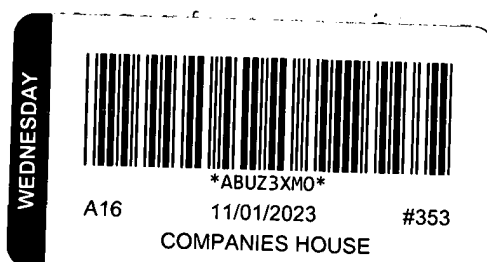


Company Registration No. 07632025 (England and Wales)

Bladeroom Holdings Limited

**Annual report and
group financial statements
for the year ended 31 March 2022**



Bladeroom Holdings Limited

Company information

Directors	Andrew Godden Michael Joy Paul Rogers Susan Rogers William Thornton
Secretary	Andrew Godden
Company number	07632025
Registered office	Stella Way Bishops Cleeve Cheltenham Gloucestershire GL52 7DQ
Independent auditor	Saffery Champness LLP St Catherine's Court Berkeley Place Clifton Bristol BS8 1BQ

Bladeroom Holdings Limited

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Bladeroom Holdings Limited

Strategic report

For the year ended 31 March 2022

The directors present the strategic report for the year ended 31 March 2022.

Fair review of the business

The performance of the group during the financial period was in line with directors' expectations and saw increased activity that resulted in an increase in turnover to £98.6m from £97.6m in 2021.

The group recorded a profit before taxation of £12.1m (2021: £10.3m).

At 31 March 2022, consolidated net assets totalled £5.8m (2021: £4.8m).

The group has adequate financial resources to meet its current requirements and a satisfactory sales pipeline.

Given the nature of the group's business, and the direct involvement of the directors in the management of the group's operations, the directors are of the opinion that using non-financial key performance indicators is not necessary for an understanding of the development, performance or position of the business.

The companies objectives and policies play a critical role supporting our primary objective to deliver the most effective and efficient data centres in the world. The company completed in the trading year two of its most significant projects to date, one located in North America and one in the UK, both for customers that define the leading edge in data centre services. The company has successfully delivered these projects, maintaining every aspect of the values by which it stands by. The company is now focused on developing products and capabilities, tailored so suit the needs of our customers and secure further projects.

The company entered into a formal extension of its exclusivity agreement in the UK with a major Colocation provider and pursued alternate sources of supply for its products in North America. The market is continuously changing around us and we remain agile and versatile to suit our customers' needs.

Principal risks and uncertainties

The directors consider the principal risks and uncertainties relating to the group to be those associated with its performance on various mission critical projects. The process of risk acceptance and risk management is addressed through a framework of policies, procedures and internal controls. All policies are subject to approval by the board and ongoing review by management.

Price risk, credit risk, liquidity risk and cash flow risk

Price risk

The group is not exposed to price risk arising from financial instruments. Prices are set at competitive levels compared to those of other companies operating in the market and the group continues to win new work.

Credit risk

The nature of the industry is such that disputes can arise on contracts. However, the group has robust procedures for dealing with these to minimise any potential losses arising.

Liquidity risk

The directors regularly review trading results and cash flows (both historical and forecast) to ensure that adequate resources are available. Liquidity remains strong with cash and cash equivalents at £22.3m at 31 March 2022 (£20.1m at 31 March 2021). There were no group bank borrowings either during or at the end of both 2021 and 2022.

Cash flow and interest rate risk

The group's performance to date has allowed it to finance its operations from working capital and the group has sufficient cash resources to meet its current requirements.

Currency risk

The majority of the group's day-to-day business is contracted in Pounds sterling with limited use of Euro and US Dollars. Where there is potentially material exposure to exchange rate fluctuations, the group enters into appropriate hedging arrangements. As at 31 March 2022 the Group has no open forward contracts.

Section 172 statement

The directors, in line with their duties under the s172 of the Companies Act 2006, act individually and collectively in the way they consider, in good faith, would be most likely to promote the success of the Group for the benefit of its members, and in doing so have regard, amongst other matters, to the:

- Likely consequences of any decision in the long term
- Interests of employees
- Need to foster business relationships with suppliers, customers and others
- Impact of operations on the community and the environment
- Desirability of maintaining a reputation for high standards of business conduct

The above provides the backdrop to all board decisions, the most significant of which are taken at monthly meetings where operational, compliance and strategic matters are considered in detail.

In discharging their duties, the directors are supported by:

- Experienced external consultants and advisers that assist in understanding the implications of new and evolving legal and regulatory requirements;
- Detailed and timely management information concerning all functions across the business including trend analysis and exception reporting; and
- A "special business" review framework which consists of subject areas of strategic importance for which dedicated board papers are prepared and specific time allocated for discussion during monthly board meetings.

Stakeholder interests are factored into all decision-making processes with regular engagement ensuring that interests are aligned to optimum effect.

