

REGISTERED NUMBER: 10656583 (England and Wales)

Parent Company of 2 Excel Design Limited
Registered Number (05576452)
List of subsidiaries are included on pages
34 - 36 of these accounts

GROUP STRATEGIC REPORT, REPORT OF THE DIRECTORS AND
AUDITED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

FOR

2 EXCEL (HOLDINGS) LIMITED



2 EXCEL (HOLDINGS) LIMITED (REGISTERED NUMBER: 10656583)

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FOR THE YEAR ENDED 31 MARCH 2023

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2 EXCEL (HOLDINGS) LIMITED
COMPANY INFORMATION
FOR THE YEAR ENDED 31 MARCH 2023

DIRECTORS: C J R Norton
A C Offer
H P Singh
A J W Rae
L F Campbell

REGISTERED OFFICE: 72 Fielding Road
London
W4 1DB

REGISTERED NUMBER: 10656583 (England and Wales)

AUDITORS: Buzzacott LLP
Statutory Auditors
130 Wood Street
London
EC2V 6DL

2 EXCEL (HOLDINGS) LIMITED (REGISTERED NUMBER: 10656583)

**GROUP STRATEGIC REPORT
FOR THE YEAR ENDED 31 MARCH 2023**

The Directors present their Strategic Report for the 2 Excel (Holdings) Limited ('the Company' or '2EH') and its subsidiary undertakings, together referred to as 'the Group', for the year ended 31 March 2023 ('FY23').

REVIEW OF BUSINESS

The principal activity of the Group during the year under review was that of providing aerospace services in Britain.

Strategic Context

The strategic context for the Group's operations included the end of the Covid-19 Pandemic, the secondary (inflationary) effects of the war in Ukraine, including the effects on supply chain and the changing geopolitical circumstances. By the end of the year, international borders were becoming easier to cross as parties became used to new bureaucracy. Human migration towards the UK continued to surge across the English Channel in small boats.

Human resources in aviation supply chains remained well below the levels required to meet demand; supply chain friction remained high and many aircraft parts were particularly hard to get. In addition, working cultural norms had irrevocably changed which made recruitment for less flexible-working elements more challenging.

In July 22, the owners of Doncaster Sheffield Airport (DSA), the Group's operational hub, notified all its tenants that they intended to close the airport. Unfortunately, due to lack of tangible proposal for the survival of this international airport and fundamental lack of financial visibility for the Peel Group, DSA closed in the Autumn.

Lastly, we saw a recovery of global airline traffic to 88% of its March 2019 level by year end.

Group Strategic Plan

The closure of DSA and the need to re-locate the Group's aircraft fleet to multiple 'bolt-hole' airfields was a distraction from business winning but was well handled to maintain critical service levels. The Group now operates from 6 bases. While the bolt-holes were short term solutions, Management intends to re-establish its 'hub-and-spoke' model in the longer term alongside minimising uncertainty and, consequently, churn for the directly affected workforce.

Having reacted swiftly and effectively to the new commercial realities during FY22, in FY23 the Group focussed on winning business that was on its strategic path in order to deliver the Prosper phase of its Strategic Plan. It grew existing contracts and took adjacent market opportunities to beat its commercial targets for FY23. It continues to consolidate its market positions in the UK while offering its services to European markets once again.

Section 172 (1) Statement

Stakeholders

The Group's vision is to excel in aerospace services delivery, in Britain and beyond, in order to build value for all its stakeholders. The Group's stakeholders include its shareholders; its employees, customers and partners; its suppliers; and the communities in which it exists. Notwithstanding the resulting complexity of sometimes competing desires, the coherent management of the Group's output is designed and managed to act in the best interests of all stakeholders.

Employees

The Group is employee-owned, with 51% of the Group's shares being held in trust for the benefit of its employees. It follows that the Group's employees are its critical stakeholders. Not only does employee ownership incentivise and reward employees for their hard work in adding value to the Group, it also stabilises retention and minimises churn and gives a powerful voice to the employees in the strategic, operational and tactical direction of the Group. An Employee Forum meets regularly to discuss challenges and desires to provide feed-back directly to the Board. The Employee Ownership Trust is represented by an executive director on the Board and the Board ensures that employee interests, together with the interests of other stakeholders are represented in all strategic decision making.

GROUP STRATEGIC REPORT
FOR THE YEAR ENDED 31 MARCH 2023

Customers

The Group's success is predicated on the long-term support of its customers. The Group's business model is to over deliver on its contracts for our existing customers to retain and grow them. This has resulted in increasingly long and strong customer relationships and concomitantly increasingly long contracts. By being reliable, professional and trustworthy and by delivering fair value for money, consistent quality and flexibility, the Group has extended its average relationship length to 8 years and its average contract length to 5 years during the period. Customer satisfaction is very high which demonstrates the Group's understanding of customer objectives as they evolve over time and how well we meet their needs.

Supply Chain

While the Group's strategy is to directly manage and, wherever possible, own its third-party risk, the Groups relies on a broad cohort of specialist capabilities to support it. In line with its strong Code of Ethics, the Group seeks out like minded partners with similar values to deliver its many and varied services. In many cases these partners are unique in their capability space and the partnerships are co-reliant but, as an aviation business operating internationally, the Group works professionally and transparently with all service providers across the globe. Building strong and supportive relationships with its supply chain is a consistent theme at every level of the Group's business.

Communities and Sustainability

The Group has a highly developed Social Value policy which seeks to enhance the experience of everyone and everything our business interacts with including, but not limited to, our people, other businesses, suppliers, local communities and the environment. Among other things, the Group is committed to creating and sustaining local employment opportunities, supporting charities and being sensitive to the needs of local people and groups within the communities that we work.

The Group continued to develop its Sustainability, Business Continuity and Emergency Response Plans and introduced its Carbon Reduction, Circular Economy, Environmental Management (waste) and Resilience Plans. As part of its Resilience Plan, it has improved as well as replaced its aircraft fleet, equipping them with cutting-edge technologies, to reduce its reliance on older, more expensive and more polluting aircraft types.

On an intensity basis, it reduced its Net GHG emissions by 31% against the previous year. The Group secured ISO 14001 accreditation for its Environmental Management Plan, delivered its Volunteering Plan, started its Community Fund and donated £39,626 to its chosen charity partners during the year.

The Directors are satisfied that they have met the requirements of the Companies Act in particular the requirements of section 172 (1).

Commercial Performance

Even in the face of uncertain laydown plans and contingent bolt-hole costs, to be able to deliver its ambitious growth, profitability and cash-generation targets, Management increased human resources to be able to deliver resiliently the work the Group had won, and was expecting to win, while continuing to generate cash. In addition, the Board continued to invest in projects where it felt there was a high likelihood of securing and/or retaining significant contracts.

In line with its Sustainability Policy, the Group continued to create new jobs and invest and modernise its fleet to improve availability and resilience, to decrease maintenance costs and, to cut its Greenhouse gas (GHG) emissions.

The Group continued to justify its customers' confidence in its services, overdelivering on its blue-chip contracts and taking risk to lead-turn slow, long-chain, customer decision-making. During the period, the Group won all of their core target contracts helping to generate a long-term secured pipeline. Pleasingly, Charter business nearly doubled its pre-pandemic activity and improved its market share.

Our financial performance for FY23 was better than anticipated with Revenue growth of 81%, Gross Profit at 72%, Operating Profit doubling and the Group generated four-fold increase in cash from operating activities. Additionally, Management took significant actions to improve balance sheet quality by reducing debt-to-equity ratio by 40% during FY23

GROUP STRATEGIC REPORT
FOR THE YEAR ENDED 31 MARCH 2023

FUTURE DEVELOPMENTS

Management has laid the foundations for increased resilience and sustainable future growth. It continues to target opportunities to consolidate its market positions in the UK while offering its services to European markets.

During FY23 the Group won the flag-ship UK Government second generation Search and Rescue contract which, following the 2-year capability generation phase, will run for 10 years using at least 6 purpose-built aircraft operating from at least 3 bases. As part of the Group's internationalisation agenda, it intends to deliver a very similar service for a neighbouring country in Europe and, subsequently, to promote similar services and the specific capabilities further afield. This will be facilitated by re-establishing some of the Group's previously held approvals inside the European Aviation Safety Agency's jurisdiction.

The Group has secured a long-term design and certification project for the UK Government's Future Combat Air System to build a flight test aircraft on which to demonstrate cutting edge technologies with which to equip a future sixth generation fighter for the Royal Air Force. This design and certification programme is planned to be followed by a decade of airborne technology demonstrations, spiral development and operational training phases.

