

BELL GROUP UK LIMITED
ANNUAL REPORT AND FINANCIAL
STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

PARENT ACCOUNTS
FOR

2021/22

Section 479a

COMPANIES HOUSE
23 DEC 2022
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BELL GROUP UK LIMITED

COMPANY INFORMATION

Directors

G Bell
A Bell
P Howieson
C Bell
C Cochrane
P Steedman
T Brescia
S Drew (Appointed 3 April 2021)

Secretary

P Howieson

Company number

SC190648

Registered office

Bell Business Park
Rochsolloch Road
AIRDRIE
ML6 9BG

Auditor

Johnston Carmichael LLP
227 West George Street
Glasgow
G2 2ND

BELL GROUP UK LIMITED

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BELL GROUP UK LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 MARCH 2022

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

Business Overview

Our purpose is to maintain, protect and improve the performance of the built environment: providing a value for money service for our clients and a positive experience for their customers.

We want every project to leave a positive impact in the communities we work; minimising the environmental impact of our work whilst providing career opportunities for under-represented groups. We strive to maintain career progression for every member of staff, recognising individual skills and nurturing potential.

The different businesses within our group offer a range of core services that provide our clients a complete service for the upgrade and maintenance of the built environment. Our core services are Painting Programmes, Passive Fire Upgrades, Void Property Preparation and Maintenance, Re-Roofing, Window and Door Replacement Programmes, Kitchen and Bathroom Replacements, Response Repairs, Energy Improvement Retrofit Programmes, Electric Vehicle Charging Point Installation, Soft Flooring Projects, and Professional Services relating to construction work.

Our differentiators: value for money service; memorable customer experience, leaving a positive impact in communities; minimising the environmental impact of our work; and providing career opportunities for underrepresented groups, remain at the heart of our business. We ensure these values are fundamental to the way we manage our projects rather than an afterthought. We continue to control these factors by self-delivering the largest portion of our work and engaging specialist sub-contractors for niche provisions and fluctuations in workload. As a result of this, our workforce has again grown this year with our payroll reaching in excess of 2,300 employees at its peak.

Our key sectors remain Social Housing Property Managers, Local Authorities, Defence, Healthcare, Commercial, Education, Rail and Utilities and Hotel and Leisure. The diversity helps to engage and invigorate our teams, and attract the best talent from our industry.

Overview of the year

As many of our clients are within public sector services, the UK government post COVID19 fiscal stimulus has given our sector an unrepresented level of growth in the year. According to the Construction Products Association, spend in the Repair, Maintenance and Improvement (RM&I) sector which is most relevant to our activities is higher than it has ever been since records began. This has, however, been countered by rising material costs and labour shortages which have brought very different challenges from the previous year for our management team, resulting in reduced operating margins.

Our strong secured work plan allowed us to focus on the long-term health of the business and prioritise long-term agreements within financially stable markets to assist us going into 2023 and beyond. We are aware of the impending economic, social, and political threats facing the UK economy: inflation, climate change, trade disputes with the EU, worldwide supply chain issues, energy and fuel costs spiralling, long term health effects of COVID and labour shortages, and have spent the year considering the future by diversifying across work streams and markets, streamlining our management teams to reduce our overhead, and ensure our teams are highly functioning across the country.

Performance

In the period, our number of clients has increased to 894 unique clients with the average client spend up 31%. Our top 20 clients provide us with 46% of our turnover down from 50% last year, meaning once again this year we are not over reliant on a particular client, or small group of clients, to influence our performance.

Our Net Profit with our top 20 is up 1% on 2020/21 and 2% up vs 2019/2020 figures. Client retention was up 1% as we came out of the pandemic. 73% of our operations were as a Main Contractor with much of our work as a subcontractor coming in the Defence space. Sales: Our enquiry level is up 12% on 2020/21. Spread of risk: We are successfully limiting our risk by spreading our work across different cost centres and different client sectors. This year we have successfully opened another 8 cost centres to help spread the burden on larger branches.

BELL GROUP UK LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

Core Sectors

This year we have continued to use our sector diversity to mitigate business risk. Fiscal stimulus has seen a marked growth in Social Housing, which now makes up 55% of all revenue.

The new Future Defence Infrastructure Services contracts have mobilised through the year and while we have secured similar geographical regions as we were previously responsible for, revenue and margin has suffered through mobilisation. It is anticipated that we will recover this over the duration of the contracts. Sales in Social Housing, MoD, Education, Healthcare, Property Managers, Rail, Utilities, Retail & Leisure markets were up vs last year with Local Authorities, Construction, Commercial and Industrial all down.

Values

Our Bell values act as guiding principles, setting the foundation of our business culture. Our values and core beliefs are designed to support the way we work by defining the sorts of behaviours we need to excel, helping us to bring a level of consistency across the group by setting out clear expectations of us all. Our values also bring us together and unite us as one team.



Protect our Planet.
Protect our Places and
Protect our People



Support our communities.
customers and local
economies



Here to Listen.
here to speak



Driven to improve.
driven to succeed



Proud of you.
proud of our work.
proud of us

Principle Risks

The current largest risks to our business are external. As stated in our Overview, the UK as a whole faces threats from: inflation, climate change, trade disputes with the EU, worldwide supply chain issues, energy and fuel costs, long term health effects of COVID and labour shortages. All of which are potential risks to our business in the short to medium term.

The chart below shows change over two timeframes:

- 2021 to 2023, which is the forecast from where we are and
- 2019 to 2023, which is how the future might look compared with pre-pandemic levels in 2019.

The important data for us is in Public Housing, which accounts for over half of our turnover, we expect to see a rise of 4 per cent between 2021 and 2023, but the sector is still forecast to be 24 percent smaller in 2023 than in 2019.

