

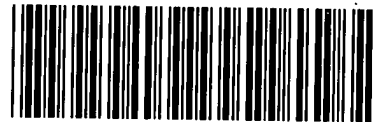
Registered number: 05513280

BLU 3 (HOLDINGS) LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

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BLU 3 (HOLDINGS) LIMITED

COMPANY INFORMATION

Director	D Chaney
Registered number	05513280
Registered office	Eden House 454 New Hythe Lane Larkfield Aylesford Kent ME20 7UH
Independent auditor	Crowe U.K. LLP 55 Ludgate Hill London EC4M 7JW

BLU 3 (HOLDINGS) LIMITED

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BLU 3 (HOLDINGS) LIMITED

GROUP STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2022

Introduction

Established in 2004, blu 3 (holdings) Limited ("blu 3") is an international award winning, multi disciplined infrastructure group specialising in civil engineering, utilities, construction and data centre projects. We have grown continuously by delivering professional, high quality, cost effective and sustainable solutions for our clients.

We build long term relationships and our reputation and track record has been built upon consistently delivering projects that are high quality, value for money and on schedule.

Financial highlights

The Group continues to develop its position as a leading provider of engineering services in the UK and international Data centre markets. The Group has delivered a strong set of results against an unpredictable backdrop constrained by the market uncertainty of the Ukraine War and by the COVID-19 pandemic.

Due to the new restrictions and constraints on the international business following Brexit, all new international trade has been organised via a different entity within the group. This has resulted in a portion of the groups trade being undertaken outside of the UK company and strategically diversifying the group.

The effects of COVID-19 continued to adversely impact the group's revenue in the first few months and the recovery throughout the financial year. Despite this, the Group showed strong underlying performance and has secured a healthy pipeline of work.

The Company has focused on its financial health and resilience during the year, maintaining a strong gross margin position and establishing effective working capital management processes. We finished the year with revenue up by 43.5% to £92.9 million (2021: £63.6 million) and operating profit at £3.0m. We continued to maintain our zero-debt position, and finished the year with a record forward order book in the UK and across Europe.

The balance sheet at 31 March 2022 shows growth and further strengthening of the Group's financial position. Net assets have increased to £25.7 million (2021: £23.8 million).

The group has a strong sustainable business model and is well positioned to move forward to capitalise on the compelling growth opportunities that exist across our end markets by leveraging our unique low risk, capital light, high quality operating model.

Business review

The Group continues to develop its five-year strategy which is underpinned by our core values:

- People
- Integrity
- Client focus
- Continuous improvement
- Quality and innovation

Our core activities remain: The provision of services within the sectors of civil engineering, construction, and utilities. Our ability to package our services enables us to offer a level of convenience and reliability that no other utility contractor can deliver. Such innovation is fundamental to our ethos and has secured us continued work on high profile projects throughout the UK and Europe.

BLU 3 (HOLDINGS) LIMITED

GROUP STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

Business review (continued)

We offer a wide range of services globally, from construction management and multi utility expertise, to project and programme management of landscaping and remediation work. In some countries, we offer additional services including technical supervision of construction, providing our clients with critical and expert oversight and control of all stages of construction works.

With our dedicated in country teams supporting our long standing relationships with clients, firms enlisting blu 3 are guaranteed the same high end, personalised service that has earned us our reputation to be relied upon to deliver. Our key services are:

- Data Centres
- Multi – utilities
- Civil engineering
- Infrastructure

Key Performance Indicators

Our key performance indicators are:

- Revenue growth/ (reduction) - 43.5% (2021 - (37.1%))
- Gross margin - 12.7% (2021 - 17.4%)
- Operating profit margin - 3.2% (2021 - 6.1%)
- 12 month rolling Accident Frequency Rate for RIDDOR incidents - 0.00 (2021 - 0.00)

Health, Safety and Quality

blu 3 has had a successful year following the challenges of the COVID-19 pandemic. Our mitigation planning and controls meant minimal impact to the health and wellbeing of our People.

We are proud to achieve a continuous 0 Accident Frequency Rate (AFR), illustrating our value of protecting our People.

blu 3 consistently worked to, and beyond, ISO 45001, 9001 and 14001 standards during 2021/22, with these standards forming part of our culture assisting us to further reduce the number of incidents within the period, and focusing our attention on leadership and risk management.

During 2021/22, blu 3 has continued its focus on the culture of the organisation, with the full roll out of our Futur-3 programme. Everyone attends a Being blu-3 session and our managers and supervisors attended a Back-to-Basics programme. Further supported by our leaders attending Develop our Futur-3 workshops.

This programme assists individuals with restructuring their beliefs and attitudes and working practices towards Health, Safety, Environment and Quality (HSEQ), ultimately helping us all to understand how the day to day choices we make affect our working environment and the people we work with.

blu 3 has recognised that using a 'coaching approach' combined with a Radical Candour approach is a fundamental requirement for sustainable, positive HSEQ culture.

Alongside our cultural programme, blu 3 has developed the HSEQ League Table. This sets several Leading indicators for each of our projects to achieve. Leading indicators are measures linked to the proactive and preventative things we can do to keep people safe. This includes more obvious measures like inspections and leadership tours, through to less obvious ones, for example, initiatives on healthy lifestyles or looking after employees' mental health.

BLU 3 (HOLDINGS) LIMITED

GROUP STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

Health, Safety and Quality (continued)

Each month we recognise the leading project team that achieves these leading indicators, and we celebrate the success with a member of the Senior Leadership Team presenting them with an award. At the end of the year, we select the best performing project to be recognised by the whole group for showing commitment to our People value.

Principal risks and uncertainties

The blu 3 five-year strategy is designed to reduce risk and build a sustainable and diversified business with predictable income streams and increasing margin. The Group operates across a number of market sectors within the UK and Europe. Its broad spread of activities and a focus on strong client relationships offers long term visibility of income and helps to mitigate its exposure to short- and medium-term economic uncertainties.

Against this backdrop the directors have identified the following as the principal risks to which the Group is exposed:

- Maintaining its position as a recognised key supplier to secure a pipeline of relevant project works.
- Adherence to increasingly complex contract terms and performance measures.
- Access to a suitably skilled and professional staff and contractor base.
- Compliance with key health and safety obligations.

War in Ukraine

The situation in Ukraine creates further uncertainty. Risk management of the threats posed by the conflict are actively being taken by the Group, including the threats of :

- Higher inflation on staff costs and materials;
- Shortage of skilled labour; and
- Material shortages and interruptions to global supply chains.

The Group has assessed whether the situation in the Ukraine will impact the business and has specifically looked at the risks and uncertainties facing the business. Given the nature of the business and its geographical location and customer base, the impact is not expected to be material.

Future developments

The Group is well positioned for the 2022/23 financial year with a strong UK and international order book.

The primary focus of the Group is to pursue projects which include the delivery of infrastructure either within the public domain or for private developers, including data centres. Having secured the Group's position as a high quality delivery partner of infrastructure services, operating within the civil engineering and utilities sectors, a strategic decision has been made to deliver a select number of projects which meet the criteria set to ensure we maintain and strengthen our position within the future UK and International markets.

The Board believes that having a robust corporate governance framework is a key element in guaranteeing our long term success. As part of this, we are committed to ensuring that succession planning, training and development remain key areas of focus. Our solid foundations allow the Board to look forward to 2023 with confidence.