The Group also expects to secure follow-on contracts for its existing mission specific training contract with the UK's Ministry of Defence and its national railway-lineside vegetation risk assessment contract. Again as part of its internationalisation agenda, the Group also intends to expand this latter offering to adjacent products, sectors and geographies. The Group's strategy, its performance for its blue-chip customers and its end-to-end approach will significantly improve the Group's growth, profitability and cash generation over the medium term.

PRINCIPAL RISKS AND UNCERTAINTIES

The principal risks and uncertainties facing the Group are described below:

Revenue Risks

The Group is reliant on Government and large 'prime' companies for contracts which are subject to periodic competitive tender. Renewal of these contracts is uncertain. However, the Group over-performs financially and operationally to retain and grow market share. Lines of business spirally develop their outputs within contracts to provide consistently relevant and market-leading services to their customers. Expert and forward looking, the Group invests in its relationships and proof of concept contracts to generate major, long-term contracts. Proactively taking risk, investing in high P_{win} opportunities, especially with long-standing partners, staying alive to requirements and emerging technologies and, staying agile and reactive to fleeting opportunities all mitigate Revenue Risk.

Supply chain Risk

The Group's Coronavirus strategy was to React, Survive, Reconfigure, Recover and Prosper. During the period, Coronavirus restrictions were lifted and the Group's Prosper Phase was implemented. Longer-term effects of Coronavirus included business closures, irrevocably changed working practices and introduced supply chain friction. These continued to negatively affect the Group's supporting aviation service industries and its supply chain. In particular, replacement aircraft parts were hard to source. Consequently, aircraft maintenance and repairs took much longer than normal reducing aircraft availability and, consequentially, service resilience. The Group mitigated these effects by introducing newer and more serviceable aircraft as part of its multi-year Resilience Plan.

GROUP STRATEGIC REPORT
FOR THE YEAR ENDED 31 MARCH 2023

PRINCIPAL RISKS AND UNCERTAINTIES

War in Ukraine Risk

The Group has no Russian or Ukrainian customers. Apart from driving up global fuel and energy price rises and, thereby, inflation throughout the Group's supply chain, the direct impact of sanctions was minimal. Customer contracts allow revenues to be increased by an equivalent of consumer price index (CPI) to offset the risk of inflation. In addition, the war reduced the Competitive Risk to the Group's Charter business by removing Russian and Russian-backed competitors from the Group's market. Lastly, the war in Ukraine had the effect of increasing defence spending which was positive.

Competitive Risk

Historically, the Group's strategy has been to operate in niches where there are few, if any, competitors, preferring to operate where the barriers to entry are so high that they deter competition. However, as it has grown, its opportunities have become more valuable and it is competing against larger companies. The Group's reputation, performance, innovation, risk management and value-for-money pricing strategy mean that it has continued to win contracts even against these larger competitors. For longer-term contracts it has converted competitive wins for initial phases into single source contracts for follow-on phases or, it has used the initial phases to hurdle significant barriers to entry to secure significant competitive edges for subsequent competitions.

Delivery Risk

The corollary of the Group's value-for-money pricing strategy is that any failure by the Group to identify or manage operational delivery risks or to cater for cost inflation within its contracts can store latent financial Delivery Risk downstream. To mitigate this the Group operates a highly developed 'management of change' process to inform contractual negotiations and secure favourable contractual terms and conditions. This means that the Group is able to minimise its exposure to the effects of inflation, inaccurate hedging and *force majeure*.

Financial Instrument Risks

The Group continued to improve its financial risk management and, owing to its significant growth in operating profits as well as cash generated from operations during the year, it was able to steadily increase its headroom against all its Financial Instrument Risks. In addition, the Group's senior facilities (debt) agreement is in process of being renegotiated to allow the Group to use its surplus cash for growth.

Liquidity Risk

Having reduced Liquidity Risk in the previous period, the Group's continued to take significant actions to improve balance sheet quality, leaving £8.97m cash at bank at the end of the year and reducing debt-to-equity ratio to 1.5 times in FY23 compared to 2.5 times in FY22, thereby further lowering Liquidity Risk level.

POSITION OF THE GROUP

Performance during the Period

Building on the platform for growth generated during the Group's 'Recover' Phase, revenues increased by 81%. In the face of this exceptional revenue growth, strong cost control across the Group meant Gross Profit margin only declined marginally on account of headcount increasing by only 20%.

The Group made a net profit of £8.17m during the period, nearly a three-fold increase on the previous FY.

GOING CONCERN

The Directors recognise the Group's exceptional revenue growth during the year, the quality of earnings inherent in its blue-chip contract wins, impressive delivery of its contracts and concomitant customer satisfaction. The Group has nearly doubled turnover and grown its employee base, secured significant new contracts and doubled its operating profit. It has improved its operational resilience and continues to enhance its reputation.

The Directors do not consider there is any material uncertainty that causes any significant doubt that the Group can continue as a going concern. Overall, the Group's performance has been better than anticipated for FY23. Additionally, Management took significant actions to improve balance sheet quality leaving £8.97m cash at bank at the end of the year for future growth. Lastly, it contractually secured a very substantial portion of its FY24 revenue target even before the year began.

Consequently, the Directors consider that the Group remains a going concern.

2 EXCEL (HOLDINGS) LIMITED (REGISTERED NUMBER: 10656583)

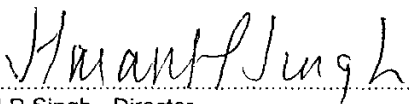
GROUP STRATEGIC REPORT
FOR THE YEAR ENDED 31 MARCH 2023

KEY PERFORMANCE INDICATORS

The key financial and other performance indicators for the Group during the year were as follows:

Description	2023 £	2022 £	Change %
Revenue	73,234,330	40,486,291	+80.89%
Gross profit	49,345,010	28,631,459	+72.35%
Gross Profit %	67.38%	70.72%	-4.72%
Operating profit	12,387,306	6,143,973	+101.62%
Profit/(Loss) after tax	8,170,307	2,563,549	+218.71%
Shareholders' funds	18,770,603	10,819,311	+73.49%
Average number of employees	292	243	+20.16%

ON BEHALF OF THE BOARD:


.....
H P Singh - Director

Date: 29/9/23

2 EXCEL (HOLDINGS) LIMITED (REGISTERED NUMBER: 10656583)

REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 MARCH 2023

The Directors present their report with the Financial Statements of the company and the Group for the year ended 31 March 2023.

PRINCIPAL ACTIVITY

The principal activity of the 2Excel Group during the year under review was that of providing aerospace services.

DIVIDENDS

Dividends paid during the year amounted to £157,500 (2022: £ Nil). No final dividends are proposed.

DIRECTORS

The Directors who served during the year were.

C J R Norton
A C Offer
H P Singh
A J W Rae
L F Campbell (appointed on 23 June 2022)

STREAMLINED ENERGY AND CARBON REPORT (SECR)

As an environmentally responsible organisation, we recognise the importance of mitigating climate change and minimising our impact on the environment. By monitoring and analysing our energy consumption and carbon emissions, we gain valuable insights that enable us to identify areas for improvement and implement targeted strategies to enhance our sustainability performance.

Only one fifth of our Group operates aircraft for the transportation of people; the majority of the flying we do is for the greater good such as geo-environmental monitoring, major oil spill response and saving lives at sea each of which have a positive environmental and social impact.

This FY we recruited a Sustainability Manager, established our Sustainability Action Plan and formalised our commitment to reducing the environmental impact of our operational activities when our Environmental Management System (EMS) was accredited and certified to the internationally recognised ISO 14001:2015 standard.

This SECR presents information on our Scope 1 and Scope 2 energy consumption and Scope 1 emissions data from transport fossil fuel combustion from heating (our Estate) and owned transport (Aircraft and Pool Cars) from the FY23 reporting year, including previous FY22 data for comparison. We report this data in tonnes of carbon dioxide equivalent emissions (tCO₂e) with a revenue intensity (RI) ratio per £million of turnover (tCO₂e/RI)

This report also identifies efficiency measures initiated in the FY23 period.

Emission Declaration

SECR Table 1 below reports the direct and indirect Scope 1 and Scope 2 tCO₂e emissions for FY23 and FY22, by multiplying the applicable units in Table 2 below with the 2023 UK Government's emission conversion factors.

Scope	FY23 (tCO ₂ e)	FY22 (tCO ₂ e)
Scope 1 (Direct) total	9,904	7,970
<i>Natural Gas</i>	<i>143</i>	<i>255</i>
<i>Heating Oil</i>	<i>31</i>	<i>0</i>
<i>Aircraft Fuel</i>	<i>9,686</i>	<i>7,683</i>
<i>Pool Car Fuel</i>	<i>43</i>	<i>32</i>
Scope 2 (Indirect)	83	88
Total	9,987	8,058

SECR Table 1. Scope 1 and Scope 2 Emissions

Our aircraft fuel consumption increased on account of increased customer demand in the first business as usual year since the pandemic. Pool car emissions increased due to the expansion of our fleet.