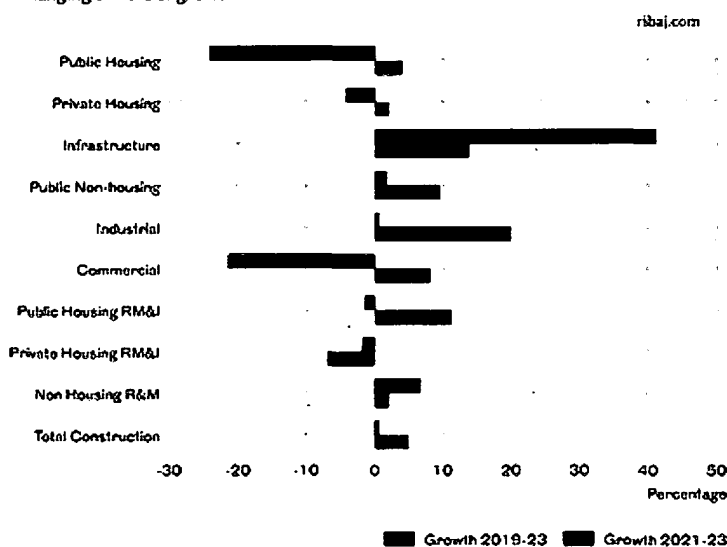
BELL GROUP UK LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

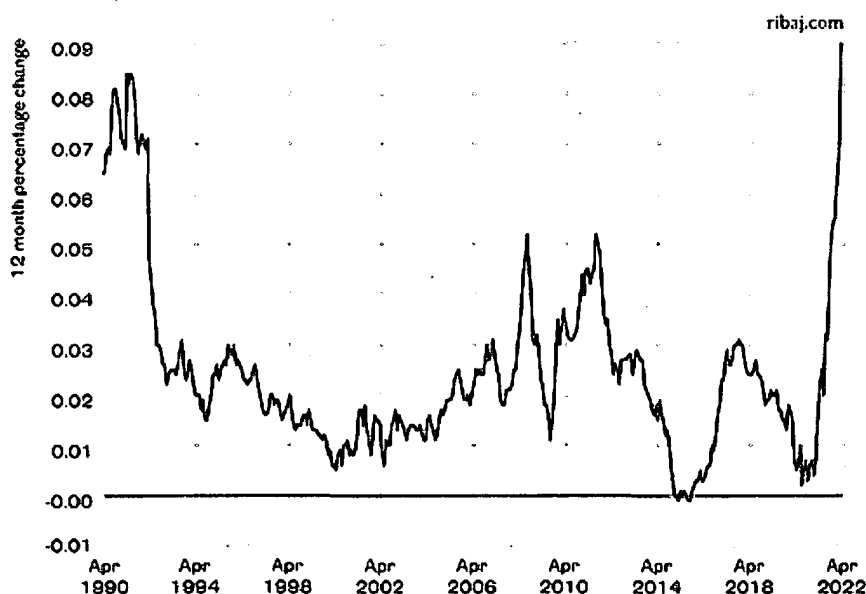
Principal Risks (continued)

Changing drivers of growth



Historically, the drag on industry growth would have come from the demand side, however, supply issues are currently the main challenge with rapidly rising prices in both materials and labour exacerbating availability issues. There is double-digit inflation in many core building materials and wages of PAYE employees in construction are up more than 7 per cent on the year.

Consumer price inflation



The above chart shows the extraordinary rise in consumer price inflation. As well as creating issues with cost certainty and fear around fixed prices, this generates uncertainty that leaves clients uneasy and less willing to invest or commit to spending.

BELL GROUP UK LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

Principal Risks (continued)

We have always worked to mitigate these risks by being strong across multiple geographic locations and multiple sectors. In 2022 we have focused on adding a further mitigator in our service offering. Pre pandemic, Painting and Decorating projects made up 60% of our turnover. In 2022 that number is still growing but is now only 40% of turnover. This is the result of a concerted effort to be able to self-deliver our full suite of property services. By doing this, along with our national presence, we have created a unique offering in the markets we work and opened over £5bn per annum in new opportunities.

We have a number of measures in place to mitigate against material price rises and ensure there is minimal effect to the services we offer and to our clients, in terms of material supplies, including:

- Robust agreements in place with all our approved major UK suppliers.
- For each major contract, we pre-order materials well in advance from mobilisation, and monitor supplies throughout.
- Planning effectively – our Project Managers plan for delays, and can adapt programmes to bring other properties forward not requiring these materials.
- We have 30 years + partnerships and well-managed collaborative working agreements with a large pool of approved suppliers to spread risk.
- Agreement with our main building material suppliers that we can utilise their Centres to stock products ahead of future programmes of work.
- Price certainty moving forward - with pricing levels having been agreed to avoid any unwelcome hikes in material prices should the price of the raw materials increase.
- New Commercial team in place to maximise commercial agreements we have in place with supply chain and with our customers

There are various legislative issues that we are currently aware of which may influence our business that are being closely tracked, in particular:

- Legislation relating to VOC Emissions
- Crown Commercial PPN 06/21 – Taking account of Carbon Reduction Plans in the procurement of major government contracts
- Procurement Bill - Affecting bids and tendering processes.
- PPE at work Amendments Reg 22 (PPER22)
- New duties for employers' and employees' regarding PPE for subcontractors/limb workers.
- Building Safety Act 2022