BLU 3 (HOLDINGS) LIMITED

GROUP STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

Director's statement of compliance with duty to promote the success of the Group

It is within the director's duties to act in good faith to promote the success of the Group for the benefit of its members as a whole, and in doing so have regard to:

- (a) the likely consequences of any decision in the long term;
- (b) the interests of the group's employees;
- (c) the need to foster the group's business relationships with suppliers, clients, and others;
- (d) the impact of the group's operations on the community and the environment;
- (e) the desirability of the group maintaining a reputation for high standards of business conduct; and
- (f) the need to act fairly between members of the group.

It is imperative that the Group's core values instil confidence within the board that corporate decisions are being made in good faith, to promote the success of blu-3.

The Group's core values include:

(i) People

We have care and respect for our people.

(ii) Integrity

We are an ethical group that acts with the highest degree of integrity and trust.

(iii) Client Focus

We work responsively, collaboratively, and passionately with our clients to ensure success.

(iv) Continuous improvement

We are committed to continuous improvement, believing that competence, reliability, and rigorous adherence to process discipline are the keys to excellence.

(v) Quality and innovation

We take pride in quality and innovation and embrace new technology to deliver client satisfaction.

The Group's value outcomes are aligned closely with the needs of our stakeholders and form a key role in informing the Group's decisions and strategy. For this reason, we regularly conduct stakeholder surveys to ensure we have a good understanding of their requirements and concerns.

Engagement with employees

blu 3 employees share a common goal to succeed, an enthusiasm for their work, and a passion for providing exceptional service to our clients and communities. We are aware that our employees are at the centre of our long-term success and invest in training and development to enable them to grow their skills and keep them motivated.

During 2022 we launched and rolled out our Leadership Development Programme, designed around 9 leadership behaviours designed to ensure our leaders understand the values and behaviours expected from them at blu-3 to help them build a great culture and team who feel inspired, engaged, and enabled to do their best work. We also rolled out monthly manager workshops designed to support our managers with the day-to-day leadership of their teams.

We finalised our first ever graduate programme designed to bring new talent into our business, build a pipeline of future leaders and contribute to the long term success of blu 3.

BLU 3 (HOLDINGS) LIMITED

GROUP STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

Engagement with employees (continued)

Aside from investment in training and development, blu 3 offers a competitive benefits package which allows us to attract and retain top talent. We actively benchmark our offering to ensure we stay competitive and in line with our commitment of becoming an employer of choice.

In March we relaunched our performance development review programme, moving from yearly to quarterly reviews to ensure our teams are regularly assessed, supported and developed in their roles.

Employee engagement is crucial to our journey and success as a business and a great deal of focus is applied to this. Our annual survey drives our strategic plan for the year ahead.

Engagement with suppliers, customers and others

We recognise that our supply chain is an extension of blu 3 and it is crucial that we have shared values with all our suppliers. This is pivotal to the service we provide to our clients – ensuring safety and consistency on every project.

To maintain high quality across all our projects, we must support our suppliers at every turn, and we value their skills and expertise. Our suppliers work with us to find innovative and better ways to deliver projects – creating sustainable solutions and identifying efficiencies for our clients.

Together, we are committed to keeping blu 3 at the forefront of sustainable measures, delivering leading best practice, and progressing industrywide adoption of responsible business behaviours.

blu 3 is a partner in the Supply Chain Sustainability School, a collaboration of over 70 major competitors and clients working together to tackle the environmental and social sustainability issues within the construction industry. The school is used to help us develop in the following areas.

- Sustainable Construction & Procurement
- Fraud & Bribery in the sector
- Material Lifecycle – energy & carbon, waste and biodiversity
- Modern Day Slavery
- Environmental Management
- Employment Skills & Ethics
- Communications with local businesses and the community

Corporate Social Responsibility

Our commitment to social value remains clear and evident.

We take our role in society seriously and think that it is every group's duty to do what they can to reduce their negative impact on the environment and communities in which they work. We have recognised an increase in clients who choose to include a measure of 'social value' within the competitive tendering process.

Our portfolio of work allows us to develop a greater understanding of the needs of different communities. Whether we are regenerating old or unused areas of a city or building new infrastructure, on every project and programme we provide opportunities that enable local people to become involved. We consider it our responsibility to ensure that we contribute to the areas in which we work.

Local employment: We are looking to appoint apprenticeships/work placements to inspire and engage communities and offer local people future employment and skilled development opportunities.

Local procurement: A key element of our responsible procurement commitment is to ensure we positively support local businesses.

BLU 3 (HOLDINGS) LIMITED

GROUP STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

Corporate Social Responsibility (continued)

Local context: We approach community engagement in a considered and inclusive way, ensuring that any potential disturbance caused by construction is mitigated and that we generate positive opportunities for those affected.

Giving back: We actively seek opportunities to help charities, small businesses and facilities that form the foundations of any community. We offer a volunteering day each year to every employee which encourages our workforce to get involved in a charity or cause and contribute to society.

Sustainability

We recognise that to deliver world class infrastructure in the modern world, we need to balance environmental protection, social progress and economic growth so that we ensure stability for future generations. By formally integrating sustainability driven decisions into our operations we know that blu 3 can positively contribute to the environment, the communities we impact, and our colleagues; all whilst generating value for our clients and end users.

Our sustainability vision is to be an industry leading infrastructure provider operating in an economically, socially, and environmentally responsible manner.

Our sustainability strategy delivers industry best practices and is centred around the three pillars of sustainability: people, planet, and prosperity. Our objective for these pillars are as follows:

PEOPLE: To recognise the needs of everyone impacted by our operational footprint and maximise the positive contribution we can make to their lives:

- Provide a safe working environment for our stakeholders.
- Maintain a good mental and physical health of each of our workers.
- Positive engagement and collaboration with the communities we work within.
- Prioritise local and responsible procurement within our supply chains.

PLANET: To protect and enhance the natural environment by reducing our environmental impact:

- Ensure the protection of the environment in which we work and reduce environmental incidents.
- Monitor and reduce our greenhouse gas emissions associated with our works.
- Improve our resource use and efficient waste management.

PROSPERITY: To increase business profitability by promoting strong corporate governance and satisfying the needs of our internal and external stakeholders:

- Increase client satisfaction for repeat business.
- Promote and champion an ethical business culture.
- Improve colleague attraction, retention and evolution.

To deliver on these objectives, our sustainability strategy outlines detailed targets and supporting implementation mechanisms. See our SECR section for our annual progress on these ambitious targets.

A central tenet of our strategy is the reduction of our carbon impact across our business. Not only is this of imperative importance to our clients, but it is now a legislative requirement. Science is showing with alarming clarity how quickly we are running out of time to avoid catastrophic and irreversible changes to the world we live in. As a society we must halve global emissions by 2030 and eliminate them completely by the middle of the century. The construction industry is one of the biggest contributors to pollution through its operations, and at blu 3 we recognise the part we play in this. Without a healthy world, we are unable to function as a successful business.

BLU 3 (HOLDINGS) LIMITED

GROUP STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

Sustainability (continued)

Our roadmap to becoming a net zero business is outlined below; we will focus on reducing our direct emissions as a priority, before off setting any unavoidable emissions by 2030. We have made great improvements to our measurement of our carbon impact and will continue to focus on this in the succeeding years.