Details of key stakeholders and how we engage with them are set out below:

Employees

Our diverse and dedicated workforce is central to our success and employees are consulted on issues affecting all aspects of operations.

All employees are encouraged to provide input into the running of their teams and the wider business, both through 1-2-1 sessions with managers and through operational avenues such as the process improvement system. The latter not only covers our design, production and site processes but also health and safety, where employee feedback is considered an essential part of achieving the highest possible standards.

Training is provided in collaboration with employees and team managers with the objective of ensuring that all employees benefit in a targeted way from the internal and external training resources made available.

Employee welfare is vitally important and we have made significant improvements in the past year, including an enhanced employee assistance program, free no-obligation employee health checks and the appointment of internal mental health first aiders.

We also actively promotes well-being through initiatives that promote physical activity and which are accessible to all employees.

Customers

Delivering mission critical facilities to customers in our core data centre and healthcare markets requires careful planning, operational excellence and an ability to deliver every project right first time and on program.

We work with every customer to involve their internal stakeholders with expertise from across the business in order to provide a product that meets their precise requirements and to ensure that all aspects of the project are communicated clearly in advance. We build on this through regular communication throughout the lifecycle of a project and following handover, actively encouraging feedback as to how we can improve our products and services.

Suppliers and Sub-contractors

The role played by suppliers and sub-contractors is key to the delivery of our leading products and strict procedures are followed in respect of their selection and onboarding.

We aim to treat all suppliers and subcontractors fairly and consistently through:

- Operating under consistent and clear contractual terms and conditions;
- Adhering to agreed payment terms; and
- Maintaining regular lines of communication to ensure successful outcomes.

We have built several long-term supplier and sub-contractor relationships through collaboration over several years to ensure that the high standards demanded by our customers are met every time.

Shareholders

The majority shareholder is an employee ownership trust and there are formal mechanisms in place regarding communicating key decisions taken by the directors.

The Environment and Communities

Environmental considerations are of critical importance, which is exemplified by the "factory first" approach to production and a constant drive to minimise the carbon footprint of both our products and processes.

Through innovation and value engineering the directors take active roles in driving environmental and sustainability initiatives and a sustainability committee, sponsored by the Board, brings together the whole business in identifying and delivering initiatives that improve environmental performance.

BladeRoom data centre products, which play a critical role in hosting IT and communications infrastructure for governments and multi-national businesses, are amongst the world's most efficient, keeping electricity and water usage to a minimum.

The design of Moduleco's "Manufactured For Life" healthcare facilities, which provide the best environments for healthcare professionals to care and treat their patients, minimises air leakage and utilises materials with leading thermal properties to minimise energy usage by the hospitals that operate them.

As well as aiming to support local communities in the areas where we deliver our products through the sourcing of goods and services from local suppliers we actively promote participation in fund-raising and other charitable activities by everyone in the business.

In the past year, this has included:

- organising charity walks and cycle rides – with all staff encouraged to participate;
- making donations to and match-funding of individual employee fund-raising efforts; and
- sponsorship of local sports clubs and teams.

A proposal has recently been approved allocating 2 days per year to every member of staff to pursue company-led, team-based or individual activities that support charitable or community-based objectives.

On behalf of the board



.....
Paul Rogers

Director

Date: 5th December 2022

Bladeroom Holdings Limited

Directors' report

For the year ended 31 March 2022

The directors present their annual report and financial statements for the year ended 31 March 2022.

Principal activities

The principal activity of the company is that of a holding company. The principal activity of the group was the design and manufacture of mission-critical, modular data centres, residential, healthcare and pharmaceutical facilities.

Results and dividends

The results for the year are set out on page 12.

No ordinary dividends were paid during the year. The directors do not recommend payment of a final dividend.

Directors

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

Andrew Godden
Michael Joy
Paul Rogers
Susan Rogers
William Thornton

Auditor

Saffery Champness LLP have expressed their willingness to continue in office.

Energy and carbon report

The group is committed to making careful assessments of its levels of energy consumption, for example, through installation of energy saving devices and to reducing the impact of carbon dioxide emissions on the environment.

Energy usage covered in this disclosure covers all services provided for the year ended 31 March 2022, and is primarily through gas and electricity use.

Energy usage has been calculated based on gas and electricity meter readings. Fuel used in respect of both reimbursed business mileage and in respect of vehicles owned by the firm have been taken from expense claims and litres of fuel used.

The firm has followed the 2019 UK Government environmental reporting guidance and used the 2020 UK Government conversion factors.