Our natural gas use significantly decreased in the current year due to the movement of our main maintenance operations to a more energy efficient location and we saw a slight efficiency improvement on electricity consumption for the same reason.

2 EXCEL (HOLDINGS) LIMITED (REGISTERED NUMBER: 10656583)

REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 MARCH 2023

Emission Declaration (continued)

Despite our growing Estate and workforce, we are low electricity users which is reflected in our comparatively low Scope 2 emissions.

Note that 'well to wake' emissions from the extraction, refinement and transportation of purchased fuel are not calculated in our Scope 1 Emissions Declaration; only emissions from fuel combustion through our operational activities.

Also noteworthy is that we operate our aircraft on behalf of customer contracts (so we are their Scope 3 emissions). However, as we own or lease and fly our aircraft, we include these emissions in our Scope 1 declaration.

Direct Energy and Fuel Consumption

SECR Table 2 below reports the absolute energy in kilo-watt hours (kWh) consumed and directly combusted air and road transport fuels under our Scope 1 for the FY23 and FY22.

Aircraft fleet fuels have been converted from litres to kWh, and land fleet fuels have been converted from miles to kWh using the UK Government's fuel conversion factors.

Utility	FY23 (kWh)	FY22 (kWh)
Electricity	430,413	452,730
Natural Gas	707,085	1,263,736
Heating Oil	208,925	0
Air Transport Fuel	39,230,009	31,193,687
Road Transport Fuel	175,297	126,599
Total	40,751,729	33,036,752

SECR Table 2 – Absolute Energy Use

Intensity Ratio (tCO₂e/RI) Summary

SECR Table 3 below summarises our intensity emissions under Scope 1 and Scope 2 for FY23 and FY22. Our intensity emissions are calculated by dividing our absolute emissions by our financial reporting year turnover in millions of Pounds Sterling.

From FY22 to FY23, our net intensity carbon equivalent emissions across Scope 1 and Scope 2 reduced by 31%.

Intensity Emissions	FY23 (tCO ₂ e/RI)	FY22 (tCO ₂ e/RI)
tCO₂e per £millions of turnover	136	199

SECR Table 3 – Intensity Emissions

Efficiency Initiatives

Table 4 below summarises energy efficiency improvements we completed in FY23 across Scope 1 and Scope 2

Site	Description	kWh Savings	tCO ₂ e Savings
Doncaster	Cessation of gas heating in empty hangar	658,651	133
Humberside Hangar 9	LED retrofit	5,367	1
Doncaster/Humberside	Sale / mothballing of aircraft	2,317,500	572
	Total	2,981,518	706

SECR Table 4 – Energy Efficiencies

REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 MARCH 2023

CHARITABLE DONATIONS AND EXPENDITURE

During the year, the Group donated £39,626 to charities (2022: £8,150).

DISCLOSURE IN THE STRATEGIC REPORT

The Group has chosen in accordance with s.414C(11) of Companies Act 2006 to set out in the Group's strategic report information required by Schedule 7 of the Large and Medium sized Companies and Groups (Accounts and reports) Regulations 2008 to be contained in the Director's report. The following information has been disclosed in the Group Strategic Report:

- The principal risks and uncertainties of the Group
- The going concern of the Group
- Engagement with employees, suppliers, customers and other stakeholders

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors are responsible for preparing the Group Strategic Report, the Report of the Directors and the Financial Statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare Financial Statements for each financial year. Under that law the Directors have elected to prepare the Financial Statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the Directors must not approve the Financial Statements unless they are satisfied that they give a true and fair view of the state of affairs of the companies and the Group and of the profit or loss of the Group for that period. In preparing these Financial Statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the Financial Statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

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

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the Directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the Group's auditors are unaware, and each Director has taken all the steps that he ought to have taken as a Director in order to make himself aware of any relevant audit information and to establish that the Group's auditors are aware of that information.

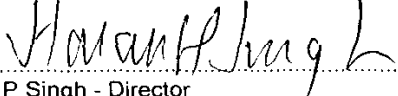
+2 EXCEL (HOLDINGS) LIMITED (REGISTERED NUMBER: 10656583)

REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 MARCH 2023

AUDITORS

The auditors, Buzzacott LLP, were appointed during the year and their re-appointment will be proposed at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:


H P Singh - Director

Date: 29/9/23

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
2 EXCEL (HOLDINGS) LIMITED

Opinion

We have audited the Financial Statements of 2 Excel (Holdings) Limited (the 'parent company') and its subsidiaries (the 'Group') for the year ended 31 March 2023 which comprise the Consolidated Income Statement, the Consolidated Statement of Other Comprehensive Income, the Consolidated and Company Balance Sheets, the Consolidated and Company Statement of Changes in Equity, the Consolidated Cash Flow Statement and Notes to the Financial Statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the Financial Statements:

- give a true and fair view of the state of the Group's and of the parent company's affairs as at 31 March 2023 and of the Group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

In auditing the Financial Statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the Financial Statements is appropriate.

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

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

Other information

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Director's 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.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
2 EXCEL (HOLDINGS) LIMITED

Responsibilities of directors

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 the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or the parent company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the Financial Statements

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

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

How the audit was considered capable of detecting irregularities including fraud

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the Senior Statutory Auditor ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations, including knowledge specific to auditing design, manufacturing and service businesses;
- we made enquiries of management as to where they considered there was susceptibility to fraud, and their knowledge of actual, suspected and alleged fraud;
- we identified the laws and regulations that could reasonably be expected to have a material effect on the Financial Statements of the Group and company through discussions with Directors and other management at the planning stage, and from our knowledge and experience of design, manufacturing and service businesses;
- the audit team held a discussion to identify any particular areas that were considered to be susceptible to misstatement, including with respect to fraud and non-compliance with laws and regulations; and
- we focused our planned audit work on specific laws and regulations which we considered may have a direct material effect on the Financial Statements or the operations of the Group and company including the Companies Act 2006, Health and Safety Act 1974, Civil Aviation Authority regulations, employment legislation and taxation legislation;

We assessed the extent of compliance with the laws and regulations identified above through:

- making enquiries of management;
- reviewing legal expenditure throughout the year for any potential litigation or claims; and
- considering the internal controls in place that are designed to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- determined the susceptibility of the Group and company to management override of controls by checking the implementation of controls and enquiring of individuals involved in the financial reporting process;
- reviewed journal entries around the year end to identify unusual transactions;
- performed analytical procedures to identify any large, unusual or unexpected transactions and investigated any large variances from the prior year;
- reviewed accounting estimates and evaluated where judgements or decisions made by management indicated bias on the part of the Group and company's management;
- reviewed the application of capitalisation policies and whether expenditure has been appropriately capitalised or recognised through profit or loss;
- tested the occurrence of revenue by agreeing revenue recognised to customer contracts and purchase orders and investigated any material variances to expectations; and
- carried out substantive testing to check the occurrence and cut-off of expenditure.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
2 EXCEL (HOLDINGS) LIMITED

Auditors' responsibilities for the audit of the Financial Statements (continued)

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included:

- agreeing Financial Statement disclosures to underlying supporting documentation; and
- enquiring of management as to actual and potential litigation and claims.

There are inherent limitations in our audit procedures described above. Irregularities that result from fraud might be inherently more difficult to detect than irregularities that result from error as they may involve deliberate concealment or collusion. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations.

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 Auditors' Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

 Buzzacott LLP

Philip Westerman (Senior Statutory Auditor)
for and on behalf of
Buzzacott LLP
Statutory Auditor
130 Wood Street
London
EC2V 6DL

Date: 29 September 2023

2 EXCEL (HOLDINGS) LIMITED (REGISTERED NUMBER: 10656583)

CONSOLIDATED INCOME STATEMENT
FOR THE YEAR ENDED 31 MARCH 2023

	Notes	2023 £	2022 £
REVENUE		73,234,330	40,486,291
Cost of sales		<u>(23,889,320)</u>	<u>(11,854,832)</u>
GROSS PROFIT		49,345,010	28,631,459
Administrative expenses		<u>(36,373,718)</u>	<u>(22,718,127)</u>
		12,971,292	5,913,332
Other operating income		661,807	230,641
Other operating (expenses)		<u>(1,245,793)</u>	<u>-</u>
OPERATING PROFIT	4	12,387,306	6,143,973
Shares of operating (loss)/profit in associates	10	(1,108)	16,636
Interest payable and similar expenses	5	<u>(4,545,104)</u>	<u>(3,515,134)</u>
PROFIT BEFORE TAXATION		7,841,094	2,645,475
Tax credit /(expenses)	6	<u>329,213</u>	<u>(81,926)</u>
PROFIT FOR THE FINANCIAL YEAR		<u>8,170,307</u>	<u>2,563,549</u>
Profit attributable to:			
Owners of the parent		7,951,292	2,287,701
Non-controlling interests		<u>219,015</u>	<u>275,848</u>
		<u>8,170,307</u>	<u>2,563,549</u>

All amounts relate to continuing operations.