Innovations we have deployed this year to reduce our environmental impact include:

- Use of hybrid machinery
- Use of electric equipment; trench rammers; breakers; disc cutters; whacker plate; concrete vibrator
- Use of solar or hydrogen powered tower lights
- Use of hybrid renewable generators for welfare set-ups
- Use of low-carbon concrete
- Use of HVO fuel in the place of diesel

Streamlined Energy & Carbon Reporting (SECR)

We recognise that to deliver world-class infrastructure in today's world we need to balance environmental protection, social progress and economic growth to ensure stability for future generations. The construction industry continues to be one of the biggest contributors to environmental pollution, and at blu-3 we recognise the part we play. Sustainability continues to be a pressing issue for blu-3, and in April 2022 we launched our first official Sustainability Strategy "Sustain our Future". By formally integrating sustainability-driven decisions into our operations, our Sustainability Strategy demonstrates that we care about positively contributing to the environment, the communities we impact, and our employees; all whilst generating value for our clients and end users.

Below we provide blu-3's declaration under the Government's Streamlined Energy and Carbon Reporting (SECR) regulations, which are part of The Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018.

SECR Organisational Boundary

The Company uses the financial control approach. The information presented relates to the Company's UK emissions and excludes overseas entities. The GHG Inventory includes all GHG emissions issued from blu-3 (UK) Limited business activities. The GHG emissions were consolidated according to a control approach. Thus, all GHG emissions and removals from facilities over which blu-3 (UK) Limited has operational control were taken into account.

Operational Boundaries

Definition of the operational boundaries began by identifying all GHG sources that blu-3 (UK) Limited should include in its inventory. These were subdivided into three different categories:

Scope 1: DIRECT GHG EMISSIONS are emissions issued from sources directly controlled by the blu-3 (UK) Limited, such as stationary combustion equipment used for building heating.

Scope 2: ENERGY INDIRECT EMISSIONS are emissions issued from electricity production, or from the imported heat or vapour consumed in the buildings and equipment operation, provided by an external entity (sources out of the organizational boundaries).

Scope 3: OTHER INDIRECT GHG EMISSIONS are emissions issued from the blu-3 (UK) Limited activities but from sources controlled by external enterprises, such as waste disposal (transport and processing) and the transportation means of employees.

Methodology Used

Emissions were calculated GHG Protocol Corporate Standard. Year chosen as base year: 01 April 2019 to 31 March 2020.

BLU 3 (HOLDINGS) LIMITED

GROUP STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

Streamlined Energy & Carbon Reporting (SECR) (continued)

The Group continue to use the chosen metric of gross global emissions in tonnes of CO₂ per £m of revenue, given this is the common business metric for our industry sector.

The Greenhouse Gas recommend that the reporting organisation quantifies, minimally, GHG emissions from direct and energy indirect categories (scope 1 and 2 in the Greenhouse Gas Protocol). These must be included in the GHG inventory.

Some GHG sources were excluded since they account for non-significant GHG emissions, as well as quantification was technically not possible (lack of data).

Identification of GHG sources

The potential GHG emissions sources are:

- Fixed combustion: combustion of fossil fuels in fixed installations such as central heating boilers, turbines, radiators, motors, and flares.
- Mobile combustion: combustion of fossil fuels in motorised equipment such as cars, trucks, bus, trains, planes, and ships.
- Emissions from physical or chemical processes: emissions resulting from physical or chemical processes such as CO₂ emissions from acetylene combustion and consumed dry iced.
- Fugitive emissions: intentional or non-intentional (leaks) discharges such as GHG emissions from wastewater treatment and refrigerants.

Selection and collection of GHG activity data

Selection and data collection were based on primary and secondary information sources. Primary sources collected were from one of two distinctive methods:

1. Direct interviews with stakeholders
2. Official documentation, such as bills and invoices

Secondary information sources were obtained through blu-3 (UK) Limited website and other publicly available information.

SECR Results Data

The information presented here builds on the previous year (2020-2021) and presents the GHG emissions issued from blu-3 (UK) Limited business activities occurring between 1 April 2021 to 31 March 2022 (mirroring the company's financial year).

BLU 3 (HOLDINGS) LIMITED

GROUP STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

Streamlined Energy & Carbon Reporting (SECR) (continued)

	2022 UK	Base Year UK	
Emissions breakdown by scope	tCO ₂ e	tCO ₂ e	% Change
Scope 1	552.5	1,097.0	-50%
Scope 2	35.8	36.0	0%
Scope 3	17.5	18.0	-3%
Total Gross Scope 1 & 2 (tCO ₂ e)	588.3	1,133.0	-48%
Total Scope 1, 2 & 3 (tCO ₂ e) (Scope 3 = Greyfleet)	605.9	1,151.0	-47%
Total kgCO ₂ e	605,860.0	1,151,000.0	-47%

Intensity Metric (Gross Scope 1&2): tCO ₂ e/£m turnover	6.2	11.2	-44%
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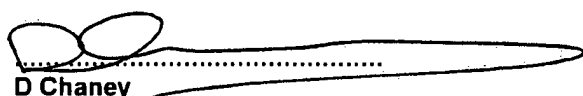
Scope 1 & 2 UK Energy Consumption (kWh)	2,742,195.0	4,565,631.0	-40%
Scope 3 (Greyfleet, T&D) Energy Consumption (kWh)	69,242.0	74,435.0	-7%
Total UK Energy Consumption (kWh)	2,811,437.0	4,640,066.0	-39%
Outside of Scopes tCO ₂ e (HVO)	127.0	-	100%

Energy Efficiency Activities

blu-3 (UK) Limited undertook the following energy efficiency activities during the assessment period:

- Move towards HVO as primary site issued fuel (100% increase in outside of scope emissions reported).
- Fleet options changed to hybrid or electric vehicles only (21 out of 22 fleet cars now comply).
- Continued use of hybrid machinery on site (MEWPS, excavators).
- Continued use of battery-operated tools on site.
- Prioritised use of hybrid and solar-powered generators to power welfare set-ups.
- Value engineered methods to reduce associated scope 3 emissions.
- Launch of sustainability strategy which defines company-wide goals to reduce emissions.

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


D Chaney
Director

Date: 23 DECEMBER 2022

BLU 3 (HOLDINGS) LIMITED

DIRECTOR'S REPORT FOR THE YEAR ENDED 31 MARCH 2022

The director presents his report and the financial statements for the year ended 31 March 2022.

Director's responsibilities statement

The director is responsible for preparing the group strategic report, the director's report and the consolidated financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the director must not approve the financial statements unless he is satisfied that they give a true and fair view of the state of affairs of the company and the Group and of the profit or loss of the Group for that period.

In preparing these financial statements, the director is required to:

- select suitable accounting policies for the Group's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

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

Results and dividends

The profit for the year, after taxation, amounted to £2,001,011 (2021 - £2,463,124).

During the year the company paid total interim dividends of £Nil (2021 - £771,512). The director does not recommend payment of a final dividend.

Director

The director who served during the year was:

D Chaney

Financial instruments

The group has various financial instruments such as trade debtors and amounts recoverable on contracts which arise directly from operations. The group does not enter into derivative transactions.

The main financial risks arising from the group's activities are credit risk, and liquidity risk. These are monitored by the senior management team and were not considered to be significant at the balance sheet date.