Bladeroom Holdings Limited

Directors' report (continued)

For the year ended 31 March 2022

	2022	2021
<i>Energy consumption</i>	kWh	kWh
Aggregate of energy consumption in the year	1,456,216	1,432,072
	2022	2021
<i>Emissions of CO2 equivalent</i>	metric tonnes	metric tonnes
Scope 1 - direct emissions		
- Gas combustion	118.50	94.00
- Fuel consumed for owned transport	89.70	110.90
	208.20	204.90
Scope 2 - indirect emissions		
- Electricity purchased	101.80	117.60
Scope 3 - other indirect emissions		
- Fuel consumed for transport not owned by the group	121.40	123.60
Total gross emissions	431.40	446.10
<i>Intensity ratio</i>		
kg CO2e per £100,000 turnover	0.4402	0.4570

Statement of directors' responsibilities

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the 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 group and company, 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;
- 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 and company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group's and company's transactions and disclose with reasonable accuracy at any time the financial position of the group and company 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 group and company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the auditor of the company is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the auditor of the company is aware of that information.

On behalf of the board



.....
Paul Rogers
Director



.....
William Thornton
Director

Date: 5th December 2022

Bladeroom Holdings Limited

Independent auditor's report

To the members of Bladeroom Holdings Limited

Opinion

We have audited the financial statements of Bladeroom 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 balance sheet, the company balance sheet, the group statement of changes in equity, the company statement of changes in equity, the group statement of cash flows 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 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 and parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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 and parent company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Bladeroom Holdings Limited

Independent auditor's report (continued)

To the members of Bladeroom Holdings Limited

Other information

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

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the 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 their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

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

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

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the 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 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 parent company or to cease operations, or have no realistic alternative but to do so.

Independent auditor's report (continued)
To the members of Bladeroom Holdings Limited

Auditor's responsibilities for the audit of the financial statements

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

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

Identifying and assessing risks related to irregularities:

We assessed the susceptibility of the group and parent company's financial statements to material misstatement and how fraud might occur, including through discussions with the directors, discussions within our audit team planning meeting, updating our record of internal controls and ensuring these controls operated as intended. We evaluated possible incentives and opportunities for fraudulent manipulation of the financial statements. We identified laws and regulations that are of significance in the context of the group and parent company by discussions with directors and by updating our understanding of the sector in which the group and parent company operates.

Laws and regulations of direct significance in the context of the group and parent company include The Companies Act 2006 and UK Tax legislation.

Audit response to risks identified

We considered the extent of compliance with these laws and regulations as part of our audit procedures on the related financial statement items including a review of group and parent company financial statement disclosures. We reviewed the parent company's records of breaches of laws and regulations, minutes of meetings and correspondence with relevant authorities to identify potential material misstatements arising. We discussed the parent company's policies and procedures for compliance with laws and regulations with members of management responsible for compliance.

During the planning meeting with the audit team, the engagement partner drew attention to the key areas which might involve non-compliance with laws and regulations or fraud. We enquired of management whether they were aware of any instances of non-compliance with laws and regulations or knowledge of any actual, suspected or alleged fraud. We addressed the risk of fraud through management override of controls by testing the appropriateness of journal entries and identifying any significant transactions that were unusual or outside the normal course of business. We assessed whether judgements made in making accounting estimates gave rise to a possible indication of management bias. At the completion stage of the audit, the engagement partner's review included ensuring that the team had approached their work with appropriate professional scepticism and thus the capacity to identify non-compliance with laws and regulations and fraud.

Bladeroom Holdings Limited

Independent auditor's report (continued)

To the members of Bladeroom Holdings Limited

As group auditors, our assessment of matters relating to non-compliance with laws or regulations and fraud differed at group and component level according to their particular circumstances. Our communications included a request to identify instances of non-compliance with laws and regulations and fraud that could give rise to a material misstatement of the group financial statements in addition to our risk assessment.

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://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 parent 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 parent 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 parent company and the parent company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Saffery Champness LLP

Michael Strong (Senior Statutory Auditor)
For and on behalf of Saffery Champness LLP

Date: 14/12/2022

Chartered Accountants
Statutory Auditors

St Catherine's Court
Berkeley Place
Clifton
Bristol
BS8 1BQ

Bladeroom Holdings Limited**Group statement of comprehensive income
For the year ended 31 March 2022**

	Notes	2022 £'000	2021 £'000
Turnover	3	98,634	97,643
Cost of sales		(81,413)	(83,387)
Gross profit		17,221	14,256
Administrative expenses		(5,133)	(4,049)
Operating profit	4	12,088	10,207
Interest receivable and similar income	8	23	92
Interest payable and similar expenses	9	(1)	(9)
Profit before taxation		12,110	10,290
Tax on profit	10	(2,204)	(1,672)
Profit for the financial year		9,906	8,618
Other comprehensive income			
Currency translation differences		110	(292)
Total comprehensive income for the year		10,016	8,326

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

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

The Statement of Comprehensive Income has been prepared on the basis that all operations are continuing operations.