BELL GROUP UK LIMITED

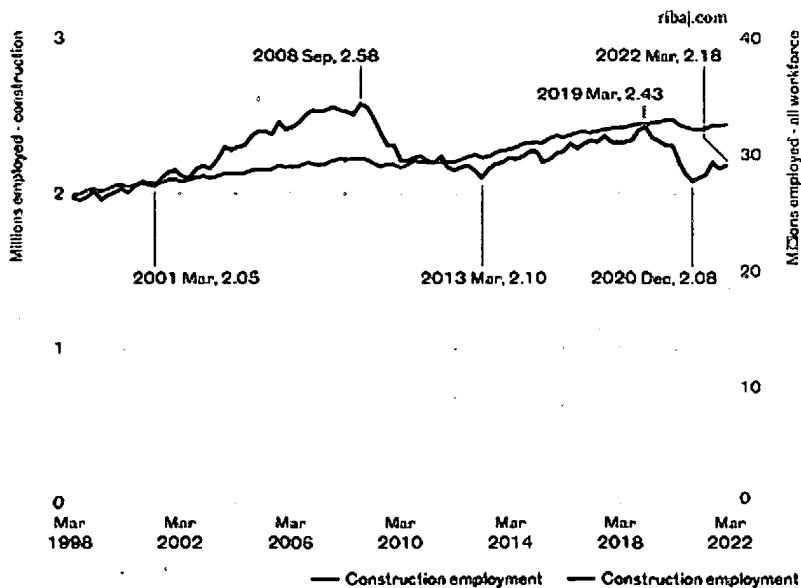
STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

Labour Shortage

The chart below shows how the construction workforce remains well below the employment levels of 2019, having suffered a significant drop when the pandemic struck. The fragility in the workforce resting on ageing UK-born workers and a large number of EU workers has been decimated by combination of Brexit and COVID, resulting in large numbers retiring or leaving the UK and not returning.

The path of construction employment



Source: ONS

To mitigate against this our Business Psychologist has taken the lead over our national recruitment with a focus on driving a larger number of applicants, to allow our local teams to filter down to find the most appropriate person for each individual role. Our Business Psychologist has also worked across management and site-based roles to establish what makes the perfect Bell employee in each role and has implemented matrix across the business to help all levels of management recruit smarter and ensure we appoint the right people first time.

Strategic Future Development

This year has seen us continue to diversify our core services and successfully deliver the following services nationally: Painting Programmes, Passive Fire Upgrades, Void Property Preparation and Maintenance, Re-Roofing, Window and Door Replacement Programmes, Kitchen and Bathroom Replacements, Response Repairs, Energy Improvement Retrofit Programmes, Electric Vehicle Charging Point Installation, Soft Flooring Projects, and Professional Services relating to construction work.

We see painting programmes continuing to be a fundamental part of our business. As our original service it forms the foundations that everything else has been built on. We want to be the only brand-named painting contractor in the UK and will achieve this through a combination of values, quality, and price point.

Values:

Become integral to our employees lives not just a means of making money. A company people are proud to work for, where you know your boss and their boss, where you feel valued and know your opinion matters, where you come to work and know your employer will do everything they can to make sure you go home safely.

We want our customers to recognise that a quality job is a prerequisite, by those carrying out the work and how they do that is a differentiating factor.

BELL GROUP UK LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

Strategic Future Development (continued)

Quality:

Customer Service is fundamental to our service and we want to continue to train all customer facing staff to shape a positive experience for our customers and building users.

Achieving higher standards: Encouraging an environment of achievement and pride, where people feel part of the company's success and are valued for their input. Encouraging cleaner, tidier work environments where site staff represent highly motivated technicians providing a high quality of work.

Price Point:

We want to continue to be a contractor who provides a good product at a commercially competitive price point.

Our non-painting services have predominantly been designed to offer our clients a full asset management services in the build environment. By 2025 we will be able to offer all services with directly employed Bell tradespeople from every region. As we develop these services, we are acutely aware of client's decarbonisation agendas and have started working to ensure that the services we offer and how we do it are designed to meet our clients greatest challenge for the next 30 years.

Digitisation

Our ERP system is now well established within the business, and we are continuing to develop and integrate complimentary modules within Dynamics Central, alongside our reporting capability. We have made further important steps towards automation, especially in our finance and centralised functions, such as; CVRs and project portfolio, electronic purchasing and receipting, electronic invoicing and credit control, as well as the current build of Sharepoint and Qlik Sense BI for reporting. We are looking to achieve an even greater level of automation through removing more manual systems, excel spreadsheets, and long-winded duplication of tasks.

Our route to achieve full automation of systems involves strategic investment in digital solutions, which lead to a slicker transfer of information, and do not rely so heavily on human intervention, thus driving efficiency and consistency. The drivers behind doing this are:

- Communication.
- Centralisation of our knowledge about what is happening around the business.
- Streamlining processes and developing standardised systems and workflows.
- To drive a culture of consistency and deliver consistency across the different layers of the business, regardless of location.
- To have access to real time, reliable information across all business functions and to utilise that data for optimising our daily activities, whilst eliminating waste.
- Build portals allowing clients, customers, employees and our supply chain to access real time information, increasing transparency through communication and maximising value for money.
- To make sure we have a clear and concise view of what 'good' looks like and making sure our interested parties are aware of what 'good' looks like to us and what our service offering is.
- To make people's lives easier, not harder.
- To remove room for error as we grow as a company.
- To mitigate risks through the power of facts.
- To avoid leakages deriving from inefficiencies or lack of knowledge.
- To motivate employees by giving them the tools to do their job in the most efficient way.
- To speed up the transfer of information so decisions can be made in real time supported by real time, reliable facts and figures.
- To cut back on the paperwork and thus help environmental targets.
- To empower our site-based employees to make decisions based on the real-time information they can view from site, rather than out of date, hard-copy documents.
- cutting down on administrative tasks for site personnel through automated data and information.