BLU 3 (HOLDINGS) LIMITED

DIRECTOR'S REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

Going concern

The financial statements have been prepared on a going concern basis. The Directors have prepared forecasts for the Group based on the Group's existing forward order book and workload together with assumptions in respect of new business, as well as including assessments of current and future market conditions because of the continuing impact of Brexit, COVID-19 and the Ukraine war.

It is not anticipated that COVID-19 will have any further significant long-term impact, albeit the Directors are aware that if the position re-emerges then this may need to be re-evaluated and actions undertaken accordingly. With these factors considered the Directors believe that the Group is well placed to manage the business risks despite the current uncertain economic outlook.

The Group is well placed with a healthy cash balance and no debt as at 31 March 2022 and to the date the financial statements are approved. On this basis the Directors have a reasonable expectation that the Group has adequate resources to continue operational existence for at least 12 months from the date of approval of these financial statements.

Accordingly, they continue to adopt the going basis in preparing the financial statements of the Group. The financial statements do not include any adjustments that may be result from any significant changes in the assumptions noted above in preparing the financial statements on a going concern basis.

Streamlined Energy & Carbon Reporting (SECR)

The Director has chosen to set out the Streamlined Energy and Carbon Reporting in the Strategic Report which would otherwise be required to be contained in the Director's Report under s414C(11).

Disclosure of information to auditor

The director at the time when this director's report is approved has confirmed that:

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

Post balance sheet events

There have been no significant events affecting the Group since the year end.

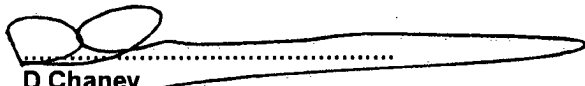
BLU 3 (HOLDINGS) LIMITED

**DIRECTOR'S REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022**

Auditor

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

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


D Chaney
Director

Date: 23 DECEMBER 2022

BLU 3 (HOLDINGS) LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF BLU 3 (HOLDINGS) LIMITED

Opinion

We have audited the financial statements of Blu 3 (Holdings) Limited (the 'parent company') and its subsidiaries (the 'Group') for the year ended 31 March 2022, which comprise the Group statement of comprehensive income, the Group and company balance sheets, the Group statement of cash flows, the Group and company statement of changes in equity and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the parent company's affairs as at 31 March 2022 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 Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the 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 director with respect to going concern are described in the relevant sections of this report.

BLU 3 (HOLDINGS) LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF BLU 3 (HOLDINGS) LIMITED (CONTINUED)

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 director is 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.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

BLU 3 (HOLDINGS) LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF BLU 3 (HOLDINGS) LIMITED (CONTINUED)

Responsibilities of director

As explained more fully in the director's responsibilities statement set out on page 10, the director is 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 director determines 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 director is 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 director either intends to liquidate the Group or the parent company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

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

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

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

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

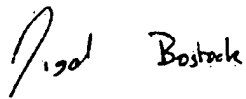
A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

BLU 3 (HOLDINGS) LIMITED

**INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF BLU 3 (HOLDINGS) LIMITED
(CONTINUED)**

Use of our report

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



Nigel Bostock (senior statutory auditor)

for and on behalf of
Crowe U.K. LLP

Statutory Auditor

55 Ludgate Hill
London
EC4M 7JW
Date: 23 December 2022

BLU 3 (HOLDINGS) LIMITED

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2022**

	Note	2022 £	2021 £
Turnover	4	92,883,347	64,745,459
Cost of sales		(81,133,351)	(53,455,650)
Gross profit		11,749,996	11,289,809
Administrative expenses		(9,024,421)	(8,224,963)
Other operating income	5	192,893	835,659
Operating profit	6	2,918,468	3,900,505
Share of profit of joint venture		57,170	19,697
Total operating profit		2,975,638	3,920,202
Impairment of fixed asset investments		(560,830)	(1,271,938)
Interest receivable and similar income	10	267,267	379,899
Interest payable and expenses	11	(19,901)	(29,326)
Profit before taxation		2,662,174	2,998,837
Tax on profit	12	(661,163)	(535,713)
Profit for the financial year		2,001,011	2,463,124
Foreign currency translation differences on retranslation of overseas entities		(41,875)	(55,695)
Other comprehensive income for the year		(41,875)	(55,695)
Total comprehensive income for the year		1,959,136	2,407,429
Profit for the year attributable to:			
Owners of the parent company		2,001,011	2,463,124
		2,001,011	2,463,124
Total comprehensive income for the year attributable to:			
Owners of the parent company		1,959,136	2,407,429
		1,959,136	2,407,429

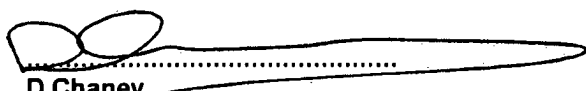
The notes on pages 24 to 47 form part of these financial statements.

BLU 3 (HOLDINGS) LIMITED
REGISTERED NUMBER: 05513280

CONSOLIDATED BALANCE SHEET
AS AT 31 MARCH 2022

	Note	2022 £	2021 £
Fixed assets			
Intangible assets	14	318,339	189,695
Tangible assets	15	312,068	338,241
Investments	16	124,143	381,634
		<u>754,550</u>	<u>909,570</u>
Current assets			
Debtors: amounts falling due within one year	17	53,494,793	37,459,668
Debtors: amounts falling due after more than one year		2,650,393	-
Cash at bank and in hand	18	7,164,181	10,265,753
		<u>63,309,367</u>	<u>47,725,421</u>
Creditors: amounts falling due within one year	19	(38,246,996)	(24,858,457)
Net current assets		<u>25,062,371</u>	<u>22,866,964</u>
Total assets less current liabilities		<u>25,816,921</u>	<u>23,776,534</u>
Deferred taxation	21	(81,251)	-
		<u>(81,251)</u>	<u>-</u>
Net assets		<u><u>25,735,670</u></u>	<u><u>23,776,534</u></u>
Capital and reserves			
Called up share capital	22	4,250,102	4,250,102
Foreign exchange reserve	23	(67,023)	(25,148)
Merger reserve	23	(4,184,184)	(4,184,184)
Profit and loss account	23	25,736,775	23,735,764
		<u>25,735,670</u>	<u>23,776,534</u>

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


D Chaney
 Director

Date: 23 DECEMBER 2022

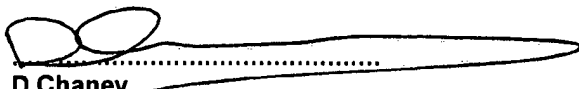
The notes on pages 24 to 47 form part of these financial statements.

BLU 3 (HOLDINGS) LIMITED
REGISTERED NUMBER: 05513280

COMPANY BALANCE SHEET
AS AT 31 MARCH 2022

	Note	2022 £	2021 £
Fixed assets			
Investments	16	8,458,686	8,458,686
		<u>8,458,686</u>	<u>8,458,686</u>
Current assets			
Debtors: amounts falling due within one year	17	17,752,414	11,886,586
Cash at bank and in hand	18	5,483	42,934
		<u>17,757,897</u>	<u>11,929,520</u>
Creditors: amounts falling due within one year	19	(7,205,322)	(4,517,894)
Net current assets		<u>10,552,575</u>	<u>7,411,626</u>
Total assets less current liabilities		<u>19,011,261</u>	<u>15,870,312</u>
Net assets		<u>19,011,261</u>	<u>15,870,312</u>
Capital and reserves			
Called up share capital	22	4,250,102	4,250,102
Profit and loss account	23	14,761,159	11,620,210
		<u>19,011,261</u>	<u>15,870,312</u>

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


D Chaney
 Director

Date: 23 DECEMBER 2022

The notes on pages 24 to 47 form part of these financial statements.