Bladeroom Holdings Limited

Group balance sheet

As at 31 March 2022

	Notes	£'000	2022 £'000	£'000	2021 £'000
Fixed assets					
Goodwill	11		68		73
Tangible assets	12		836		952
			<u>904</u>		<u>1,025</u>
Current assets					
Stocks	15	1,296		592	
Debtors	16	12,307		5,444	
Cash at bank and in hand		22,314		20,128	
		<u>35,917</u>		<u>26,164</u>	
Creditors: amounts falling due within one year	17	(30,909)		(22,289)	
Net current assets			<u>5,008</u>		<u>3,875</u>
Total assets less current liabilities			<u>5,912</u>		<u>4,900</u>
Provisions for liabilities					
Deferred tax liability	18	147	(147)	140	(140)
Net assets			<u><u>5,765</u></u>		<u><u>4,760</u></u>
Capital and reserves					
Called up share capital	21		562		562
Share premium account			108		108
Other reserves			(500)		(500)
Profit and loss reserves			5,595		4,590
Total equity			<u><u>5,765</u></u>		<u><u>4,760</u></u>

The financial statements were approved by the board of directors and authorised for issue on 5th December 2022 and are signed on its behalf by:



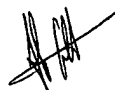
.....
Andrew Godden
Director

Bladeroom Holdings Limited**Company balance sheet****As at 31 March 2022**

	Notes	£'000	2022 £'000	£'000	2021 £'000
Fixed assets					
Investments	13		508		508
Current assets					
Debtors	16	1		-	
Cash at bank and in hand		190		192	
		<u>191</u>		<u>192</u>	
Net current assets			191		192
Net assets			<u>699</u>		<u>700</u>
Capital and reserves					
Called up share capital	21		562		562
Share premium account			108		108
Profit and loss reserves			29		30
Total equity			<u>699</u>		<u>700</u>

As permitted by s408 Companies Act 2006, the company has not presented its own profit and loss account and related notes. The company's profit for the year was £9,010,000 (2021: £7,199,000).

The financial statements were approved by the board of directors and authorised for issue on 5th December 2022 and are signed on its behalf by:



.....
Andrew Godden
Director

Company Registration No. 07632025

Bladeroom Holdings Limited

**Group statement of changes in equity
For the year ended 31 March 2022**

		Share capital	Share premium account	Other reserves	Profit and loss reserves	Total
	Notes	£'000	£'000	£'000	£'000	£'000
Balance at 1 April 2020		558	106	(500)	7,069	7,233
Year ended 31 March 2021:						
Profit for the year		-	-	-	8,618	8,618
Other comprehensive income:						
Currency translation differences		-	-	-	(292)	(292)
Total comprehensive income for the year		-	-	-	8,326	8,326
Issue of share capital	21	4	2	-	-	6
Gifts to Employee Ownership Trust		-	-	-	(10,805)	(10,805)
Balance at 31 March 2021		562	108	(500)	4,590	4,760
Year ended 31 March 2022:						
Profit for the year		-	-	-	9,906	9,906
Other comprehensive income:						
Currency translation differences		-	-	-	110	110
Total comprehensive income for the year		-	-	-	10,016	10,016
Gifts to Employee Ownership Trust		-	-	-	(9,011)	(9,011)
Balance at 31 March 2022		562	108	(500)	5,595	5,765

Bladeroom Holdings Limited

**Company statement of changes in equity
For the year ended 31 March 2022**

		Share capital	Share premium account	Profit and loss reserves	Total
	Notes	£'000	£'000	£'000	£'000
Balance at 1 April 2020		558	106	3,636	4,300
Year ended 31 March 2021:					
Profit and total comprehensive income for the year		-	-	7,199	7,199
Issue of share capital	21	4	2	-	6
Gifts to Employee Ownership Trust		-	-	(10,805)	(10,805)
Balance at 31 March 2021		562	108	30	700
Year ended 31 March 2022:					
Profit and total comprehensive income for the year		-	-	9,010	9,010
Gifts to Employee Ownership Trust		-	-	(9,011)	(9,011)
Balance at 31 March 2022		562	108	29	699

Bladeroom Holdings Limited

Group statement of cash flows
For the year ended 31 March 2022

	Notes	£'000	2022 £'000	£'000	2021 £'000
Cash flows from operating activities					
Cash generated from operations	24		13,912		16,739
Interest paid			(1)		(9)
Income taxes paid			(2,511)		(3,045)
Net cash inflow from operating activities			11,400		13,685
Investing activities					
Purchase of tangible fixed assets		(336)		(619)	
Interest received		23		92	
Net cash used in investing activities			(313)		(527)
Financing activities					
Proceeds from issue of shares		-		6	
Gifts to Employee Ownership Trust		(9,011)		(10,805)	
Net cash used in financing activities			(9,011)		(10,799)
Net increase in cash and cash equivalents			2,076		2,359
Cash and cash equivalents at beginning of year			20,128		18,061
Effect of foreign exchange rates			110		(292)
Cash and cash equivalents at end of year			22,314		20,128

Bladeroom Holdings Limited

Notes to the financial statements For the year ended 31 March 2022

1 Accounting policies

Company information

Bladeroom Holdings Limited ("the company") is a private company limited by shares incorporated in England and Wales. The registered office is Stella Way, Bishops Cleeve, Cheltenham, Gloucestershire, GL52 7DQ.