BELL GROUP UK LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

Digitisation (continued)

What has the automation achieved to date and foundations for the year ahead?

What we have achieved through automation in the past 18 months, has given us better overall visibility of what is going on at all layers of the business, both at branch level and nationally. In particular, we have made huge developments in the buy-in from all levels of the business to ensure the data being fed in to the ERP is accurate and comprehensive. Critically, we have made significant developments in our Qlik Sense dashboards, depicting that data in meaningful reports at the output. Two of the most significant successes have been in our CVR reporting, as well as the integration of our two vehicle management systems through Qlik. Each role within the business now has their own level of dashboard, bringing with it a transparency of data for work pertinent to that employee, allowing them to increase their efficiency, but also make the right decisions at the right time with supporting evidence. Inherent training is ongoing across the business to ensure everyone is utilising the system properly.

In the year we launched our first full end to end API integrated IT solution with a major national housing provider, which we have since replicated for a further 2 major housing clients. The integrated IT system we have developed allows jobs to be sent to us electronically from the client and for our team to schedule them out to the most appropriate operatives, based on their trade qualifications, experience and geographical location. On the operatives' handheld tablets, they see a list of work orders for the day and can subsequently complete the work order, closing it on their handheld, which in turn appears back at the Bell Schedulers interface and back to the Client's Job Management system, all in real time. This is the first integrated Project for Bell Group and is also for our three Clients, allowing seamless flow of contract information between our systems and teams.

Acquisition and Growth

We will continue to consider acquisition opportunities as a mechanism to increase market share in painting and/or provide us with a supply of established labour in areas struggling with recruitment.

In non-painting, acquisition will be considered as a viable route to market in areas where we don't currently offer building maintenance/projects teams.

During the year, in July 2021, we acquired CB Contracts (NI) Ltd ("CBC"). CBC are specialists in Painting, Hygienic Finishes and Flooring mainly in the New Build market. From their base in Northern Ireland they carry out work throughout the British Isles and bring with them a wealth of knowledge and systems designed specifically to remotely manage projects for large main contractors. The acquisition further cements our position as market leader in the Painting and Decorating space, giving us greater market share, a base in Northern Ireland and will allow us to successfully deliver work in the new build space.

CBC also add a national flooring capability, providing a great steppingstone for Bell branches to offer an additional service delivered in house to our existing client base.

Also during the year, in February 2022, the group (through Bell Decorating Group Limited) acquired the trade of Mi-space (UK) Ltd, the property services division of the Midas Group following its administration. The acquisition resulted in the group taking over a number of ongoing contracts as well as the safeguarding of 46 jobs. The acquisition allowed the group to benefit from the acquired division's experienced staff as well as in supporting the growth of the group's external wall installation/retro-fit offering.

We haven't completed any acquisitions post year end but are now considering acquisitions in overseas markets to allow us to develop geographically and to allow us to work in more prosperous markets. With globalisation, we see opportunities with our existing customers to offer a globalised service around convenience, consistency of branding and quality.

Goals – 5 Year

1. Become the Painting Contractor of choice throughout the UK
2. To become a data active business
3. To establish a strong projects and capital works business
4. To improve Financial Performance

BELL GROUP UK LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

Key Performance Indicators

Financial: The group's profit and loss account and the group's statement of cash flows are set out on pages 23 and 28 of these financial statements. Turnover was significantly ahead of anticipated target with GP and NP level slightly below.

Quality: Our right first time, handover and client retention figures have all achieved pre pandemic levels and met our targeted standards.

Health and Safety: Our health and safety accident statistics for the year are up but, down relative to turnover and as a ratio still sit considerably ahead of the industry normal.

Equality and Diversity: Due to moving many of the corporate staff from Bell Decorating Group Ltd payroll to Bell Group UK Ltd our BDG gender pay gap suddenly looked unaligned. Having rerun the exercise at group level we have maintained our negative gender pay gap which remains ground breaking in the construction industry. We have successfully met our female apprentice intake targets for the first time.

Training and Apprenticeships: We have maintained our KPI scores across the training and development department.

Bids: Our win rate has increased significantly this year. Targets have been set for next year based on categories to allow us to monitor in more detail where we are scoring well and where we need to improve.

Environmental: We continue to meet our recycling targets and have set ourselves considerably harder carbon reduction targets for the coming year. See page 13 of the Directors Report which shares our Carbon and Energy Report for the year.

S172 statement

The Board and its individual Directors consider that, in the decisions taken during the year, they have acted in the way most likely to promote the success of Bell Group for the benefit of its members as a whole, having regard to the stakeholders and matters set out in Section 172 of the Companies Act 2006.

Section 172 of the Companies Act 2006 states that it is the duty of all Directors to promote the success of the Company for the benefit of its members as a whole. In fulfilling this obligation, the Board have regard to the likely long-term consequences of any decision, the interests of the Company's employees and the impact of the Company's operations on the community and the environment.

In considering our fulfilment of Section 172 obligations, the Board of Bell have identified our key stakeholders as being our employees and colleagues, our customers and suppliers, the communities in which we operate and our shareholders.

Material issues for our stakeholder groups are presented below along with a summary of how these were considered in Board discussions and decision-making and engagement throughout the year.