The notes form part of these financial statements

2 EXCEL (HOLDINGS) LIMITED (REGISTERED NUMBER: 10656583)

CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2023

	Notes	2023 £	2022 £
PROFIT FOR THE YEAR		8,170,307	2,563,549
OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>8,170,307</u>	<u>2,563,549</u>
Total comprehensive income attributable to:			
Owners of the parent		7,951,292	2,287,701
Non-controlling interests		<u>219,015</u>	<u>275,848</u>
		<u>8,170,307</u>	<u>2,563,549</u>


The notes form part of these financial statements

2 EXCEL (HOLDINGS) LIMITED (REGISTERED NUMBER: 10656583)

CONSOLIDATED BALANCE SHEET
31 MARCH 2023

	Notes	2023 £	2022 £
FIXED ASSETS			
Intangible assets	8	4,347,263	3,517,609
Negative Goodwill	8	(309,862)	(464,792)
Property, plant and equipment	9	32,607,477	23,844,250
Investments	10	<u>127,564</u>	<u>128,672</u>
		36,772,442	27,025,739
CURRENT ASSETS			
Inventories	11	2,500	2,500
Debtors	12	19,232,805	15,979,083
Cash at bank and in hand		<u>8,973,193</u>	<u>1,591,185</u>
		28,208,498	17,572,768
CREDITORS			
Amounts falling due within one year	13	<u>(17,030,944)</u>	<u>(7,096,623)</u>
NET CURRENT ASSETS		<u>11,177,554</u>	<u>10,476,145</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		47,949,996	37,501,884
CREDITORS			
Amounts falling due after more than one year	14	<u>(29,179,302)</u>	<u>(26,743,997)</u>
NET ASSETS		<u>18,770,694</u>	<u>10,757,887</u>
CAPITAL AND RESERVES			
Called up share capital	18	840	840
Merger reserve	19	471,700	471,700
Retained earnings	19	<u>18,298,063</u>	<u>10,346,771</u>
SHAREHOLDERS' FUNDS		18,770,603	10,819,311
NON-CONTROLLING INTERESTS	23	<u>91</u>	<u>(61,424)</u>
TOTAL EQUITY		<u>18,770,694</u>	<u>10,757,887</u>

The Financial Statements were approved by the Board of Directors and authorised for issue on 29 September 2023 and were signed on its behalf by:


H P Singh - Director

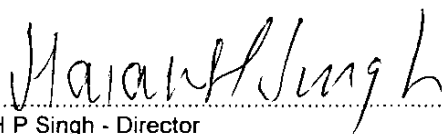
The notes form part of these financial statements

2 EXCEL (HOLDINGS) LIMITED (REGISTERED NUMBER: 10656583)

COMPANY BALANCE SHEET
31 MARCH 2023

	Notes	2023 £	2022 £
FIXED ASSETS			
Investments	10	<u>420</u>	<u>420</u>
		420	420
CURRENT ASSETS			
Debtors	12	840	840
Cash at bank and in hand		-	-
CREDITORS			
Amounts falling due within one year	13	<u>420</u>	<u>420</u>
NET CURRENT ASSETS		<u>420</u>	<u>420</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>840</u>	<u>840</u>
CAPITAL AND RESERVES			
Called up share capital	18	<u>840</u>	<u>840</u>
SHAREHOLDERS' FUNDS		<u>840</u>	<u>840</u>
Company's profit for the financial year		<u>-</u>	<u>-</u>

The Financial Statements were approved by the Board of Directors and authorised for issue on 29 September 2023 and were signed on its behalf by:


.....
H P Singh - Director

2 EXCEL (HOLDINGS) LIMITED (REGISTERED NUMBER: 10656583)

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2023

	Called up share capital £	Retained earnings £	Merger reserve £
Balance at 1 April 2021	840	8,059,070	471,700
Changes in equity			
Total comprehensive income	-	2,287,701	-
Balance at 31 March 2022	<u>840</u>	<u>10,346,771</u>	<u>471,700</u>
Changes in equity			
Dividends	-	-	-
Total comprehensive income	-	7,951,292	-
Balance at 31 March 2023	<u>840</u>	<u>18,298,063</u>	<u>471,700</u>
	Total £	Non-controlling interests £	Total equity £
Balance at 1 April 2021	8,531,610	(337,272)	8,194,338
Changes in equity			
Total comprehensive income	2,287,701	275,848	2,563,549
Balance at 31 March 2022	<u>10,819,311</u>	<u>(61,424)</u>	<u>10,757,887</u>
Changes in equity			
Dividends	-	(157,500)	(157,500)
Total comprehensive income	7,951,292	219,015	8,170,307
Balance at 31 March 2023	<u>18,770,603</u>	<u>91</u>	<u>18,770,694</u>

The notes form part of these financial statements

2 EXCEL (HOLDINGS) LIMITED (REGISTERED NUMBER: 10656583)

COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2023

	Called up share capital £	Retained earnings £	Total equity £
Balance at 1 April 2021	840	-	840
Changes in equity			
Balance at 31 March 2022	<u>840</u>	<u>-</u>	<u>840</u>
Changes in equity			
Balance at 31 March 2023	<u><u>840</u></u>	<u><u>-</u></u>	<u><u>840</u></u>

The notes form part of these financial statements

2 EXCEL (HOLDINGS) LIMITED (REGISTERED NUMBER: 10656583)

CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2023

	Notes	2023 £	2022 £
Cash flows from operating activities			
Cash generated from operations	1	21,061,749	4,454,037
Tax received/(paid)		<u>(81,926)</u>	<u>640,336</u>
Net cash from operating activities		<u>20,979,823</u>	<u>5,094,373</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(7,951,499)	(5,623,390)
Sale of tangible fixed assets		<u>882,744</u>	<u>-</u>
Net cash from investing activities		<u>(7,068,755)</u>	<u>(5,623,390)</u>
Cash flows from financing activities			
Lease obligation payment		(3,454,048)	-
Repayment of borrowings		(850,000)	-
Interest paid		(2,067,512)	(1,364,406)
Dividends Paid		<u>(157,500)</u>	<u>-</u>
Net cash from financing activities		<u>(6,529,060)</u>	<u>(1,364,406)</u>
Increase/(Decrease) in cash and cash equivalents		7,382,008	(1,893,423)
Cash and cash equivalents at beginning of year	2	<u>1,591,185</u>	<u>3,484,608</u>
Cash and cash equivalents at end of year	2	<u><u>8,973,193</u></u>	<u><u>1,591,185</u></u>

The notes form part of these financial statements

2 EXCEL (HOLDINGS) LIMITED (REGISTERED NUMBER: 10656583)

**NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2023**

1. RECONCILIATION OF PROFIT AFTER TAXATION TO CASH GENERATED FROM OPERATIONS

	2023 £	2022 £
Profit after taxation	8,170,307	2,563,549
Depreciation and amortisation charges	3,606,461	3,502,952
(Profit)/Loss on disposal/discard of fixed assets	87,078	-
Finance costs	4,545,104	3,515,134
Taxation	(329,213)	81,926
Shares of operating (loss)/profit in associates	1,108	(16,636)
	<hr/>	<hr/>
	16,080,845	9,646,925
(Increase) in trade and other debtors	(2,288,514)	(4,092,247)
Increase/(Decrease) in trade and other creditors	<u>7,269,418</u>	<u>(1,100,641)</u>
Cash generated from operations	<u>21,061,749</u>	<u>4,454,037</u>

2. CASH AND CASH EQUIVALENTS

The amounts disclosed on the Consolidated Cash Flow Statement in respect of cash and cash equivalents are in respect of these Balance Sheet amounts:

Year ended 31 March 2023

	31.3.23 £	1.4.22 £
Cash and cash equivalents	<u>8,973,193</u>	<u>1,591,185</u>
	<u>8,973,193</u>	<u>1,591,185</u>

