estimated to be 3 years from the date of grant.

24 Reserves

Called up share capital
Called up share capital represents the nominal value of shares that have been issued.

Share Premium
The premium on issue of equity shares, net of any issue costs.

Share based payment reserve
The cumulative amount recognised in relation to the equity-settled share-based payment schemes in place.

Merger reserve
The difference between the nominal value of shares issued in the share exchange and the book value of the shares obtained, in line with merger accounting principles.

Retained earnings
Retained earnings relate to cumulative net gains and losses less distributions made.

Merger relief reserve
Merger relief reserve represents the difference between the nominal value of the shares issued as part of the share exchange and the net assets acquired.

25 Retirement benefit scheme

A defined contribution pension scheme is operated for all qualifying employees. The assets of the scheme are held separately from those of the Group in independently administered funds.

Outstanding pension contributions at the year ended 31 December 2022, included within other creditors of the Group amounted to £53,799 (2021: £37,841).

	As at 31 December 2023 £'000	As at 31 December 2022 £'000
Defined contribution schemes:		
Charge to income statement	235	170

26 Capital and financial commitments

The Group commits to lease agreements in respect of hire facilities over 6 months in advance, this is due to the nature of the facilities leased.

The Group has committed to new fleet capital expenditure orders of approximately £5,683,935 for 2024.

The Group held no other additional capital, financial and or other commitments at 31 December 2023.

27 Financial Instruments

Financial assets

Financial assets are not measured at fair value and due to their short-term nature, the carrying value approximates their fair value. They comprise trade receivables, other receivables, and cash. It does not include prepayments.

Group	As at 31 December 2023 £'000	As at 31 December 2022 £'000
Trade receivables	895	1,761
Other receivables	333	909
Cash at bank	3,533	9,518
	4,761	12,188

Company	As at 31 December 2023 £'000	As at 31 December 2022 £'000
Other receivables	308	307
Amounts due from subsidiaries	11,587	12,959
	11,895	13,266

Financial liabilities

Financial liabilities measured at amortised cost comprise trade payables, lease liabilities and accruals. It does not include other taxation and social security and deferred income.

Group	As at 31 December 2023 £'000	As at 31 December 2022 £'000
Trade payables	877	1,932
Other payables	18	1,055
Accrued expenses	886	1,461
	1,781	4,448

Company	As at 31 December 2023 £'000	As at 31 December 2022 £'000
Other payables	-	849
Accrued expenses	65	279
	65	1,128

Financial risk management

The Group is exposed through its operation to the following financial risks: credit risk, interest rate risk, foreign exchange risk and liquidity risk. Risk management is carried out by the Directors of the Group. The Group uses financial instruments to provide flexibility regarding its working capital requirements and to enable it to manage specific financial risks to which it is exposed.

The Group finances its operations through a mixture of debt finance, cash and liquid resources and various items such as trade debtors and trade payables which arise directly from the Group's operations.

Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. In order to minimise the risk, the Group endeavours only to deal with companies which are demonstrably creditworthy and this, together with the aggregate financial exposure, is continuously monitored. The maximum exposure to credit risk is the carrying value of its financial receivables, trade and other receivables and cash and cash equivalents as disclosed in the notes to the financial information.

The receivables' age analysis is evaluated on a regular basis for potential doubtful debts, considering historic, current and forward-looking information. No material impairments to trade receivables, have been made to date. Further disclosures regarding trade and other receivables are provided within the notes to financial information.

Credit risk also arises on cash and cash equivalents and deposits with banks and financial institutions. For banks and financial institutions, only independently rated parties with minimum rating "AA-" are accepted. Currently all financial institutions whereby the Group holds significant levels of cash are rated from AA- to A+.

Interest rate risk

As at 31 December 2023, the Group had no current borrowings and used no finance facilities or debt structures to coordinate business. Therefore, interest rate risk exposure for the Group is minimal. The Group's policy aims to manage the interest cost of the Group within the constraints of its financial borrowings.

The Group have entered into significant leases for various assets, namely hire facilities, under fixed interest rate terms. This means that the interest rate charged on these leases is fixed for the entire term of the lease, regardless of changes in market interest rates.

If market interest rates rise, the Group's fixed-rate leases will become less attractive to potential lessors, as they would be able to obtain better rates elsewhere. On renewal of these leases this could result in the Group having to renew or renegotiate these leases at higher rates, which would increase its operating costs and potentially reduce its profitability.

The Group look to mitigate this risk by committing to lease agreements in respect of hire facilities over 6 months in advance, ensuring management can manage and plan for interest rate change.

Foreign exchange risk

Foreign exchange risk arises when the Group enters into transactions in a currency other than their functional currency. The Group's policy is, where possible, to settle liabilities denominated in a currency other than its functional currency with cash already denominated in that currency.
The Group operates primarily in the UK and as such transactions are substantially denominated in Sterling (GBP). As such the Group is exposed to minimal transaction foreign exchange risk. The mix of currencies and terms of trade with its suppliers are such that the Directors believe that the Group's exposure is minimal and consequently they have not, to date, specifically sought to materially hedge that exposure. Most of the Group's funds are in GBP with only sufficient funds held in foreign currencies to meet local costs.