BELL GROUP UK LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

Stakeholders	Material Issues	Engagement
Employees and Colleagues	<ul style="list-style-type: none"> Ensuring our employees feel engaged, working in a company they can be proud of Working environment, health and safety, reward, training, progression, and inclusion 	<ul style="list-style-type: none"> Culture led business Considered language and communication techniques A just culture Employee Surveys Newsletters and regular webinars Bi-annual Senior Leadership Team Conferences Website and Social Media groups Face to face contact with senior management
Customers	<ul style="list-style-type: none"> Provision of a high quality, professional service which maintains, protects, and improves the aesthetic of their built environment Focus on Customer is always right Direct workforce 	<ul style="list-style-type: none"> Regional and National Account Managers Cross management between sales and contracts to ensure 2 points of contact Customer Care Policy Monitor client retention at local level CRM system gives visibility to, and management of, our Sales Cycle and Contacts.
Suppliers (including Subcontractors)	<ul style="list-style-type: none"> Commitment to integrity and honesty, and conducting business in a socially responsible and sustainable way Clear communication of our strategy and values and how suppliers can work best with us to support its delivery 	<ul style="list-style-type: none"> We have long-term relationships with our key material and plant suppliers, and these are personally managed through Board level relationships and our Head of Procurement. We encourage a collaborative approach to problem solving. Our national branch network ensures subcontractor relationships are fostered and maintained locally, with on-site meetings and reviews. Monitor compliance centrally with post contract performance reviews and audits.
Communities	<ul style="list-style-type: none"> Leaving a positive impact in the communities in which we work: providing opportunities for local employment and training and partnering local community projects Minimising the environmental impact of our activities on the local area Large dedicated communities team 	<ul style="list-style-type: none"> Support the George and Annette Bell Foundation, a charity established by our founders which aims to create and sustain communities where people are inspired to live healthier and happier lifestyles and reach their full potential Community Team dedicated to developing the communities we are working in whilst meeting our contractual obligations. Sector Based Work Academies Project Liberate – Release on Temporary License Work Placement Project United for Ukraine – Refugees Exceeds Project – Domestic Abuse Skills Bootcamps The Bell Build – Local Volunteers We Transform - Apprentices Community Clean Up House to home – Financial Hardship Corporate Volunteer Hours Production and consideration of the findings of our Annual Carbon Footprint Report, audited by The Carbon Trust

BELL GROUP UK LIMITED

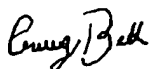
STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

Stakeholders (continued)	Material Issues (continued)	Engagement (continued)
Shareholders	<ul style="list-style-type: none">Financial performance, including working capital and the strength of our balance sheetInvestment opportunities, growth, and diversification	<ul style="list-style-type: none">Family owned and operated Company with day-to-day involvement from all shareholdersMonthly Portfolio Review undertaken by senior management.Provision and review of detailed Monthly Board Packs with submissions and papers from all key functions included.Setting of Strategic 5-year plan, review, and approval of Annual Financial Targets for the Group

We continue to set the bar for the construction industry in particular the Repair and Maintenance space and now find ourselves looking to other markets and large inspiring organisations for innovative ideas on how we can improve as a business and subsequently as a sector.

On behalf of the board



.....
C Bell
Director

22 / 12 / 2022

Date:

BELL GROUP UK 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.

The company and group has taken advantage of the option available under s390(3) of the Companies Act 2006 and prepared its financial statements to 1 April 2022.

Principal activities

The principal activity of the company continued to be that of a holding company with subsidiaries operating as commercial and industrial painting and decorating contractors and property developers.

Results and dividends

The results for the year are set out on page 23.

Ordinary dividends were paid amounting to £729,000. The directors do not recommend payment of a further dividend.

Directors

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

G Bell
A Bell
P Howieson
C Bell
C Cochrane
P Steedman
T Brescia
S Drew

(Appointed 3 April 2021)

Disabled persons

The group's policy is to recruit disabled workers for those vacancies that they are able to fill. All necessary assistance with initial training courses is given. Once employed, a career plan is developed so as to ensure suitable opportunities for each disabled person. Arrangements are made, wherever possible, for retraining employees who become disabled, to enable them to perform work identified as appropriate to their aptitudes and abilities.

Employee involvement

The group's policy is to consult and discuss with employees, through unions, staff councils and at meetings, matters likely to affect employees' interests.

Information of matters of concern to employees is given through information bulletins and reports which seek to achieve a common awareness on the part of all employees of the financial and economic factors affecting the group's performance.

Future developments

The group has chosen in accordance with Companies Act 2006, s. 414C(11) to set out in the group's strategic report information required by Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, Sch. 7 to be contained in the directors' report. It has done so in respect of future developments.

Auditor

The auditor, Johnston Carmichael LLP, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

BELL GROUP UK LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

Environment

At Bell we recognise, like all businesses, that we must adapt and evolve our business to operate within a low carbon economy. The importance of a low carbon business model will grow for our clients, our supply chain, and our staff, as we all collectively come to grips with the changes needed to limit global temperature rises to 1.5 degrees in the next 20 years.

Simply put, we will need to learn how we can continue to deliver our excellent services to customers whilst at the same time reducing our organisational carbon footprint in line with Industry and Government targets; by 50% by 2030; and to Net Zero by the 2050 or earlier.

This year we launched our 5-year Environmental Strategy that will help guide us in our efforts to achieve our carbon and sustainability targets and obligations over the next 5 years. Improving our carbon data collection and measurement, identifying our opportunities to reduce our carbon footprint, and working with our supply chain to reduce their emissions, will help us to significantly improve our wider footprint.