The company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own statement of comprehensive income in these financial statements. The profit after tax of the parent company for the year was £3,140,949 (2021 - £106,568).

BLU 3 (HOLDINGS) LIMITED

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2022**

	Called up share capital	Translation reserve	Merger reserve	Profit and loss account	Total equity
	£	£	£	£	£
At 1 April 2021	4,250,102	(25,148)	(4,184,184)	23,735,764	23,776,534
Comprehensive income for the year					
Profit for the year	-	-	-	2,001,011	2,001,011
Foreign currency translation differences on retranslation of overseas entities	-	(41,875)	-	-	(41,875)
Other comprehensive income for the year	-	(41,875)	-	-	(41,875)
Total comprehensive income for the year	-	(41,875)	-	2,001,011	1,959,136
Total transactions with owners	-	-	-	-	-
At 31 March 2022	4,250,102	(67,023)	(4,184,184)	25,736,775	25,735,670

The notes on pages 24 to 47 form part of these financial statements.

BLU 3 (HOLDINGS) LIMITED

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2021**

	Called up share capital	Translation reserve	Merger reserve	Profit and loss account	Total equity
	£	£	£	£	£
At 1 April 2020	4,250,102	30,547	(4,184,184)	22,044,152	22,140,617
Comprehensive income for the year					
Profit for the year	-	-	-	2,463,124	2,463,124
Foreign currency translation differences on retranslation of overseas entities	-	(55,695)	-	-	(55,695)
Other comprehensive income for the year	-	(55,695)	-	-	(55,695)
Total comprehensive income for the year	-	(55,695)	-	2,463,124	2,407,429
Dividends: Equity capital	-	-	-	(771,512)	(771,512)
Total transactions with owners	-	-	-	(771,512)	(771,512)
At 31 March 2021	4,250,102	(25,148)	(4,184,184)	23,735,764	23,776,534

The notes on pages 24 to 47 form part of these financial statements.

BLU 3 (HOLDINGS) LIMITED

**COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2022**

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 April 2021	4,250,102	11,620,210	15,870,312
Comprehensive income for the year			
Profit for the year	-	3,140,949	3,140,949
	-	3,140,949	3,140,949
Total comprehensive income for the year			
	-	3,140,949	3,140,949
At 31 March 2022	4,250,102	14,761,159	19,011,261

**COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2021**

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 April 2020	4,250,102	12,285,154	16,535,256
Comprehensive income for the year			
Profit for the year	-	106,568	106,568
	-	106,568	106,568
Total comprehensive income for the year			
	-	106,568	106,568
Dividends: Equity capital	-	(771,512)	(771,512)
At 31 March 2021	4,250,102	11,620,210	15,870,312

The notes on pages 24 to 47 form part of these financial statements.

BLU 3 (HOLDINGS) LIMITED

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2022**

	2022 £	2021 £
Cash flows from operating activities		
Profit for the financial year	2,001,011	2,463,124
Adjustments for:		
Depreciation of tangible assets	125,809	229,222
Impairments of fixed assets	1,218,546	1,271,938
Loss on disposal of tangible assets	-	3,125
Interest payable	19,901	-
Interest receivable	(267,267)	(379,899)
Taxation charge	661,163	535,713
(Increase)/decrease in debtors	(18,317,080)	13,545,126
Increase/(decrease) in creditors	12,867,077	(8,972,287)
Corporation tax received/(paid)	316,077	(2,090,079)
Net cash generated from operating activities	(1,374,763)	6,605,983
Cash flows from investing activities		
Purchase of intangible fixed assets	(128,644)	(189,695)
Purchase of tangible fixed assets	(99,636)	(27,414)
Purchase of share in joint ventures	(903,898)	(1,458,076)
Interest received	(62,730)	98,841
Net cash from investing activities	(1,194,908)	(1,576,344)
Cash flows from financing activities		
Loans made to third parties	(4,370,000)	(3,400,000)
Loans repaid by third parties	3,858,000	732,575
Interest paid	(19,901)	-
Net cash used in financing activities	(531,901)	(2,667,425)
Net (decrease)/increase in cash and cash equivalents	(3,101,572)	2,362,214
Cash and cash equivalents at beginning of year	10,265,753	7,903,539
Cash and cash equivalents at the end of year	7,164,181	10,265,753
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	7,164,181	10,265,753

BLU 3 (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

1. General information

The principal activity of the company during the year was that of a holding company. The principal activity of the group during the year was civil engineering and utilities contracting.

2. Accounting policies

2.1 Basis of preparation of financial statements

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

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

The company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own statement of comprehensive income in these financial statements.

The group's principal accounting policies have been applied:

2.2 Basis of consolidation

The financial statements consolidate the accounts of Blu 3 (Holdings) Limited and all of its subsidiaries.

Intra-group transactions are eliminated on consolidation and all figures relate to external transactions only.

On 24 November 2015, the company issued 4,250,000 ordinary shares as consideration for the acquisition of 100% of the share capital of Blu 3 (UK) Limited (a company incorporated and registered in England and Wales). At that time, this entity was under the common control of two directors and therefore the reorganisation has been accounted for using the merger accounting principles set out in Section 19 of Financial Reporting Standard 102. On applying the merger accounting principles a merger reserve arose which is set out in note 23.

BLU 3 (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

2. Accounting policies (continued)

2.3 Going concern

The financial statements have been prepared on a going concern basis. The Directors have prepared forecasts for the Group based on the Group's existing forward order book and workload together with assumptions in respect of new business, as well as including assessments of current and future market conditions because of the continuing impact of Brexit, COVID-19 and the Ukraine war.

It is not anticipated that COVID-19 will have any further significant long-term impact, albeit the Directors are aware that if the position re-emerges then this may need to be re-evaluated and actions undertaken accordingly. With these factors considered the Directors believe that the Group is well placed to manage the business risks despite the current uncertain economic outlook.

The Group is well placed with a healthy cash balance and no debt as at 31 March 2022 and to the date the financial statements are approved. On this basis the Directors have a reasonable expectation that the Group has adequate resources to continue operational existence for at least 12 months from the date of approval of these financial statements.

Accordingly, they continue to adopt the going basis in preparing the financial statements of the Group. The financial statements do not include any adjustments that may be result from any significant changes in the assumptions noted above in preparing the financial statements on a going concern basis.

2.4 Turnover

Turnover is derived from the Group's principal activity which is delivered through long-term contracts and contracts for on-going services (See 2.6 below). Consequently, turnover represents the value of work done in the year, including estimates of amounts not invoiced. Turnover in respect of long-term contracts and contracts for on-going services is recognised by reference to the stage of completion and is exclusive of VAT and discounts.

2.5 Foreign currency translation

Functional and presentation currency

The company's functional and presentational currency is GBP.