Year ended 31 March 2022

	31.3.22 £	1.4.21 £
Cash and cash equivalents	<u>1,591,185</u>	<u>3,484,608</u>
	<u>1,591,185</u>	<u>3,484,608</u>

3. ANALYSIS OF CHANGES IN NET DEBT

	At 1.4.22 £	Movement £	At 31.3.23 £
Net cash			
Cash at bank and in hand	<u>1,591,185</u>	<u>7,382,008</u>	<u>8,973,193</u>
	<u>1,591,185</u>	<u>7,382,008</u>	<u>8,973,193</u>
Debt			
Debts falling due within 1 year	(492,126)	(59,094)	(551,220)
Obligations under finance lease due within 1 year	-	(2,054,504)	(2,054,504)
Debts falling due after 1 year	(26,743,997)	(1,155,713)	(27,899,710)
Obligations under finance lease after 1 year	<u> </u>	<u>(1,279,592)</u>	<u>(1,279,592)</u>
	<u>(27,236,123)</u>	<u>(4,548,903)</u>	<u>(31,785,026)</u>
Total	<u>(25,644,938)</u>	<u>2,833,105</u>	<u>(22,811,833)</u>

The notes form part of these financial statements

2 EXCEL (HOLDINGS) LIMITED (REGISTERED NUMBER: 10656583)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

1. STATUTORY INFORMATION

2 Excel (Holdings) Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the General Information page.

2 Excel (Holdings) Limited principal place of business is Hall Farm 2, Sywell Aerodrome, Sywell, Northampton NN6 0BN.

2. ACCOUNTING POLICIES

Basis of preparing the Financial Statements

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

The Financial Statements are presented in Sterling (£).

The principal activity of the company is a Holding Company and the Group is that of aerospace services provided in Britain.

Going concern

The Directors have considered the Group's strong performance during the Coronavirus crisis, in the post-Brexit world and in the face of the Ukraine War and have decided that the Group has weathered these strategic shocks very well. It has grown its employee base, secured significant new contracts and, particularly, increased its market share, grown its revenues doubled its operating profits in FY23. It has significantly improved its resilience and enhanced its reputation. Contextually, Brexit and Coronavirus risks are both reducing too. The Directors do not consider there is any material uncertainty that causes any significant doubt that the Group can continue as a going concern. The Group's performance has been better than anticipated. Additionally, it took significant actions to improve balance sheet quality leaving £8.97m cash at bank at the end of the year and it has contractually secured substantial portion of its projected FY24 revenue before the start of the year. Therefore, the Directors consider that the 2Excel (Holdings) Limited Group remains a going concern.

Basis of consolidation

The Group Financial Statements consolidate the Financial Statements of 2 Excel (Holdings) Limited and all its subsidiary undertakings drawn up to 31 March each year. No profit and loss account are presented for 2 Excel (Holdings) Limited as permitted by section 408 of the Companies Act 2006.

Business combinations

Acquisitions of subsidiaries and businesses are accounted for using the purchase method. The cost of the business combination is measured at the aggregate of the fair values (at the date of exchange) of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquiree plus costs directly attributable to the business combination.

Any excess of the cost of the business combination over the acquirer's interest in the net fair value of the identifiable assets and liabilities is recognised as goodwill. If the net fair value of the identifiable assets and liabilities exceeds the cost of the business combination the excess is recognised separately on the face of the consolidated statement of financial position immediately below goodwill.

When the excess is negative, this is recognised and separately disclosed on the balance sheet as negative goodwill.

Related party exemption

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

Transactions between Group entities which have been eliminated on consolidation are not disclosed within the Financial Statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

2. ACCOUNTING POLICIES - continued

Judgements and Estimates

The preparation of the Group and Company Financial Statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the statement of financial position date and the amounts reported for revenues and expenses during the year.

The estimates and associated assumptions are evaluated on an ongoing basis and are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The judgements applied and key sources of estimation uncertainty are as follows:

Amounts owed by related companies. The Directors have applied judgement in determining that the amounts owed from related companies 2 Excel Engineering Limited and 21T Limited of £3.3m and £5.5m respectively are considered fully recoverable at the balance sheet date and that therefore no provision against these balances is required. This assessment has been made by reference to expected post balance sheet repayment of these balances, continued trading with the Group and further anticipated investment into these entities.

Recoverability of research and development (R&D) tax credits. The Directors have applied judgement in assessing the recoverability of research and development tax credits at 31 March 2023, and also therefore in determining the extent of tax credit to recognise in the profit and loss account. This is based on the Directors' assessment of the nature and validity of the claims.

Deferred tax. The Directors have considered the overall deferred tax position of the Group at 31 March 2023 and have concluded that there are sufficient deferred tax assets available in the form of tax losses and unrecognised R&D claims to offset deferred tax liabilities arising on fixed asset timing differences.

Carrying value of intangible assets. The Directors have considered the future net operating cash flows that will be generated from the development costs intangible assets. They have determined that amounts reflected in carrying value at 31 March 2023 represent assets that will be fully recovered from future cash flows. The Directors do not therefore consider that any impairment provisions are required.

Going concern. The Directors have applied judgement in forming their assessment that the Group and Parent Company are a going concern. Details of the key matters considered, and the judgements and estimates applied are given earlier in note 2.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2023

2. ACCOUNTING POLICIES - continued

Investment in subsidiaries

The consolidated Financial Statements incorporate the Financial Statements of the company and entities (including special purpose entities) controlled by the Group (its subsidiaries). Control is achieved where the Group has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

The results of subsidiaries acquired or disposed of during the year are included in total comprehensive income from the effective date of acquisition and up to the effective date of disposal, as appropriate using accounting policies consistent with those of the parent. All intra-Group transactions, balances, income and expenses are eliminated in full on consolidation.

Investments in subsidiaries are accounted for at cost less impairment in the individual Financial Statements.

Investment in associates and joint ventures

Investments in associates and joint ventures are recognised initially in the consolidated statement of financial position at the transaction price and subsequently adjusted to reflect the Group's share of total comprehensive income and equity of the associate, less any impairment.

Any excess of the cost of acquisition over the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities of the associate recognised at the date of acquisition, although treated as goodwill, is presented as part of the investment in the associate or joint venture. Amortisation is charged so as to allocate the cost of goodwill over its estimated useful life, using the straight-line method. Losses in excess of the carrying amount of an investment in an associate or joint venture are recorded as a provision only when the company has incurred legal or constructive obligations or has made payments on behalf of the associate or joint venture.

Investments in associates and joint ventures are accounted for at cost less impairment in the individual Financial Statements.

Revenue

Revenue represents the total invoice value, excluding value added tax, of sales made during the year. Revenue is recognised at the point the company has transferred to the buyer the significant risks and rewards, the amount of the turnover can be measured reliably, and it is probable the economic benefits associated with the transactions will flow to the company.

Revenue related to contracts with the customers are recognised in accordance with the stage of completion of the contract. Revenue on contracts with customers comprises of the initial amount of revenue agreed in the contract and variations in the contract work and claims that can be measured reliably. A variation or a claim is recognised as contract revenue when it is agreed with the customer.

Goodwill

Goodwill arising on the acquisition of subsidiary undertakings and business, representing any excess of fair value of the consideration given over the fair value of the identifiable assets and liabilities acquired, is capitalised and written off on a straight-line basis over its useful economic life, which is five years.

Negative goodwill arising on business combinations in respect of acquisitions is included on the balance sheet immediately below any positive goodwill and released to the profit and loss account in the periods in which the non-monetary assets arising on the same acquisition are recovered. Any excess exceeding the fair value of non-monetary assets acquired shall be recognised in profit or loss in the periods expected to benefit.

Patents and licences

Patents and licences are included at cost and amortised over a period of 10 years which is its estimated useful economic life. Provision is made for any impairment.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Short Leasehold	- Over the life of the lease
Aircraft - Owned	- 10% on a reducing balance method or on a straight line
Aircraft - Leased	- 10% on a reducing balance method or on a straight line
Aircraft equipment	- 20% on a reducing balance method or 10% on a straight line
Fixtures, fittings & equipment	- 10%/20% on a reducing balance method
Office Equipment	- 33.33% on a straight line
Motor vehicles	- 25% on a straight line

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2023

2. ACCOUNTING POLICIES - continued

Assets under construction

Asset in the course of construction are stated at cost. Labour costs are capitalised if they are directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended. Any abnormal costs (whether labour, wasted material or other resources) are charged to profit and loss as incurred. These assets are not depreciated until they are available for use and are reviewed for impairment at each stage of reporting date.