The group consists of Bladeroom Holdings Limited and all of its subsidiaries.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £1,000.

The financial statements have been prepared under the historical cost convention, modified to include certain financial instruments at fair value. The principal accounting policies adopted are set out below.

The group financial statements incorporate those of Bladeroom Holdings Limited and all of its subsidiaries (ie entities that the group controls through its power to govern the financial and operating policies so as to obtain economic benefits).

All financial statements are made up to 31 March 2022. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the group.

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

Investments in joint ventures and associates are carried in the group balance sheet at cost plus post-acquisition changes in the group's share of the net assets of the entity, less any impairment in value. The carrying values of investments in joint ventures and associates include acquired goodwill.

If the group's share of losses in a joint venture or associate equals or exceeds its investment in the joint venture or associate, the group does not recognise further losses unless it has incurred obligations to do so or has made payments on behalf of the joint venture or associate.

Unrealised gains arising from transactions with joint ventures and associates are eliminated to the extent of the group's interest in the entity.

1 Accounting policies (continued)

1.2 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

Revenue from the licensing of intellectual property rights is recognised at the fair value of the consideration receivable in accordance with the substance of the agreement.

For long term contracts, when the final outcome can be assessed with reasonable certainty, turnover is recognised by reference to the percentage of completion, determined as contractually agreed milestones are reached.

No profit is recognised on contracts if the outcome cannot be assessed with reasonable certainty. Any expected losses on contracts are taken to the profit and loss account as soon as they are identified.

1.4 Intangible fixed assets - goodwill

Goodwill arising on the acquisition of Bripco (UK) Limited represents the excess of the fair value of the consideration over the fair value of the identifiable assets and liabilities acquired. It is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is considered to have a finite useful life and is amortised on a systematic basis over its expected life, which is 10 years.

For the purposes of impairment testing, goodwill is allocated to the cash-generating units expected to benefit from the acquisition. Cash-generating units to which goodwill has been allocated are tested for impairment at least annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit.

1.5 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

1 Accounting policies (continued)

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

Plant and equipment	25% straight line
Fixtures and fittings	25%-33% straight line
Motor vehicles	25% straight line

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

1.6 Fixed asset investments

In the parent company financial statements, investments in subsidiaries and associates are initially measured at cost and subsequently measured at cost less any accumulated impairment losses.

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

1.7 Impairment of fixed assets

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

The carrying amount of the investments accounted for using the equity method is tested for impairment as a single asset.

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

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

1.8 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

Notes to the financial statements (continued)
For the year ended 31 March 2022

1 Accounting policies (continued)

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit and loss. Reversals of impairment losses are also recognised in profit and loss.

1.9 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks.

1.10 Financial instruments

The group applies 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 group's balance sheet when the group becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset and 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.

Basic financial assets

Basic financial assets, which include debtors, 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 and 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.

1 Accounting policies (continued)

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

1 Accounting policies (continued)

Other financial liabilities

Other financial liabilities, including debt instruments that do not meet the definition of a basic financial instrument, are measured at fair value through profit and loss.

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 into 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 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 group's contractual obligations expire or are discharged or cancelled.

1.11 Equity instruments

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

1.12 Taxation

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

Current tax

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

1 Accounting policies (continued)

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are 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. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Where items recognised in other comprehensive income or equity are chargeable to or deductible for tax purposes, the resulting current or deferred tax expense or income is presented in the same component of comprehensive income or equity as the transaction or other event that resulted in the tax expense or income. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.13 Employee benefits

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

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

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

1.14 Retirement benefits

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

1.15 Share-based payments

Equity-settled share-based payments are measured at fair value at the date of grant by reference to the fair value of the equity instruments granted using the black scholes model. The fair value determined at the grant date is expensed on a straight-line basis over the vesting period, based on the estimate of shares that will eventually vest.

Having performed the appropriate calculations, the effect on the group's profit and loss account in respect of the current period is not material and therefore no adjustment has been made.

1 Accounting policies (continued)

1.16 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to profit and loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

1.17 Foreign exchange

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

1.18 Deferred income

Income received in respect of future accounting periods is deferred and released to the statement of comprehensive income in the year to which it relates.

1.19 Research and development

Research and development expenditure is written off to the statement of comprehensive income for the period in which it is incurred.

2 Critical accounting judgements and key sources of estimation uncertainty

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

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

Critical judgements

The following judgements and estimates have had the most significant effect on amounts recognised in the financial statements.