Transactions and balances

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

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

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss except when deferred in other comprehensive income as qualifying cash flow hedges.

BLU 3 (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

2. Accounting policies (continued)

2.6 Long-term contracts

Profit on long-term contracts is taken as the work is carried out if the final outcome can be assessed with reasonable certainty. The profit included is calculated on a prudent basis to reflect the proportion of the work carried out at the year end, by recording turnover and related costs as contract activity progresses. Turnover is calculated as that proportion of total contract value which costs incurred to date bear to total expected costs for that contract. Revenues derived from variations on contracts are recognised only when they have been accepted by the customer. The balance of costs incurred in fulfillment of a long term contract where it is estimated that income has not yet been earned is included in debtors as "Amounts recoverable on long term contracts". Full provision is made for losses on all contracts in the year in which they are first foreseen.

2.7 Operating leases

Rentals paid under operating leases are charged to the consolidated statement of comprehensive income on a straight line basis over the lease term.

2.8 Government grants

Grants of a revenue nature are recognised in the consolidated statement of comprehensive income in the same period as the related expenditure.

2.9 Interest income

Interest income is recognised in profit or loss using the effective interest method.

2.10 Finance costs

Finance costs are charged to the consolidated statement of comprehensive income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.11 Pensions

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

The contributions are recognised as an expense in the consolidated statement of comprehensive income when they fall due. Amounts not paid are shown in accruals as a liability in the balance sheet. The assets of the plan are held separately from the group in independently administered funds.

BLU 3 (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

2. Accounting policies (continued)

2.12 Current and deferred taxation

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

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the company and the Group operate and generate income.

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

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

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

2.13 Intangible assets

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

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

2.14 Tangible fixed assets

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

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

BLU 3 (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

2. Accounting policies (continued)

2.14 Tangible fixed assets (continued)

Depreciation is provided on the following basis:

Leasehold improvements	- straight line over the life of the lease
Plant and machinery	- 25% reducing balance
Fixtures and fittings	- 25% reducing balance
Office equipment	- 25% straight line
Motor vehicles	- 25% reducing balance

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the consolidated statement of comprehensive income.

2.15 Investments

Investments in subsidiaries are valued at cost less provision for impairment.

2.16 Joint ventures

An entity is treated as a joint venture where the Group is a party to a contractual agreement with one or more parties from outside the Group to undertake an economic activity that is subject to joint control.

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

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

Any premium on acquisition is dealt with in accordance with the goodwill policy.

2.17 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment. The calculation of amounts recoverable under long term contracts is set out in 2.6.

BLU 3 (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

2. Accounting policies (continued)

2.18 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the consolidated statement of cash flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the group's cash management.

2.19 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.20 Financial instruments

The company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like cash, trade and other debtors and creditors, loans from banks and other third parties and loans to related parties.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the consolidated statement of comprehensive income.

2.21 Dividends

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

BLU 3 (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

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

The group may be required to make estimates and assumptions concerning the future. These estimates and judgements are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The resulting accounting estimates will, by definition, seldom equal the related actual results. The principal areas where judgement was exercised are as follows:

Amounts recoverable on long term contracts: Amounts recoverable on long term contracts represent the difference between the value of work completed on live construction projects at the balance sheet date and the amounts billed to customers. Management continuously assess on a monthly basis the degree of completion of a project and the expected costs to complete. This assessment requires the exercise of judgement covering activities over an extended time frame where the actual outcome may be different.

Commercial accruals: Management maintain cost value reports tracking estimated costs incurred to date on live construction projects. The uninvoiced costs are then accrued appropriately based on these estimates.

Risk register accruals: Management have accrued for expected remedial costs or potential losses on construction contracts. These accruals have been estimated using the best information available at the date of approval of the financial statements.

Loans receivable from third parties: Management continuously review loan balances outstanding to assess whether a provision needs to be entered against amounts which may not be recoverable.

Trade debtors: Management continuously review trade debtor balances outstanding to assess whether a provision needs to be entered against amounts which may not be recoverable.

Sales retentions: Management continuously review the sales retentions ledger to assess whether a provision needs to be entered against amounts which may not be recoverable.

4. Turnover

The total turnover for the group for the year has been derived from its principal activity, the development and construction of commercial building projects.

Analysis of turnover by country of destination:

	2022 £	2021 £
United Kingdom	71,637,220	33,661,601
Rest of Europe	21,246,127	31,083,858
	<u>92,883,347</u>	<u>64,745,459</u>

BLU 3 (HOLDINGS) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

5. Other operating income

	2022 £	2021 £
Other income	192,893	835,659
	<u>192,893</u>	<u>835,659</u>

During the year, the company received a total of £739,001 (2020 - £nil) in relation to furlough grants claimed under the Coronavirus Job Retention Scheme, this has been recognised under other income.

6. Operating profit

The operating profit is stated after charging:

	2022 £	2021 £
Depreciation of tangible fixed assets	125,809	229,221
Exchange differences	368,049	131,139
Other operating lease rentals	441,205	805,397
Bad debts	94,320	46,952
	<u>94,320</u>	<u>46,952</u>

7. Auditor's remuneration

	2022 £	2021 £
Fees payable to the Group's auditor and its associates for the audit of the Group's annual financial statements	15,250	11,750
Audit of subsidiaries' financial statements	138,152	61,750
Taxation compliance services	18,750	24,525
Services provided by associates relating to taxation	87,143	6,158
Specialist tax advice	51,675	78,527
All other services	82,000	12,816
	<u>392,970</u>	<u>195,526</u>

BLU 3 (HOLDINGS) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

8. Employees

Staff costs, including director's remuneration, were as follows:

	Group 2022 £	<i>Group 2021 £</i>	Company 2022 £	<i>Company 2021 £</i>
Wages and salaries	9,406,699	7,835,742	-	-
Social security costs	1,094,036	827,080	-	-
Cost of defined contribution scheme	367,547	393,782	-	-
	<u>10,868,282</u>	<u>9,056,604</u>	<u>-</u>	<u>-</u>

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

	2022 No.	<i>2021 No.</i>
Employees	166	153
Directors	1	1
	<u>167</u>	<u>154</u>

9. Director's remuneration

	2022 £	<i>2021 £</i>
Director's emoluments	370,896	19,038
Group contributions to defined contribution pension schemes	91,433	1,415
	<u>462,329</u>	<u>20,453</u>

During the year retirement benefits were accruing to 1 director (2021 - 1) in respect of defined contribution pension schemes.

The total accrued pension provision of the highest paid director at 31 March 2022 amounted to £NIL (2021 - £NIL).

The amount of the accrued lump sum in respect of the highest paid director at 31 March 2022 amounted to £NIL (2021 - £NIL).