Liquidity risk

The Group seeks to maintain sufficient cash balances. Management reviews cash flow forecasts on a regular basis to determine whether the Group has sufficient cash reserves to meet future working capital requirements and to take advantage of business opportunities.

A maturity analysis of the Group's trade and other payables is shown below:

	As at 31 December 2023 £'000	As at 31 December 2022 £'000
Less than 1 year:		
Lease liabilities	6,453	4,542
Trade and other payables	897	2,987
Accrued expenses	886	1,461
	8,236	8,990
Between 1-5 years:		
Lease liabilities	16,473	12,506
	16,473	12,506
More than 5 years:		
Lease liabilities	7,393	8,759
	7,393	8,759
Total including interest cash flows	32,102	30,255
Less interest cash flow:		
Lease liabilities	(5,111)	(4,578)
Total principal cash flows	26,991	25,677

27 Financial Instruments (continued)

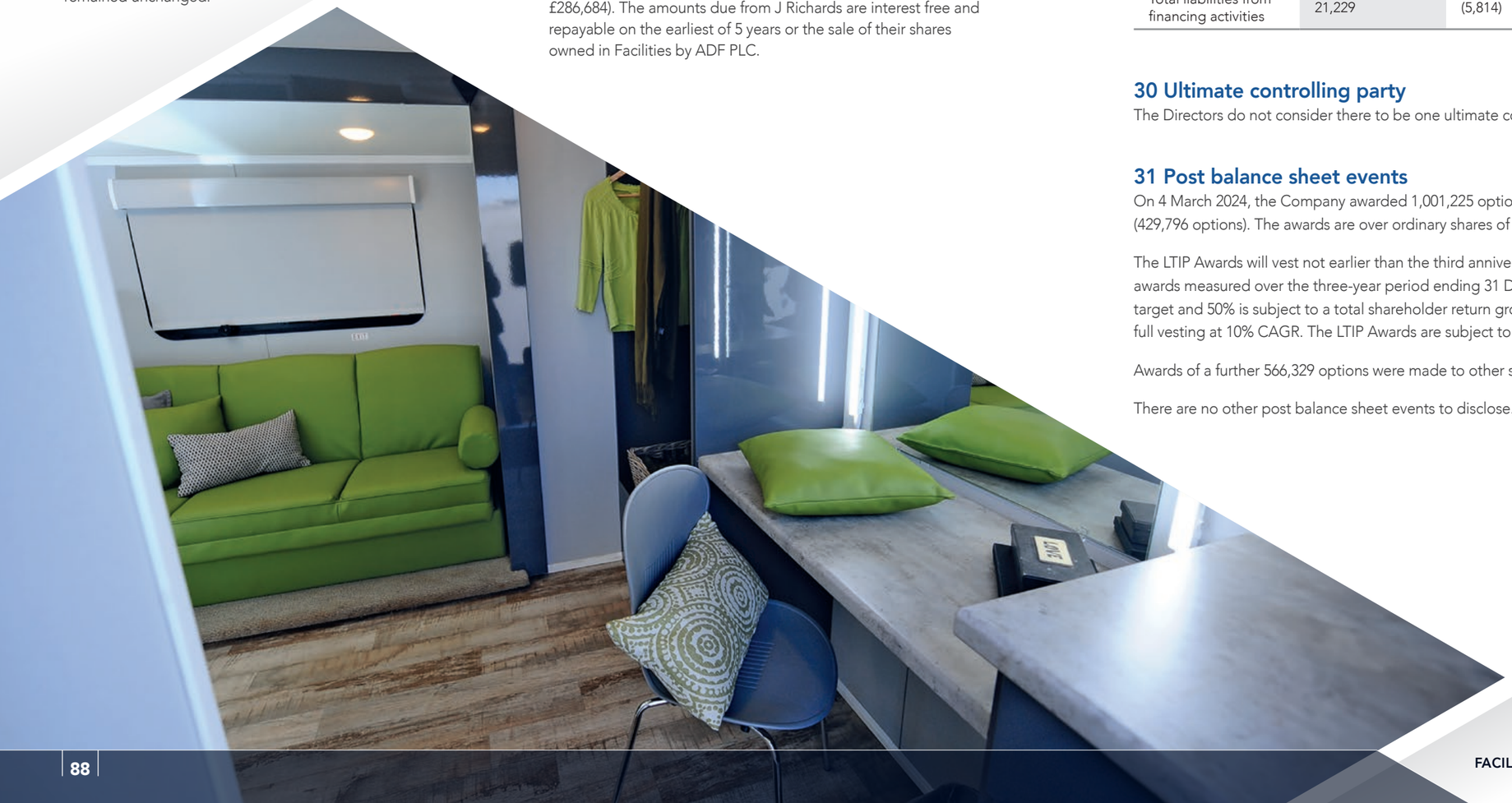
Capital Disclosures

The capital structure of the business consists of debt and equity. Equity comprises share capital, share premium, share based payment reserve, and accumulated reserves and is equal to the amount shown as 'Equity' in the balance sheet. Debt comprises various items which are set out in further detail above and in the notes to the accounts.