Within Bell Group, one of our key beliefs is to Protect our Planet, our Places and our People and as such we have structured our Goals within the Strategy under each of these three themes:

Protect our Planet

- Minimising our carbon footprint, utilities consumption and protecting against environmental impact
- Reducing our raw resource consumption and maximising circular economy opportunities
- Minimising our transport emissions and supporting active and sustainable travel options

Protect our Places

- Delivering quality projects which support our customers and clients in achieving their environmental aims
- Helping to regenerate spaces in communities to leave a lasting legacy

Protect our People

- Developing a fit for purpose business to operate in a future low carbon economy
- Supporting our people to improve their knowledge through access to the best learning opportunities and resources.

We recognise that our key direct carbon producing aspects are through the consumption of vehicle fuel, gas and electricity in premises however we recognise that the wider carbon impact in relation to our supply chain will be our single largest emissions source as we start to measure and record this aspect. Therefore, we continue to implement measures that lead to increased measurement, reduced consumption levels and through time a subsequently a lower carbon footprint, as well as driving up better sustainability performance across the business for instance:

Governance

- Our Environmental Audit process, carried out by our SHEQ team, serves to ensure that the KPI process is effective, and staff are made aware of any issues to be addressed on a regular basis. Branch Environmental Audits are undertaken, and each Branch issued with a compliance improvement plan for implementation.
- We have invested in an ESG Platform to collate, consolidate and harmonise our reporting against ESG criteria across the business.
- We are starting the analysis of our procurement processes against the ISO20400 standard for sustainable procurement.

Utilities

- We have targeted the attainment of ISO50001 in 2023 as a formal process to manage our utilities consumption and associated carbon impact.
- We continue to investigate the opportunities for renewable energy across our estate.
- We commit to purchasing 100% green electricity for the branches we are in control of the contracts for, and we will seek to influence the purchasing decisions of our landlords for the properties which we are not in direct control of.

BELL GROUP UK LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

Materials and waste

- We continue to seek to reduce levels of consumption and waste in all materials we use through accurate planning and methodology.
- We have conducted our first Supplier Sustainability Questionnaire to assesses the knowledge, awareness and ability to report against carbon and other sustainability initiatives.
- We have set ourselves a target of 100% diversion of waste from landfill by 2025 and a 10% reduction in total waste produced beyond a 2022 baseline figure.
- We have currently achieved a landfill diversion rate of 98.7% across our branch network for the 2021-22 financial year.
- We have introduced an internal can back recycling measurement and recording system to enhance our operational control of this area.
- We continue to encourage recycling of waste / left-over materials where reasonably possible and work with a number of organisations through the recycling of printer cartridges, paper, paint tins, cardboard and paint surplus.
- We are committed to working towards a paperless environment, encouraging staff to use and view documents electronically.

Transport

- We continue to replace our van fleet on a 4-year cycle with a minimum of Euro 6 compliant engines and appropriate consideration given to fuel economy and low emission levels as part of the group's procurement policy.
- We are committed to the electrification of our fleet, as shown by our commitment within our Strategy to have 30% of our fleet, made up of electric or hybrid vehicles by 2025.
- We continue to source people locally for our contract sites in consideration of required travel, shared transportation and reducing our carbon footprint.
- We have rolled out driver awareness training to 100% of employees.

Climate adaptation

- We have identified the risks to our estate resulting from modelled predictions of potential climate change scenarios and are considering the potential adaptation strategies that we can deploy.

Carbon and Energy Report

Our reporting scope is as follows, covering all group companies. In prior years our scope was limited to Bell Decorating Group Limited, materially our largest trading subsidiary, as subsidiaries weren't obliged to report individually according to the thresholds.

	Scope 1 emissions	Scope 2 emissions	Scope 3 emissions
Bell Group UK	Full reporting	Full reporting	Partial reporting increasing measurement

Data is presented in Tonnes of CO₂e following conversion of activity data with UK Government Conversion Factors for greenhouse gas (GHG) reporting (2021 Full set for advanced users).

From the results shown below, we have seen a 245% increase in our overall carbon footprint as well as an increase in most of our intensity ratio metrics, as a result of the growth of the business combined with an increased scope of measurement capability, specifically in Scope 3 emissions shown below.

BELL GROUP UK LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

OVERALL	Description	20-21 tCO ₂ e	21-22 tCO ₂ e	Change	Detail
Scope 1	Vans	1,935	2,365	-22% increase	Company owned vans – non personal use
	Cars	506	897	-77% increase	Business mileage – privately owned cars
Sub total		2,441	3,262	-34% increase	
Scope 2	Electricity	85	83	2% decrease	Electricity consumption offices and rented accommodation where bills are available
	Gas	129	113	12% decrease	Gas consumption offices and rented accommodation where bills are available
Sub total		214	196	8% decrease	
Scope 3	Cars	75	881	-1,075% increase	Personal mileage – company own vans and privately owned cars
	T&D losses	7	7	0%	Transmission and distribution losses
	Waste	46	41	11% decrease	Waste disposal emissions from vehicle transport only, not waste disposal routes
	Water supply	Not previously reported	11	-	Water supply emissions (not included in last year's figures as not previously collated)
	Wastewater treatment		<0	-	Wastewater supply emissions (not included in last year's figures as not previously collated)
	Materials supply chain		5,157	-	Supply chain emissions (not included in last year's figures as not previously collated)
	Hire vehicles		39	-	Hire vehicle emissions (not included in last year's figures as not previously collated)
Sub total		128	6,136	-4,694% increase	
TOTAL		2,783 tCO ₂ e	9,594 tCO ₂ e	-245% increase	

Emissions reported upon above are:

Scope 1 (Direct emissions):

- Fuel use from our transport fleet which directly support operations (predominantly our company vans). Data for this disclosure has been sourced from the mileage trackers which are fitted to the vans.
- Emissions relating to business mileage from company owned cars is also included here with data for this disclosure sourced from our employee mileage records retained for P11D reporting.