Stocks

Inventories are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Taxation

Current tax is recognised for the amount of income tax payable in respect of the taxable profit for the current or past reporting periods using the tax rates and laws that have been enacted or substantively enacted by the reporting date.

Current tax is tax payable or refundable in respect of the taxable profit or tax loss for the current period or past reporting periods.

Deferred taxation

Deferred tax is recognised in respect of all timing differences at the reporting date, except as otherwise indicated.

Deferred tax assets are only recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

If and when all conditions for retaining tax allowances for the cost of a fixed asset have been met, the deferred tax is reversed.

Deferred tax is recognised when income or expenses from a subsidiary or associate have been recognised, and will be assessed for tax in a future period, except where:

- the Group is able to control the reversal of the timing difference; and
- it is probable that the timing difference will not reverse in the foreseeable future.

A deferred tax liability or asset is recognised for the additional tax that will be paid or avoided in respect of assets and liabilities that are recognised in a business combination. The amount attributed to goodwill is adjusted by the amount of deferred tax recognised.

Deferred tax is calculated using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

With the exception of changes arising on the initial recognition of a business combination, the tax expense (income) is presented either in profit or loss, other comprehensive income or equity depending on the transaction that resulted in the tax expense (income).

Deferred tax liabilities are presented within provisions for liabilities and deferred tax assets within debtors. Deferred tax assets and deferred tax liabilities are offset only if:

- the Group has a legally enforceable right to set off current tax assets against current tax liabilities, and
- the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously.

Research and development

Research is written off in the same year in which it is incurred.

Development costs are capitalised if they are directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended. Development costs are charged to the profit and loss in the same year unless the Directors are satisfied as to the technical, commercial and financial viability of individual projects. In this situation, the expenditure is deferred and amortised over the period from which the company is expected to benefit. Development costs are amortised over 5 years

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

2 EXCEL (HOLDINGS) LIMITED (REGISTERED NUMBER: 10656583)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2023

2. ACCOUNTING POLICIES - continued

Hire purchase and leasing commitments

Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. The interest element of these obligations is charged to profit or loss over the relevant period. The capital element of the future payments is treated as a liability.

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

Government grants

Government grants are recognised at the fair value of the asset received or receivable. Grants are not recognised until there is reasonable assurance that the company will comply with the conditions attaching to them and the grants will be received.

Government grants are recognised using the accrual model and the performance model.

Under the accrual model, government grants relating to revenue are recognised on a systematic basis over the periods in which the company recognises the related costs for which the grant is intended to compensate. Grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the entity with no future related costs are recognised in income in the period in which it becomes receivable.

Grants relating to assets are recognised in income on a systematic basis over the expected useful life of the asset. Where part of a grant relating to an asset is deferred, it is recognised as deferred income and not deducted from the carrying amount of the asset.

Under the performance model, where the grant does not impose specified future performance-related conditions on the recipient, it is recognised in income when the grant proceeds are received or receivable. Where the grant does impose specified future performance-related conditions on the recipient, it is recognised in income only when the performance-related conditions have been met. Where grants received are prior to satisfying the revenue recognition criteria, they are recognised as a liability.

Research & Development Tax credit is recognised as a grant that becomes receivable as compensation for expenses or losses already incurred shall be recognised in income in the period in which it becomes receivable.

Pension costs and other post-retirement benefits

A defined contribution plan is a post-employment benefit plan under which the company pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an expense in the profit and loss account in the periods during which services are rendered.

Short-term debtors and creditors

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in the income statement in other operating expenses.

Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's statement of financial position when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the Financial Statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2023

2. ACCOUNTING POLICIES - continued

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities

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

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow Group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method. Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

2 EXCEL (HOLDINGS) LIMITED (REGISTERED NUMBER: 10656583)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2023

2. ACCOUNTING POLICIES - continued

Other financial liabilities

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied, and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

Derecognition of financial liabilities

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

Equity instruments

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

3. EMPLOYEES AND DIRECTORS

	2023 £	2022 £
Wages and salaries	11,274,675	9,991,901
Social security costs	1,326,636	1,198,440
Other pension costs	<u>1,092,023</u>	<u>870,310</u>
	<u>13,693,334</u>	<u>12,060,651</u>

The Company operates a stakeholder defined contribution pension scheme for the benefit of the employees and Directors. The assets of the scheme are administered by an independent pensions provider. Pension payments recognised as an expense during the year amounted to £1,092,023 (2022 : £870,310).

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

	2023	2022
Management	5	4
Operations and administration	<u>287</u>	<u>239</u>
	<u>292</u>	<u>243</u>

	2023 £	2022 £
Directors' remuneration	<u>780,489</u>	<u>606,392</u>

Information regarding the highest paid Director is as follows:

	2023 £	2022 £
Emoluments	250,000	250,000
Company contributions to pension plans in respect of qualifying services	<u>-</u>	<u>-</u>

The number of directors who accrued benefits under company pension plans was as follows:

	2023	2022
Defined contribution plans	<u>2</u>	<u>1</u>

2 EXCEL (HOLDINGS) LIMITED (REGISTERED NUMBER: 10656583)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2023

4. OPERATING PROFIT

The operating profit is stated after charging:

	2023	2022
	£	£
Operating leases	759,986	640,189
Depreciation - owned assets	3,255,353	2,645,644
(Profit)/loss on disposal/discard of fixed assets	87,078	-
Goodwill amortisation	15,229	232,380
Negative Goodwill Amortisation	(154,930)	(154,930)
Patents and licences amortisation	13,168	13,168
Development costs amortisation	477,641	766,690
Auditors' remuneration	59,000	40,000
Foreign exchange differences	<u>(160,827)</u>	<u>(2,644)</u>

5. INTEREST PAYABLE AND SIMILAR EXPENSES

	2023	2022
	£	£
Interests on loan	3,838,811	3,515,134
Interest on finance lease	561,781	-
Interest on PAYE	<u>144,512</u>	<u>-</u>
	<u>4,545,104</u>	<u>3,515,134</u>

2 EXCEL (HOLDINGS) LIMITED (REGISTERED NUMBER: 10656583)

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2023**

6. TAXATION

Analysis of the tax (credit)/ charge

The tax (credit)/ charge on the profit for the year was as follows:

	2023 £	2022 £
Current tax:		
UK corporation tax	116,297	81,926
R&D tax – prior year adjustments	(445,510)	-
Tax on profit	<u>(329,213)</u>	<u>81,926</u>

UK corporation tax has been charged at 19%.

Reconciliation of total tax (credit)/charge included in profit and loss

The tax assessed for the year is lower than the standard rate of corporation tax in the UK. The difference is explained below:

	2023 £	2022 £
Profit before tax	<u>7,841,094</u>	<u>2,645,475</u>
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2022 - 19%)	1,489,808	502,640
Effects of:		
Expenses not deductible for tax purposes	118,701	27,093
Other permanent differences	-	1,523
Additional deduction for R&D expenditure	(1,235,000)	(1,164,143)
Depreciation in excess of capital allowances	(204,879)	(168,267)
Movement in deferred tax not recognised	(2,458)	852,373
Exempt distribution income	(49,875)	-
Adjustment in respect of prior periods	(445,510)	-
R&D expenditure credits	-	30,707
Total tax (credit)/ charge	<u>(329,213)</u>	<u>81,926</u>

The Group has unrelieved tax losses. No deferred tax asset has been recognised in respect of these losses. There is uncertainty over timing of available future profits for offset against deferred tax liabilities from fixed asset timing differences.

Factors that may affect future tax charge

With effect from 1 April 2023, the rate of corporation tax increased, tapering from 19% for businesses with profits of less than £50,000 to 25% for businesses with profits over £250,000.

7. INDIVIDUAL INCOME STATEMENT

As permitted by Section 408 of the Companies Act 2006, the Income Statement of the parent company is not presented as part of these Financial Statements.

2 EXCEL (HOLDINGS) LIMITED (REGISTERED NUMBER: 10656583)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2023

8. INTANGIBLE FIXED ASSETS

Group

	Goodwill	Negative Goodwill	Patents and Licences	Development Costs	Total
	£	£	£	£	£
COST					
At 1 April 2022	1,161,901	(774,652)	131,678	6,294,778	6,813,705
Additions [†]	-	-	-	1,335,692	1,335,692
At 31 March 2023	<u>1,161,901</u>	<u>(774,652)</u>	<u>131,678</u>	<u>7,630,470</u>	<u>8,149,397</u>
AMORTISATION					
At 1 April 2022	1,146,672	(309,860)	105,344	2,818,732	3,760,888
Amortisation for the year	15,229	(154,930)	13,168	477,641	351,108
At 31 March 2023	<u>1,161,901</u>	<u>(464,790)</u>	<u>118,512</u>	<u>3,296,373</u>	<u>4,111,996</u>
NET BOOK VALUE					
At 31 March 2023	<u>-</u>	<u>(309,862)</u>	<u>13,166</u>	<u>4,334,097</u>	<u>4,037,401</u>
At 31 March 2022	<u>15,229</u>	<u>(464,792)</u>	<u>26,334</u>	<u>3,476,046</u>	<u>3,052,817</u>

The Directors have assessed the recoverability of the development costs intangibles by reference to expected future cash flows that will be generated from these live projects and have determined that no impairment is required at 31 March 2023.