Turnover

Determining the value of amounts recoverable under contracts requires an estimation of the total expected turnover and costs associates with a contract and estimating the stage of completion of the contract. The directors have significant experience in this estimation and monitor the balances on a regular basis.

Bladeroom Holdings Limited**Notes to the financial statements (continued)**
For the year ended 31 March 2022**3 Turnover and other revenue**

An analysis of the group's turnover is as follows:

	2022	2021
	£'000	£'000
Turnover		
Sales of goods and services	98,227	97,234
Licence fees	407	409
	<u>98,634</u>	<u>97,643</u>

Turnover analysed by geographical market

	2022	2021
	£'000	£'000
United Kingdom	97,065	91,826
Europe	115	558
Rest of the world	1,454	5,259
	<u>98,634</u>	<u>97,643</u>

4 Operating profit

	2022	2021
	£'000	£'000
Operating profit for the year is stated after charging/(crediting):		
Exchange losses/(gains)	8	(285)
Depreciation of owned tangible fixed assets	452	379
Goodwill amortisation	5	5
Operating lease charges	<u>1,220</u>	<u>861</u>

Bladeroom Holdings Limited**Notes to the financial statements (continued)**
For the year ended 31 March 2022**5 Auditor's remuneration**

	2022	2021
	£'000	£'000
Fees payable to the company's auditor and associates:		
For audit services		
Audit of the financial statements of the group and company	5	5
Audit of the financial statements of the company's subsidiaries	22	23
	<u>27</u>	<u>28</u>
For other services		
Taxation compliance services	12	10
All other non-audit services	6	4
	<u>18</u>	<u>14</u>

6 Employees

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

	Group		Company	
	2022	2021	2022	2021
	Number	Number	Number	Number
Support and administration	26	23	-	-
Sales, manufacturing and project delivery	57	52	-	-
	<u>83</u>	<u>75</u>	<u>-</u>	<u>-</u>
Total	<u>83</u>	<u>75</u>	<u>-</u>	<u>-</u>

Their aggregate remuneration comprised:

	Group		Company	
	2022	2021	2022	2021
	£'000	£'000	£'000	£'000
Wages and salaries	5,011	4,499	-	-
Social security costs	586	529	-	-
Pension costs	352	171	-	-
	<u>5,949</u>	<u>5,199</u>	<u>-</u>	<u>-</u>
	<u>5,949</u>	<u>5,199</u>	<u>-</u>	<u>-</u>

Bladeroom Holdings Limited**Notes to the financial statements (continued)****For the year ended 31 March 2022****7 Directors' remuneration**

	2022 £'000	2021 £'000
Remuneration for qualifying services	905	584
Company pension contributions to defined contribution schemes	197	39
	<u>1,102</u>	<u>623</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 4 (2021 - 4).

The number of directors who received share options during the year was 0 (2021: 3).

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

	2022 £'000	2021 £'000
Remuneration for qualifying services	441	191
Company pension contributions to defined contribution schemes	122	12
	<u>563</u>	<u>203</u>

8 Interest receivable and similar income

	2022 £'000	2021 £'000
Interest income		
Interest on bank deposits	23	92
	<u>23</u>	<u>92</u>

Investment income includes the following:

Interest on financial assets not measured at fair value through profit or loss	23	92
	<u>23</u>	<u>92</u>

9 Interest payable and similar expenses

	2022 £'000	2021 £'000
Interest on financial liabilities measured at amortised cost:		
Other interest	1	9
	<u>1</u>	<u>9</u>

Bladeroom Holdings Limited

Notes to the financial statements (continued)
For the year ended 31 March 2022

10 Taxation

	2022	2021
	£'000	£'000
Current tax		
UK corporation tax on profits for the current period	2,166	1,601
Adjustments in respect of prior periods	31	(16)
	<u>2,197</u>	<u>1,585</u>
Total UK current tax	2,197	1,585
Foreign current tax on profits for the current period	-	11
	<u>2,197</u>	<u>1,596</u>
Deferred tax		
Origination and reversal of timing differences	7	76
	<u>7</u>	<u>76</u>
Total tax charge	<u>2,204</u>	<u>1,672</u>

The actual charge for the year can be reconciled to the expected charge for the year based on the profit or loss and the standard rate of tax as follows:

	2022	2021
	£'000	£'000
Profit before taxation	<u>12,110</u>	<u>10,290</u>
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2021: 19.00%)	2,301	1,955
Tax effect of expenses that are not deductible in determining taxable profit	3	14
Change in unrecognised deferred tax assets	(4)	-
Adjustments in respect of prior years	(19)	(16)
Effect of change in corporation tax rate	35	-
Research and development tax credit	(88)	(197)
Group deferred tax	-	76
Other tax adjustments	(24)	(152)
Tax effect on overseas entities	-	(8)
	<u>2,204</u>	<u>1,672</u>
Taxation charge	<u>2,204</u>	<u>1,672</u>

Bladeroom Holdings Limited**Notes to the financial statements (continued)****For the year ended 31 March 2022****10 Taxation (continued)**

The tax computations in respect of Bladeroom Group Limited relating to the 18-month period to 31 March 2016 have been submitted but remain open with HMRC. Due to the current status it is impracticable to provide further disclosure at this stage.