BELL GROUP UK LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

Scope 2 (Indirect emissions):

- Electricity purchased and consumed in our offices. Data for this disclosure has been sourced from our electricity bills for the sites where we are billed directly.
- Electricity consumed in leased offices where the landlord controls the utilities has not been included.
- Gas purchased for use in our offices is included and data has been sourced from our gas bills. Gas consumed in leased offices where the landlord controls the utilities has not been included.

Scope 3 (Other Indirect emissions):

- Emissions from business travel in rental cars or employee-owned vehicles where the company is responsible for purchasing the fuel. Data for this disclosure has been sourced from our employee mileage records retained for P11D reporting and data supplied by rental car companies.
- Transport emissions resulting from the disposal of the waste produced within year have also been included.

For the first time information in relation to the following areas has been captured and included within the scope of measurement:

- Employee commuting
- Water supply
- Wastewater treatment
- Supply chain emissions from our supply chain (apportioned % of their carbon footprints based on spend) – suppliers from our Tier 1 supply chain

Intensity Ratios of Tonnes of CO₂e of per full-time equivalent employee and Tonnes of CO₂e per £1m of Revenue Generated are also presented below.

Intensity ratio - tCO ₂ e per £1M	2020-21	2021-22	Change	Intensity ratio - tCO ₂ e per FTE	2020-21	2021-22	Change
	96.56	176.59			1,593	1,984	
Scope 1	25.3	18.47	27% decrease	Scope 1	1.5	1.6	-7% increase
Scope 2	2.2	1.11	50% decrease	Scope 2	0.13	0.10	23% decrease
Scope 3	1.3	34.75	-2,573% increase	Scope 3	0.1	3.09	-2,990% increase
Total	28.8	54.3	-89% increase	Total	1.7	4.8	-182% increase

BELL GROUP UK LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

For the purposes of Streamlined Energy and Carbon Reporting (SECR) the following year on year overall and intensity comparisons have been prepared looking at kilowatt hours (kWh), which show an increase in our kWh's both overall and in terms of our kWh per FTE intensity ratio:

OVERALL	Description	20-21 kWh	21-22 kWh	Change
Scope 1	Vans	7,616,968	9,466,267	-24% increase
	Cars	1,953,060	3,619,741	-85% increase
Sub total		9,570,028	13,086,008	-36% increase
Scope 2	Electricity	366,284	391,788	-7% increase
	Gas	699,518	616,230	12% decrease
Sub total		1,065,802	1,008,018	5% decrease
Scope 3	Vans (private use)	Not previously calculated	3,034,911	-
	Cars (private use)	Not previously calculated	495,935	-
	Waste	89,465	142,054	-59% increase
Sub total		89,465	3,672,900	-4,005% increase
TOTAL		10,725,295	17,766,926	-66% increase

Intensity ratio - kWh per £1M	2020-21	2021-22	Change	Intensity ratio - kWh per FTE	2020-21	2021-22	Change
	96.56	176.59			1,593	1,984	
Scope 1	99,109.65	74,103.90	25% decrease	Scope 1	6,007.55	6,595.77	-10% increase
Scope 2	11,037.72	5,708.24	48% decrease	Scope 2	669.05	508.07	24% decrease
Scope 3	926.52	20,799.03	-2,145% increase	Scope 3	56.16	1,851.26	-3,196% increase
Total	111,073.89	100,611.17	9% decrease	Total	6,732.76	8,955.10	-33% increase

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.

BELL GROUP UK LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

On behalf of the board



.....
C Bell
Director

22 / 12 / 2022

Date:

BELL GROUP UK LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 MARCH 2022

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.

BELL GROUP UK LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF BELL GROUP UK LIMITED

Opinion

We have audited the financial statements of Bell Group UK 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's and 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 responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the 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.

Other information

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

We have nothing to report in this regard.

BELL GROUP UK LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF BELL GROUP UK LIMITED

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the 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 our 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 and 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 company or to cease operations, or have no realistic alternative but to do so.

Auditor 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.

Extent to which the audit is considered capable of detecting irregularities, including fraud

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 assessed whether the engagement team collectively had the appropriate competence and capabilities to identify or recognise non-compliance with laws and regulations by considering their experience, past performance and support available.

All engagement team members were briefed on relevant identified laws and regulations and potential fraud risks at the planning stage of the audit. Engagement team members were reminded to remain alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

BELL GROUP UK LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF BELL GROUP UK LIMITED

Extent to which the audit is considered capable of detecting irregularities, including fraud (continued)

We obtained an understanding of the legal and regulatory frameworks that are applicable to the group and parent company, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The most relevant frameworks we identified include:

- UK GAAP
- Companies Act 2006
- Corporation tax legislation
- Employment legislation
- Health & Safety legislation

We gained an understanding of how the group and parent company are complying with these laws and regulations by making enquiries of management and those charged with governance. We corroborated these enquiries through our review of submitted returns and board meeting minutes.

We assessed the susceptibility of the group and parent company's financial statements to material misstatement, including how fraud might occur, by meeting with management and those charged with governance to understand where it was considered there was susceptibility to fraud. This evaluation also considered how management and those charged with governance were remunerated and whether this provided an incentive for fraudulent activity. We considered the overall control environment and how management and those charged with governance oversee the implementation and operation of controls. In areas of the financial statements where the risks were considered to be higher, we performed procedures to address each identified risk.

The following procedures were performed to provide reasonable assurance that the financial statements were free of material fraud or error:

- Reviewing minutes of meetings of those charged with governance for reference to: breaches of laws and regulation or for any indication of any potential litigation and claims; and events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud;
- Reviewing the level of and reasoning behind the group and parent company's procurement of legal and professional services;
- Performing audit work procedures over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing judgements made by management in their calculation of accounting estimates for potential management bias; and
- Agreement of the financial statement disclosures to supporting documentation.