9. PROPERTY, PLANT AND EQUIPMENT

Group

	Short Leasehold	Owned Aircraft	Leased Aircraft	Aircraft Equipment
	£	£	£	£
COST				
At 1 April 2022	194,586	15,211,377	-	29,263,523
Additions [*]	59,846	1,155,266	6,424,043	5,197,829
Reclassification		(1,656,838)		1,656,838
Disposal	-	(910,000)	-	(45,280)
At 31 March 2023	<u>254,432</u>	<u>13,799,805</u>	<u>6,424,043</u>	<u>36,072,910</u>
DEPRECIATION				
At 1 April 2022	109,637	6,536,699	-	14,545,063
Charge for the year	33,566	792,769	-	2,836,290
Disposal	-	(497,377)	-	(3,081)
At 31 March 2023	<u>143,203</u>	<u>6,832,091</u>	<u>-</u>	<u>17,378,272</u>
NET BOOK VALUE				
At 31 March 2023	<u>111,229</u>	<u>6,967,714</u>	<u>6,424,043</u>	<u>18,694,638</u>
At 31 March 2022	<u>84,949</u>	<u>8,674,678</u>	<u>-</u>	<u>14,718,460</u>

2 EXCEL (HOLDINGS) LIMITED (REGISTERED NUMBER: 10656583)

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2023**

9. PROPERTY, PLANT AND EQUIPMENT - continued

Group

	Fixtures, & fittings £	Office & flight simulator £	Motor vehicles £	Totals £
COST				
At 1 April 2022	454,266	711,021	27,779	45,862,552
Additions *	10,627	140,791	-	12,988,402
Reclassification	-	-	-	-
Disposal	-	-	-	(955,280)
At 31 March 2023	<u>464,893</u>	<u>851,812</u>	<u>27,779</u>	<u>57,895,674</u>
DEPRECIATION				
At 1 April 2022	234,070	568,951	23,882	22,018,302
Charge for year	30,882	72,949	3,897	3,770,353
Disposal	-	-	-	(500,458)
At 31 March 2023	<u>264,952</u>	<u>641,900</u>	<u>27,779</u>	<u>25,288,197</u>
NET BOOK VALUE				
At 31 March 2023	<u>199,941</u>	<u>209,912</u>	<u>-</u>	<u>32,607,477</u>
At 31 March 2022	<u>220,196</u>	<u>142,070</u>	<u>3,897</u>	<u>23,844,250</u>

Group

(*) Asset under construction included within intangible fixed asset and property, plant and equipment

	Development Costs £	Aircraft Equipment £	Total £
COST			
At 1 April 2022	-	-	-
Additions	<u>1,335,692</u>	<u>2,776,155</u>	<u>4,111,847</u>
At 31 March 2023	<u>1,335,692</u>	<u>2,776,155</u>	<u>4,111,847</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2023

10. FIXED ASSET INVESTMENTS

Group

Interest
in
associate
£

VALUATION

At 1 April 2022

128,672

Disposal

(1,100)

At 31 March 2023

127,564

NET BOOK VALUE

At 31 March 2023

127,564

At 31 March 2022

128,672

Company

Shares in
Group
undertakings
£

COST

At 1 April 2022

and 31 March 2023

420

NET BOOK VALUE

At 31 March 2023

420

At 31 March 2022

420

2 EXCEL (HOLDINGS) LIMITED (REGISTERED NUMBER: 10656583)

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2023**

10. FIXED ASSET INVESTMENTS – continued

Subsidiaries

T2 Aviation Limited

Registered office: 72 Fielding Road, London W4 1DB - UK

Nature of business: Oil spill response

	% holding	2023 £	2022 £
Class of shares:			
Ordinary	62.50		
Aggregate capital and reserves		73,886	(129,814)
Profit for the year *		<u>623,700</u>	<u>769,758</u>

* Prior to payment of dividend of £420,000 during the year.

GCP Aviation Limited

Registered office: 72 Fielding Road, London W4 1DB - UK

Nature of business: Lease of aircraft

	% holding	2023 £	2022 £
Class of shares:			
Ordinary	100.00		
Aggregate capital and reserves		248,501	(283,750)
Profit for the year		<u>532,251</u>	<u>123,610</u>

ACH (Witham) Limited

Registered office: 72 Fielding Road, London W4 1DB - UK

Nature of business: Lease of aircraft

	% holding	2023 £	2022 £
Class of shares:			
Ordinary	100.00		
Aggregate capital and reserves		496,673	416,447
Profit for the year		<u>80,226</u>	<u>196,957</u>

ACH London Limited

Registered office: 72 Fielding Road, London W4 1DB - UK

Nature of business: Lease of aircraft and equipment

	% holding	2023 £	2022 £
Class of shares:			
Ordinary	100.00		
Aggregate capital and reserves		1,163,549	1,010,497
Profit for the year		<u>153,052</u>	<u>510,979</u>

2 Excel Management Limited

Registered office: 72 Fielding Road, London W4 1DB - UK

Nature of business: Business support service

	% holding	2023 £	2022 £
Class of shares:			
Ordinary	100.00		
Aggregate capital and reserves		51,551	(61,939)
Profit for the year		<u>113,490</u>	<u>248,706</u>

2 EXCEL (HOLDINGS) LIMITED (REGISTERED NUMBER: 10656583)

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2023**

10. FIXED ASSET INVESTMENTS - continued

ACH Excalibur Limited

Registered office: 72 Fielding Road, London W4 1DB - UK

Nature of business: Lease of aircraft and equipment

Class of shares:	%		
Ordinary	holding		
	100.00		
		2023	2022
		£	£
Aggregate capital and reserves		(90)	(56,696)
Profit for the period		<u>56,606</u>	<u>1,595</u>

2 Excel Leading Edge Limited

Registered office: The Tiger House, Sywell Aerodrome, Sywell, Northampton NN6 0BN - UK

Nature of business: Dormant

Class of shares:	%		
Ordinary	holding		
	100.00		
		2023	2022
		£	£
Aggregate capital and reserves		<u>100</u>	<u>100</u>

2 Excel Geo Limited

Registered office: 72 Fielding Road, London W4 1DB - UK

Nature of business: Data exploitation

Class of shares:	%		
Ordinary shares	holding		
	100.00		
		2023	2022
		£	£
Aggregate capital and reserves		(2,801)	(2,676)
Loss for the year		<u>(125)</u>	<u>(1,047)</u>

2 Excel Design Limited

Registered office: 72 Fielding Road, London W4 1DB - UK

Nature of business: Design organisation approval

Class of shares:	%		
Ordinary	holding		
	100.00		
		2023	2022
		£	£
Aggregate capital and reserves		(274,798)	(342,630)
Profit for the year		<u>67,832</u>	<u>67,832</u>

2 Excel Aviation Limited

Registered office: Hall Farm 2, Sywell Aerodrome, Sywell, Northampton NN6 0BN - UK

Nature of business: Aviation services

Class of shares:	%		
Ordinary	holding		
	100.00		
		2023	2022
		£	£
Aggregate capital and reserves		17,658,576	10,929,560
Profit for the year		<u>6,729,016</u>	<u>706,380</u>

2 EXCEL (HOLDINGS) LIMITED (REGISTERED NUMBER: 10656583)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2023

10. FIXED ASSET INVESTMENTS - continued

The below listed subsidiary companies are exempt from the requirements of the Companies Act 2006 relating to the audit of individual accounts as the parent company 2 Excel (Holdings) Limited issued a parental guarantee to the above entities on 3 August 2023 in relation to the year ended 31 March 2023, which permits them to take the exemption under S479A of the Companies Act 2006.

2 Excel (Holdings) Limited guarantees all outstanding liabilities of these companies as at 31 March 2023, until they are satisfied in full.