BLU 3 (HOLDINGS) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

10. Interest receivable

	2022 £	2021 £
Bank interest	-	5
Interest receivable on loans to third parties	267,267	379,894
	267,267	379,899

11. Interest payable and similar expenses

	2022 £	2021 £
Bank interest payable	8,784	-
Other interest payable	11,117	29,326
	19,901	29,326

BLU 3 (HOLDINGS) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

12. Taxation

	2022 £	2021 £
Corporation tax		
Current tax on profits for the year	125,433	248,313
Adjustments in respect of previous periods	(108,856)	380,027
	<u>16,577</u>	<u>628,340</u>
Foreign tax		
Foreign tax on income for the year	530,406	488,268
Foreign tax in respect of prior periods	-	(567,923)
	<u>530,406</u>	<u>(79,655)</u>
Total current tax	<u>546,983</u>	<u>548,685</u>
Deferred tax		
Origination and reversal of timing differences	126,717	10,452
Adjustments in respect of prior periods	(1,624)	(23,424)
Effect of tax rate change on opening balances	(10,913)	-
Total deferred tax	<u>114,180</u>	<u>(12,972)</u>
Taxation on profit on ordinary activities	<u>661,163</u>	<u>535,713</u>

BLU 3 (HOLDINGS) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

12. Taxation (continued)**Factors affecting tax charge for the year**

The tax assessed for the year is higher than (2021 - lower than) the standard rate of corporation tax in the UK of 19% (2021 - 19%). The differences are explained below:

	2022 £	2021 £
Profit on ordinary activities before tax	<u>2,662,174</u>	<u>2,998,837</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2021 - 19%)	505,813	569,779
Effects of:		
Expenses not deductible for tax purposes	268,158	271,525
Additional deduction for capital allowances super deduction	(12,948)	-
Overseas tax rate differences	(158,723)	(29,205)
Adjustments to tax charge in respect of prior periods	(110,433)	(211,319)
Differences due to deferred tax rate being lower than standard corporation tax rate	19,497	-
Movement on unrecognised deferred tax asset	31,518	(65,067)
Transfer pricing adjustment	118,281	-
Total tax charge for the year	<u>661,163</u>	<u>535,713</u>

Factors that may affect future tax charges

The principal factor impacting the future tax charge of the group is the prevailing tax rate in each of the jurisdictions in which the group operates.

As referred to in note 24, the group is dealing with queries raised by HM Revenue & Customs which, depending on their resolution, may give rise to an additional tax charge.

13. Dividends

	2022 £	2021 £
Dividends paid	<u>-</u>	<u>771,512</u>

BLU 3 (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

14. Intangible assets

Group and Company

	Computer software £
Cost	
At 1 April 2021	189,695
Additions	128,644
At 31 March 2022	<u>318,339</u>
Net book value	
At 31 March 2022	<u>318,339</u>
At 31 March 2021	<u>189,695</u>

The computer software is currently in development phase and not ready for use and therefore has not been amortised.

BLU 3 (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

15. Tangible fixed assets

Group

	Leasehold improvements £	Plant and machinery £	Motor vehicles £	Fixtures and fittings £	Office equipment £
Cost or valuation					
At 1 April 2021	301,499	699,728	842	15,452	346,196
Additions	-	16,017	-	15,000	68,619
Disposals	-	(202,500)	-	-	(49,953)
At 31 March 2022	301,499	513,245	842	30,452	364,862
Depreciation					
At 1 April 2021	90,450	650,608	631	9,760	274,027
Charge for the year on owned assets	30,150	12,353	211	9,733	73,362
Disposals	-	(202,500)	-	-	(49,953)
At 31 March 2022	120,600	460,461	842	19,493	297,436
Net book value					
At 31 March 2022	180,899	52,784	-	10,959	67,426
At 31 March 2021	211,049	49,120	211	5,692	72,169

BLU 3 (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

15. Tangible fixed assets (continued)

	Total £
Cost or valuation	
At 1 April 2021	1,363,717
Additions	99,636
Disposals	(252,453)
At 31 March 2022	<u>1,210,900</u>
Depreciation	
At 1 April 2021	1,025,476
Charge for the year on owned assets	125,809
Disposals	(252,453)
At 31 March 2022	<u>898,832</u>
Net book value	
At 31 March 2022	<u><u>312,068</u></u>
At 31 March 2021	<u><u>338,241</u></u>

BLU 3 (HOLDINGS) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

16. Fixed asset investments**Group**

	Investment in joint ventures £
Cost or valuation	
At 1 April 2021	1,653,572
Additions	903,898
Share of profit	57,170
Dividend paid	(314,661)
At 31 March 2022	2,299,979
Impairment	
At 1 April 2021	1,271,938
Charge for the period	903,898
At 31 March 2022	2,175,836
Net book value	
At 31 March 2022	124,143
At 31 March 2021	381,634

The company owns 50% participating interests in Blu 3/KWS Nimble Joint Venture and 50% participating interests Blu-3/KWS AMS 11-12 Joint Venture. The principal place of both businesses are Wisselwerking 54, 1112 XR DIEMEN , The Netherlands.

BLU 3 (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

16. Fixed asset investments (continued)

Company

	Investments in subsidiary companies £
Cost or valuation	
At 1 April 2021	8,458,686
At 31 March 2022	<u>8,458,686</u>
Net book value	
At 31 March 2022	<u>8,458,686</u>
At 31 March 2021	<u>8,458,686</u>

BLU 3 (HOLDINGS) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
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16. Fixed asset investments (continued)

The following were subsidiary undertakings of the company:

Name	Registered office	Class of shares	Holding
Blu 3 (UK) Limited	Development and construction of commercial building projects	Ordinary	100%
Blu 3 Denmark ApS	Development and construction of commercial building projects	Ordinary	100%
Blu 3 Global Operations Limited	Development and construction of commercial building projects	Ordinary	100%
Blu 3 Deutschland GmbH	Development and construction of commercial building projects	Ordinary	100%

The registered office of Blu 3 (UK) Limited is Eden House, 454 New Hythe Lane, Larkfield, Aylesford. ME20 7UH.

The registered office of Blu 3 Denmark ApS is c/o BDO, Faelledvej 1, 5000 Odense C.

The registered office of Blu 3 Global Operations Limited is 5th Floor, Marine House, Clanwilliam Place, Dublin 2.

The registered office of Blu 3 Deutschland GmbH is Unter den Linden 39, 10117 Berlin.

The aggregate of the share capital and reserves as at 31 March 2022 and the profit or loss for the year ended on that date for the subsidiary undertakings was as follows:

Name
Blu 3 (UK) Limited
Blu 3 Denmark ApS
Blu 3 Global Operations Limited
Blu 3 Deutschland GmbH

BLU 3 (HOLDINGS) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

17. Debtors

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Due after more than one year				
Other debtors	2,650,393	-	-	-
	<u>2,650,393</u>	<u>-</u>	<u>-</u>	<u>-</u>
	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Due within one year				
Trade debtors	18,537,919	6,654,256	-	-
Amounts owed by group undertakings	-	-	5,327,832	2,401,095
Other debtors	21,404,546	21,711,287	12,404,648	9,425,000
Called up share capital not paid	102	102	102	102
Prepayments and accrued income	1,402,281	1,663,968	913	5,057
Amounts recoverable on long term contracts	10,738,801	5,081,574	-	-
Tax recoverable	1,411,144	2,315,552	-	-
Deferred taxation (see note 21)	-	32,929	18,919	55,332
	<u>53,494,793</u>	<u>37,459,668</u>	<u>17,752,414</u>	<u>11,886,586</u>

Other debtors due after more than one year relate to loans receivable from third parties. The loans are due for repayment in June 2020, February 2020 and May 2023 and attract interest at rates of 5.5%, 10% and 2% per annum respectively.