11 Intangible fixed assets

Group	Goodwill £'000
Cost	
At 1 April 2021 and 31 March 2022	90
	—
Amortisation and impairment	
At 1 April 2021	17
Amortisation charged for the year	5
	—
At 31 March 2022	22
	—
Carrying amount	
At 31 March 2022	68
	==
At 31 March 2021	73
	==

Goodwill arose on the acquisition by the group of the entire issued share capital of Bripco (UK) Limited in November 2018.

The company had no intangible fixed assets at 31 March 2022 or 31 March 2021.

Bladeroom Holdings Limited

Notes to the financial statements (continued) For the year ended 31 March 2022

12 Tangible fixed assets

Group	Plant and equipment £'000	Fixtures and fittings £'000	Motor vehicles £'000	Total £'000
Cost				
At 1 April 2021	1,787	1,709	9	3,505
Additions	74	241	21	336
Disposals	-	(3)	-	(3)
At 31 March 2022	1,861	1,947	30	3,838
Depreciation and impairment				
At 1 April 2021	1,256	1,294	3	2,553
Depreciation charged in the year	173	276	3	452
Eliminated in respect of disposals	-	(3)	-	(3)
At 31 March 2022	1,429	1,567	6	3,002
Carrying amount				
At 31 March 2022	432	380	24	836
At 31 March 2021	531	415	6	952

The company had no tangible fixed assets at 31 March 2022 or 31 March 2021.

13 Fixed asset investments

	Notes	Group 2022 £'000	2021 £'000	Company 2022 £'000	2021 £'000
Investments in subsidiaries	14	-	-	508	508

Bladeroom Holdings Limited

Notes to the financial statements (continued)

For the year ended 31 March 2022

13 Fixed asset investments (continued)

Movements in fixed asset investments Company

Shares in
subsidiaries
£'000

Cost or valuation

At 1 April 2021 and 31 March 2022

508

Carrying amount

At 31 March 2022

508

At 31 March 2021

508

14 Subsidiaries

Details of the company's subsidiaries at 31 March 2022 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held	
				Direct	Indirect
Bladeroom Group Limited	England and Wales	Design and manufacture of modular data centres	Ordinary	100.00	-
Bladeroom Residential Limited	England and Wales	Design and manufacture of modular residential facilities	Ordinary	100.00	-
Bladeroom Pty Limited	Australia	Dormant	Ordinary	-	100.00
Bladeroom USA LLC	United States of America	Design and manufacture of modular data centres	Ordinary	-	100.00
BR Corporate Trustees Limited	England and Wales	Dormant	Ordinary	100.00	-
Bripco (UK) Limited	England and Wales	Licensing of intellectual property	Ordinary	100.00	-
Brussco Inc	United States of America	Holding company	Ordinary	-	100.00
Moduleco Limited	England and Wales	Design and manufacture of modular healthcare and pharmaceutical facilities	Ordinary	-	100.00
Bladeroom Group (Ireland) Limited	Republic of Ireland	Dormant	Ordinary	-	100.00
Moduleco Offsite Limited	Republic of Ireland	Dormant	Ordinary	-	100.00

Bladeroom Holdings Limited

Notes to the financial statements (continued)

For the year ended 31 March 2022

14 Subsidiaries (continued)

Bladeroom Residential Limited (registered number 06395445) is entitled to exemption from audit under sections 479A and 479C of the Companies Act 2006 relating to subsidiary companies through parental guarantee.

During the year Bladeroom Residential Limited (formerly Bladeroom Limited) was transferred from Bladeroom Group Limited.

15 Stocks

	Group		Company	
	2022	2021	2022	2021
	£'000	£'000	£'000	£'000
Work in progress	1,295	591	-	-
Finished goods and goods for resale	1	1	-	-
	<u>1,296</u>	<u>592</u>	<u>-</u>	<u>-</u>

16 Debtors

	Group		Company	
	2022	2021	2022	2021
	£'000	£'000	£'000	£'000
Amounts falling due within one year:				
Trade debtors	10,564	3,789	-	-
Corporation tax recoverable	923	600	-	-
Other debtors	99	657	1	-
Prepayments and accrued income	721	398	-	-
	<u>12,307</u>	<u>5,444</u>	<u>1</u>	<u>-</u>

Bladeroom Holdings Limited**Notes to the financial statements (continued)****For the year ended 31 March 2022****17 Creditors: amounts falling due within one year**

	Group		Company	
	2022	2021	2022	2021
	£'000	£'000	£'000	£'000
Trade creditors	3,540	3,698	-	-
Corporation tax payable	5	-	-	-
Other taxation and social security	2,558	32	-	-
Other creditors	326	2,886	-	-
Accruals and deferred income	24,480	15,673	-	-
	<u>30,909</u>	<u>22,289</u>	<u>-</u>	<u>-</u>

Included within corporation tax payable is overseas corporation tax of £4,000 (2021: £38,000).