The Group's current objectives when maintaining capital are to:

- Safeguard the Group's ability as a going concern so that it can continue to pursue its growth plans;
- Provide a reasonable expectation of future returns to shareholders; and
- Maintain adequate financial flexibility to preserve its ability to meet financial obligations, both current and long term.

The Group sets the amount of capital it requires in proportion to risk. The Group manages its capital structure and adjusts it in the light of changes in economic conditions and the risk characteristics of underlying assets. In order to maintain or adjust the capital structure, the Group may issue new shares or sell assets to reduce debt. During the period covered the Group's business strategy remained unchanged.



28 Related party transactions

The CAD Services Pension Scheme owns properties leased by CAD Services Ltd. In total CAD Services Ltd paid the CAD Services Pension Scheme as at 31 December 2023 £30,000 (2022: £30,000) in lease payments.

Dividends were paid to M Proctor, a director of the Company, during the year ended 31 December 2023 of £19,600 (2022: £6,440). Dividends were paid to J Richards, a director of the Company, during the year ended 31 December 2023 of £33,600 (2022: £11,040). Dividends were paid to K James, a director of the Company, during the year ended 31 December 2023 of £3,500 (2022: £1,380).

Included in other payables as at 31 December 2023 is amounts payable of £Nil (2022: £848,582) in respect of employer social security costs due on M Proctor share options exercised in 2021.

On 3 December 2021 J Richards was granted 2,000,000 Ordinary Shares. An amount payable was due to the Company in respect of this transaction of £20,000 (2022: £20,000), residing in other receivables as at the 31 December 2023. Additionally, a further amount was payable by J Richards in respect of the PAYE balance due on the Ordinary Shares granted, paid by the Company, amounts due at 31 December 2023 were £286,684 (2022: £286,684). The amounts due from J Richards are interest free and repayable on the earliest of 5 years or the sale of their shares owned in Facilities by ADF PLC.

29 Changes in liabilities from financing activities

	At 1 January 2022 £'000	Financing cash flows £'000	Interest £'000	New borrowings non - cash £'000	New borrowings business acquisition £'000	At 31 December 2022 £'000
Lease liabilities	12,265	(3,585)	695	10,935	919	21,229
Other financing activities and borrowings	342	(349)	7	-	-	-
Total liabilities from financing activities	12,607	(3,934)	702	10,935	919	21,229

	At 1 January 2023 £'000	Financing cash flows £'000	Interest £'000	New borrowings non - cash £'000	New borrowings business acquisition £'000	At 31 December 2023 £'000
Lease liabilities	21,229	(5,814)	1,335	8,458	-	25,208
Total liabilities from financing activities	21,229	(5,814)	1,335	8,458	-	25,208

30 Ultimate controlling party

The Directors do not consider there to be one ultimate controlling party.

31 Post balance sheet events

On 4 March 2024, the Company awarded 1,001,225 options under its LTIP Awards to Directors M Proctor (571,429 options) and N Evans (429,796 options). The awards are over ordinary shares of £0.01 in the form of options to acquire or dinary shares at nominal value.

The LTIP Awards will vest not earlier than the third anniversary of grant subject to meeting the performance conditions applied to the awards measured over the three-year period ending 31 December 2026. 50% of the award is subject to an EBITDA growth performance target and 50% is subject to a total shareholder return growth target with vesting commencing at 6% CAGR rising on a straight line to full vesting at 10% CAGR. The LTIP Awards are subject to a two-year post-vesting holding period.

Awards of a further 566,329 options were made to other senior employees on similar terms.

There are no other post balance sheet events to disclose.

COMPANY INFORMATION

Directors	J Richards M Proctor N Evans A W L Innes (Napier) WVS Wijeratne J Goodson
Registered office	Ground Floor 31 Oldfield Road, Bocoam Park, Pencoed, Bridgend CF35 5LJ
Company Secretary	One Advisory Limited 201 Temple Chambers, 3-7 Temple Avenue, London EC4Y 0DT
Registered number	13761460
Independent auditor	Crowe U.K. LLP 55 Ludgate Hill, London EC4M 7JW
Registrars	Neville Registrars Limited Neville House, Steelpark Rd, Halesowen B62 8HD
Solicitors	Acuity Law LLP 3 Assembly Square Cardiff CF10 4PL
Nominated Adviser and Broker	Cavendish Capital Markets Limited One Bartholomew Close London EC1A 7BL
Bankers	HSBC UK Bank Plc Wales Corporate Banking Cantre, 5th Floor, 5 Callaghan Square, Cardiff CF10 5BT



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