18. Cash and cash equivalents

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Cash at bank and in hand	7,164,181	10,265,753	5,483	42,934
	<u>7,164,181</u>	<u>10,265,753</u>	<u>5,483</u>	<u>42,934</u>

BLU 3 (HOLDINGS) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

19. Creditors: Amounts falling due within one year

	Group 2022 £	<i>Group 2021 £</i>	Company 2022 £	<i>Company 2021 £</i>
Payments received on account	2,821,785	653,091	-	-
Trade creditors	7,037,307	6,285,798	-	-
Amounts owed to group undertakings	-	-	7,052,094	4,502,894
Corporation tax	988,694	1,030,042	135,228	-
Other taxation and social security	660,616	1,947,385	-	-
Other creditors	2,668,813	1,502,289	-	-
Accruals and deferred income	24,069,781	13,439,852	18,000	15,000
	<u>38,246,996</u>	<u>24,858,457</u>	<u>7,205,322</u>	<u>4,517,894</u>

There is a fixed and floating charge over the undertaking and all property and assets present and future, including goodwill, book debts, uncalled capital, buildings, fixtures, fixed plant & machinery in respect of an overdraft facility the company has with its bank.

20. Financial instruments

	Group 2022 £	<i>Group 2021 £</i>	Company 2022 £	<i>Company 2021 £</i>
Financial assets				
Financial assets measured at amortised cost	<u>59,933,712</u>	<u>43,656,393</u>	<u>17,738,065</u>	<u>11,826,197</u>
Financial liabilities				
Financial liabilities measured at amortised cost	<u>(33,775,899)</u>	<u>(21,227,938)</u>	<u>(7,052,094)</u>	<u>(4,502,894)</u>

Financial assets measured at amortised cost comprise cash at bank, trade debtors, other debtors and amounts recoverable on long term contracts and amounts owed by group undertakings.

Financial liabilities measured at amortised cost comprise bank overdrafts, other loans, trade creditors, other creditors, obligations under finance lease and hire purchase contracts, accruals and amounts owed to group undertakings.

BLU 3 (HOLDINGS) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

21. Deferred taxation

Group

	2022 £	2021 £
At beginning of year	32,929	19,957
Charged/(credited) to the profit or loss account	(114,180)	12,972
At end of year	(81,251)	32,929

Company

	2022 £	2021 £
At beginning of year	55,332	-
Charged to profit or loss	(36,413)	55,332
At end of year	18,919	55,332

The deferred taxation balance is made up as follows:

	Group 2022 £	<i>Group 2021 £</i>	Company 2022 £	<i>Company 2021 £</i>
Accelerated capital allowances	(115,955)	(58,222)	-	-
Tax losses carried forward	18,919	55,332	18,919	55,332
Short term timing differences	15,785	35,819	-	-
	(81,251)	32,929	18,919	55,332

BLU 3 (HOLDINGS) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

22. Share capital

	2022 £	2021 £
Allotted, called up and fully paid		
4,250,102 (2021 - 4,250,102) Ordinary shares of £1.00 each	<u>4,250,102</u>	<u>4,250,102</u>

23. Reserves**Merger Reserve**

The merger reserve arose following the restructuring of the group in 2016. The merger reserve represents the differences between the nominal value of the shares issued in 2016 and the nominal value of the shares purchased in Blu 3 (UK) Limited.

Translation reserve

Represents translation differences arising from the translation of financial statements of the Group's foreign entities into sterling.

Profit and loss account

Represents accumulated profit to date less dividends.

24. Contingent liabilities

During the year HM Revenue & Customs raised queries in respect of the company's prior year tax computations. The Director is assisting with the queries raised. It is not possible to reliably quantify the impact, if any, of the conclusion of these queries.

25. Pension commitments

The group operates a defined contribution (money purchase) scheme and makes contributions to the scheme on behalf of its employees. The assets of the scheme are held separately from those of the group in an independently administered fund. The pension costs charge represents contributions payable by the group to the fund and amount to £367,547 (2021 - £408,282). At the balance sheet date an amount of £15,694 (2021 - £118,475) was included within other creditors.

BLU 3 (HOLDINGS) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

26. Commitments under operating leases

At 31 March 2022 the Group and the company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	Group 2022 £	Group 2021 £
Not later than 1 year	482,919	602,385
Later than 1 year and not later than 5 years	1,001,584	1,470,856
Later than 5 years	1,256,850	632,400
	<u>2,741,353</u>	<u>2,705,641</u>

27. Related party transactions

At the balance sheet date, £562,209 was owed by the directors (2021 - £56,580). The director also received dividends of £nil (2021 - £385,756).

During the year, a loan of £3,370,000 (2021 - £7,032,000) was provided to Chaney Investments Limited, a company which D Chaney is director. Repayment of £288,000 (2021 - £212,000) was made and the balance outstanding at the year end is £9,902,000 (2021 - £6,820,000). The loan is interests free and D Chaney has provided a personal guarantee on the full outstanding amount.

During the year, a loan of £850,000 (2021 - £1,000,000) was provided to Charles Edward Limited, a company in which a member of the key management team is a director and shareholder. The loan attracts interest at a rate of 10% per annum. Interest of £33,333 (2021 - £100,000) was charged on the loan and repayment of £330,000 (2021 - £202,255) was made in the year. At the balance sheet date, the outstanding balance is £601,078 (2021 - £897,745).

During the year, TMS Traffic Management Limited, a company in which D Chaney and V Chaney are shareholders, provided services to Blu 3 (UK) Limited totalling £29,472 (2021 - £537,552). Payments of £nil (2021 - £587,038) were made and the balance outstanding at the year end is £34,460 (2021 - £4,988).

During the year, Blu 3 (UK) Limited provided services to Platinum Square Consultancy LLP, a company in which D Chaney and V Chaney are directors, totalling £nil (2021 - £nil). £nil (2021 - £101,928) was written off and the balance outstanding at the balance sheet date is £nil (2021 - £nil).

During the year, Blu 3 (UK) Limited provided services to Charles Edward Limited, a company in which a member of the key management team is a director and shareholder, totalling £nil (2021 - £139,196). £50,980 (2021 - £88,677) was received and £461 is due back to Charles Edward Limited (2021 - £50,519 due from Charles Edward Limited).

During the year, Grove Facilities Management Limited, a company in which D Chaney and a key management team member are shareholders, provided services to Blu 3 (UK) Limited totalling £17,478 (2021 - £38,878). Payments of £13,389 (2021 - £25,039) were made and the balance outstanding at the year end is £84,878 (2021 - £81,239).

During the year, Blu 3 (UK) Limited also provided services to Grove Facilities Management Limited totalling £2,663 (2021 - £ nil). £nil (2021 - £ nil) was received and the balance outstanding at the balance sheet date is £2,663 (2021 - £nil).

BLU 3 (HOLDINGS) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

27. Related party transactions (continued)

During the year the company occupied Eden House where D Chaney, Director, and D Hardwick, key management, have 25% interests each.

Key management personnel compensation for the year totalled £426,040 (2021 - £412,738).

Exemption from disclosing transactions with group companies has been claimed in accordance with Section 33 of FRS 102, where subsidiaries are wholly owned and their results are included within the consolidated financial statements.

No other transactions with related parties were undertaken as such that are required to be disclosed under FRS 102.

28. Controlling party

D Chaney and V Chaney are considered to be the ultimate controlling parties of the group by virtue of their joint shareholding in Blu 3 (Holdings) Limited.