18 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the group and company, and movements thereon:

	Liabilities	Liabilities
	2022	2021
Group	£'000	£'000
Accelerated capital allowances	<u>147</u>	<u>140</u>

The company has no deferred tax assets or liabilities.

19 Retirement benefit schemes

	2022	2021
Defined contribution schemes	£'000	£'000
Charge to profit or loss in respect of defined contribution schemes	<u>352</u>	<u>171</u>

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

Bladeroom Holdings Limited**Notes to the financial statements (continued)****For the year ended 31 March 2022****20 Share-based payment transactions**

Group and Company	Number of share options		Weighted average exercise price	
	2022 Number	2021 Number	2022 £	2021 £
Outstanding at 1 April 2021	10,371,000	-	0.02	-
Granted	450,000	10,376,000	0.06	0.02
Forfeited	(425,000)	(5,000)	0.02	0.02
Outstanding at 31 March 2022	<u>10,396,000</u>	<u>10,371,000</u>	<u>0.02</u>	<u>0.02</u>
Exercisable at 31 March 2022	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

During the year the company issued 450,000 share options and at the year end 10,396,000 options remain outstanding. These options can be exercised from the second or third anniversary of the grant depending on the contractual agreement. The options will expire ten years from the date of grant.

Where share options have been awarded to employees, the fair value of the options at the date of grant have not been charged to profit and loss over the vesting period as it has been deemed as immaterial.

21 Share capital

Group and company	2022	2021	2022	2021
Ordinary share capital	Number	Number	£'000	£'000
Issued and fully paid				
Ordinary shares of 1p each	<u>56,160,625</u>	<u>56,160,625</u>	<u>562</u>	<u>562</u>

Bladeroom Holdings Limited

Notes to the financial statements (continued) For the year ended 31 March 2022

22 Operating lease commitments

Lessee

At the reporting end date the group had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	Group		Company	
	2022	2021	2022	2021
	£'000	£'000	£'000	£'000
Within one year	638	656	608	-
Between two and five years	1,518	2,028	1,493	-
In over five years	-	85	-	-
	<u>2,156</u>	<u>2,769</u>	<u>2,101</u>	<u>-</u>

23 Related party transactions

Remuneration of key management personnel

The remuneration of key management personnel is as follows.

	2022	2021
	£'000	£'000
Aggregate compensation	<u>1,334</u>	<u>987</u>

During the year, the group accrued royalty charges of £2,005,000 (2021: £4,462,000) to a related company by virtue of key management personnel. At the balance sheet date, an accrual for royalties of £560,000 (2021: £397,000) is included within creditors.

The group also recharged legal fees of £nil (2021: £952,000) to the same related party and at the balance sheet date, the group was owed £43,000 (2021: £418,000), this balance is included within other debtors.

During the year, the company made gifts totalling £9,011,000 (2021: £10,805,000) to the Bladeroom Employee Ownership Trust.

During the year no directors received share options (2021: three directors received 4,443,000 options).

Bladeroom Holdings Limited

Notes to the financial statements (continued)
For the year ended 31 March 2022

24 Cash generated from group operations

	2022	2021
	£'000	£'000
Profit for the year after tax	9,906	8,618
Adjustments for:		
Taxation charged	2,204	1,672
Finance costs	1	9
Investment income	(23)	(92)
Amortisation and impairment of intangible assets	5	5
Depreciation and impairment of tangible fixed assets	452	379
Movements in working capital:		
(Increase)/decrease in stocks	(704)	39
(Increase)/decrease in debtors	(6,642)	5,401
Increase in creditors	8,713	708
Cash generated from operations	13,912	16,739

25 Cash absorbed by operations - company

	2022	2021
	£'000	£'000
Profit for the year after tax	9,010	7,199
Adjustments for:		
Investment income	(9,010)	(7,200)
Movements in working capital:		
Increase in debtors	(1)	-
Cash absorbed by operations	(1)	(1)

26 Analysis of changes in net funds - group

	1 April 2021	Cash flows	Exchange rate	31 March
	£'000	£'000	movements	2022
			£'000	£'000
Cash at bank and in hand	20,128	2,076	110	22,314

Bladeroom Holdings Limited

Notes to the financial statements (continued)
For the year ended 31 March 2022

27 Analysis of changes in net funds - company

	1 April 2021	Cash flows	31 March
	£'000	£'000	2022
			£'000
Cash at bank and in hand	192	(2)	190
	<u> </u>	<u> </u>	<u> </u>