- 2 Excel Aviation Limited (Company number 05391365)
- 2 Excel Management Limited (Company number 08503399)
- 2 Excel Design Limited (Company number 05576452)
- 2 Excel Leading Edge Limited (Company number 08154032)
- 2 Excel Geo Limited (Company number 11424191)
- T2 Aviation Limited (Company number 07615313)
- GCP Aviation Limited (Company number 10232812)
- ACH London Limited (Company number 10586808)
- ACH Excalibur Limited (Company number 12244287)
- ACH (Witham) Limited (Company number 11435006)

11. STOCKS

	Group	
	2023	2022
	£	£
Finished goods	<u>2,500</u>	<u>2,500</u>

2 EXCEL (HOLDINGS) LIMITED (REGISTERED NUMBER: 10656583)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2023

12. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2023	2022	2023	2022
	£	£	£	£
Trade debtors	5,332,662	4,909,965	-	-
Amounts owed by associates	5,694,311	4,715,946	-	-
Other debtors	4,661,559	3,368,187	840	840
Tax	445,510	640,336	-	-
Prepayments and accrued income	3,098,763	2,344,649	-	-
	<u>19,232,805</u>	<u>15,979,083</u>	<u>-</u>	<u>840</u>

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2023	2022	2023	2022
	£	£	£	£
Trade creditors	6,149,575	1,676,854	-	-
Corporation tax	116,297	81,926	-	-
Value added tax	3,923,677	1,689,762	-	-
Social security and other taxes	404,036	910,940	-	-
Loans and overdrafts (see note 15)	551,220	492,126	-	-
Obligations under finance lease (see note 15)	2,054,504	-	-	-
Accruals and deferred income	3,723,660	2,122,835	-	-
Other creditors	107,975	122,180	420	420
	<u>17,030,944</u>	<u>7,096,623</u>	<u>420</u>	<u>420</u>

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

	Group	
	2023	2022
	£	£
Loans (see note 15)	27,899,710	26,743,997
Obligations under finance leases (see note 15)	1,279,592	-
	<u>29,179,302</u>	<u>26,743,997</u>

15. LOANS

An analysis of the maturity of loans is given below:

	Group	
	2023	2022
	£	£
Amounts falling due within one year or on demand:		
Loans	551,220	492,126
Obligations under finance leases	2,054,504	-
	<u>2,605,724</u>	<u>492,126</u>
Amounts falling due between two and five years:		
Loans	27,899,710	26,743,997
Obligations under finance leases	1,279,592	-
	<u>29,179,302</u>	<u>26,743,997</u>

2 EXCEL (HOLDINGS) LIMITED (REGISTERED NUMBER: 10656583)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2023

16. LEASING AGREEMENTS

**Finance leases
As a lessee**

Minimum lease payments fall due as follows:

Group

	Non-cancellable finance leases	
	2023	2022
	£	£
Within one year	2,372,160	-
Between one and five years	1,383,760	-
	<hr/>	<hr/>
	3,755,920	-
Future finance charges	(421,824)	-
	<hr/>	<hr/>
	<u>3,334,096</u>	<u> </u>

The finance leases are for aircraft which are leased for periods of up to 10 years. There are recognised as tangible fixed assets (see note 9). The lease agreements are for fixed lease payments and include a purchase option at the end of the lease term.

Operating leases

Minimum lease payments fall due as follows:

Group

	Non-cancellable operating leases	
	2023	2022
	£	£
Within one year	657,955	514,425
Between one and five years	1,535,820	1,639,412
In more than five years	16,250	146,250
	<hr/>	<hr/>
	<u>2,210,025</u>	<u>2,300,087</u>

17. SECURED DEBTS

The following secured debts are included within creditors:

	Group	
	2023	2022
	£	£
Loans	<u>28,450,930</u>	<u>27,236,123</u>
	<hr/>	<hr/>
	<u>28,450,930</u>	<u>27,236,123</u>

The loan facility provider has a fixed and floating charge over all the assets of the Group. The loan is repayable on 21 January 2026. The cash interest on the loan is 7% per annum.

18. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2023	2022
			£	£
84,000,000	Ordinary	0.00001	<u>840</u>	<u>840</u>

The holders of the ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meeting of the Company.

2 EXCEL (HOLDINGS) LIMITED (REGISTERED NUMBER: 10656583)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2023

19. RESERVES

Group

	Retained earnings £	Merger reserve £	Totals £
At 1 April 2022	10,346,771	471,700	10,818,471
Profit for the year	7,951,292	-	7,951,292
	<hr/>	<hr/>	<hr/>
At 31 March 2023	<u>18,298,063</u>	<u>471,700</u>	<u>18,769,763</u>

Company

	Retained earnings £
At 1 April 2022	-
Profit for the year	-
	<hr/>
At 31 March 2023	<u>-</u>

20. PENSION COMMITMENTS

Contributions to the defined pension scheme totalling £101,091 (2022 : £77,453) were payable to the fund at the reporting date.

21. CONTINGENT LIABILITIES

As at 31 March 2023, the Group had no contingent liabilities (2022 : £nil)

22. CAPITAL COMMITMENTS

The Group had capital commitments of £ 5,658,330 for the year ended 31 March 2023 (2022 : £nil).

23. NON-CONTROLLING INTERESTS

Non-controlling interests represent interest of minority shareholders in T2 Aviation Limited. The profit and year-end balance relating to the non-controlling interest are reflected in the consolidated income statement and consolidated balance sheet respectively.

EXCEL (HOLDINGS) LIMITED (REGISTERED NUMBER: 10656583)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2023

24. RELATED PARTY DISCLOSURES

The company has taken advantage of the exemption to disclose related party transactions with other group companies conferred by FRS 102 paragraph 33.1A on the basis that it is a wholly owned subsidiary.

3XL Aviation Limited

3XL Aviation is a company in which C Norton is a Director. 2Excel Aviation Limited invoiced 3XL Aviation for services amounting to £484,101 (2022: £527,033). 3XL Aviation Limited owed £6,722 as at 31 March 2023 (2022: £6,722).

Heathmatic Limited.

Heathmatic Limited is a company in which H Singh, a Director of the company, is the sole shareholder. The Company was invoiced by Heathmatic Ltd £125,000 (2022: £125,000) for Director fees. There was no outstanding balance as of 31 March 2023 (or 2022).

Blades Racing Team Limited

Blades Racing Team Limited (BRT) is a company in which the Company owns 50% of its shareholding and A Offer is also a Director. As at 31 March 2023, BRT owed £11,541 (2022: £2,280). In the year, 2Excel Aviation Limited invoiced BRT the amount of £8,517 (2022: £2,372).

Ampa Limited

Ampa Limited is a company in which H Singh, a Director of the company, is the sole shareholder. The Company made aircraft lease payments to Ampa Ltd totalling £3,454,048 (2022: £593,040) with an aircraft lease deposit balance receivable of £395,360 (2022: £395,360) and the outstanding obligation under finance lease as of 31 March 2023 was £3,334,096 (2022: £237,216).

21T Limited

21T Limited is a company in which the Company owns 33.33% of its shareholding and A Offer is also a Director. As at 31 March 2023, the Company has a balance receivable of £5,795,016 (2022: £5,495,316) due from 21T Limited. 2Excel Aviation Limited invoiced 21T Limited the amount of £10,891,029 (2022: £4,919,860). During the year, the balance receivable from 21T Limited increased by £299,700 (2022: £4,711,503).

2Excel Engineering Limited

2 Excel Engineering Limited (2EE) is a company in which C Norton is a Director. The company was invoiced £3,934,712 (2022: £1,766,012) for services delivered by 2EE and the company invoiced £221,564 (2022: £241,873) for services it delivered to 2EE. On 31 March 2023, the Company is owed by 2EE £2,320,051 (2022: £3,265,475). During the year, 2EE paid £0 (2022: £0) to 2 Excel Aviation Limited towards its loan. The outstanding loan balance as at 31 March 2023 is £3,077,825 (2022: £3,077,825).

ACH Manthorpe Limited

Mr C Norton, Mr A Offer and Mr H Singh are Directors and Shareholders of this company. The Company paid an aircraft lease deposit of £168,163 (2022: £0) to ACH Manthorpe Limited.

Loans to associates are unsecured and interest free.

Management

All Directors have the authority and responsibility for planning, directing and controlling the activities of the company together with the board of management (13 individuals - £1,430,194) (2022: 13 - £1,350,975). All these staff are considered to be key management. Close family members of directors who are employees of the group were remunerated £107,025 (2022: £91,339).

25. ULTIMATE CONTROLLING PARTY

There is no ultimate controlling party.

26. RESERVES

Retained Earnings

Retained earnings include all current and prior period retained profits.

Merger reserve

The merger reserve was created following a Group restructure that was completed on 2 June 2017.

27. POST BALANCE SHEET EVENT

There are no post balance sheet events requiring disclosures as at the date of approval of these Financial Statements.