Our audit procedures were designed to respond to the risk of material misstatements in the financial statements, recognising that 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 intentional concealment, forgery, collusion, omission or misrepresentation. There are inherent limitations in the audit procedures performed 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 are to become aware of it.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/Our-Work/Audit/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Auditors-responsibilities-for-audit/Description-of-auditors-responsibilities-for-audit.aspx>. This description forms part of our auditor's report.

BELL GROUP UK LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF BELL GROUP UK LIMITED

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.

Johnston Carmichael LLP

**James Hamilton (Senior Statutory Auditor)
For and on behalf of Johnston Carmichael LLP**

22 / 12 / 2022

Date:

**Chartered Accountants
Statutory Auditor**

227 West George Street
Glasgow
G2 2ND

BELL GROUP UK LIMITED

GROUP STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2022

	Notes	2022 £	2021 £
Turnover	3	176,586,770	99,889,546
Cost of sales		(135,828,173)	(79,135,033)
Gross profit		40,758,597	20,754,513
Administrative expenses		(35,666,910)	(26,835,975)
Other operating income		1,148,377	8,752,210
Operating profit	4	6,240,064	2,670,748
Interest receivable and similar income	8	34	-
Interest payable and similar expenses	9	(266,271)	(83,599)
Profit before taxation		5,973,827	2,587,149
Tax on profit	10	(1,313,041)	(564,779)
Profit for the financial year	26	4,660,786	2,022,370

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.

There are no items of other comprehensive income and therefore no separate Statement of Comprehensive Income has been prepared.

BELL GROUP UK LIMITED

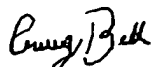
GROUP BALANCE SHEET

AS AT 31 MARCH 2022

	Notes	2022 £	£	2021 £	£
Fixed assets					
Goodwill	12		4,299,297		1,086,519
Tangible assets	13		6,826,257		4,499,832
			<u>11,125,554</u>		<u>5,586,351</u>
Current assets					
Stocks	16	860,138		800,687	
Debtors	17	54,775,262		35,618,043	
Cash at bank and in hand		410,913		1,845,534	
		<u>56,046,313</u>		<u>38,264,264</u>	
Creditors: amounts falling due within one year	18	(40,661,844)		(23,477,757)	
Net current assets			<u>15,384,469</u>		<u>14,786,507</u>
Total assets less current liabilities			<u>26,510,023</u>		<u>20,372,858</u>
Creditors: amounts falling due after more than one year	19		(4,885,348)		(3,894,142)
Provisions for liabilities					
Provisions	22	434,590		-	
Deferred tax liability	23	861,571		81,988	
		<u>(1,296,161)</u>		<u>(81,988)</u>	
Net assets			<u><u>20,328,514</u></u>		<u><u>16,396,728</u></u>
Capital and reserves					
Called up share capital	25		52,500		52,500
Share premium account	26		145,000		145,000
Profit and loss reserves	26		20,131,014		16,199,228
Total equity			<u><u>20,328,514</u></u>		<u><u>16,396,728</u></u>

22 / 12 / 2022

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



.....
C Bell
Director

BELL GROUP UK LIMITED

COMPANY BALANCE SHEET

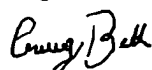
AS AT 31 MARCH 2022

	Notes	2022 £	£	2021 £	£
Fixed assets					
Tangible assets	13	1,211,721		219,158	
Investments	14	7,173,083		4,149,333	
		<u>8,384,804</u>		<u>4,368,491</u>	
Current assets					
Debtors	17	621,224		-	
Cash at bank and in hand		92,305		-	
		<u>713,529</u>		<u>-</u>	
Creditors: amounts falling due within one year	18	(5,805,861)		(2,662,356)	
Net current liabilities		<u>(5,092,332)</u>		<u>(2,662,356)</u>	
Total assets less current liabilities		<u>3,292,472</u>		<u>1,706,135</u>	
Creditors: amounts falling due after more than one year	19	(1,598,303)		-	
Provisions for liabilities					
Deferred tax liability	23	256,133		-	
		<u>(256,133)</u>		<u>-</u>	
Net assets		<u>1,438,036</u>		<u>1,706,135</u>	
Capital and reserves					
Called up share capital	25	52,500		52,500	
Share premium account	26	145,000		145,000	
Capital redemption reserve	26	891,543		891,543	
Profit and loss reserves	26	348,993		617,092	
Total equity		<u>1,438,036</u>		<u>1,706,135</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 £460,901 (2021 - £242,000 profit).

22 / 12 / 2022

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



.....
C Bell
Director

Company Registration No. SC190648

BELL GROUP UK LIMITED

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

	Notes	Share capital £	Share premium account £	Profit and loss reserves £	Total £
Balance at 1 April 2020		52,500	145,000	14,418,858	14,616,358
Year ended 31 March 2021:					
Profit and total comprehensive income for the year		-	-	2,022,370	2,022,370
Dividends	11	-	-	(242,000)	(242,000)
Balance at 31 March 2021		52,500	145,000	16,199,228	16,396,728
Year ended 31 March 2022:					
Profit and total comprehensive income for the year		-	-	4,660,786	4,660,786
Dividends	11	-	-	(729,000)	(729,000)
Balance at 31 March 2022		52,500	145,000	20,131,014	20,328,514

BELL GROUP UK LIMITED

COMPANY STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH 2022

	Notes	Share capital £	Share premium account £	Capital redemption reserve £	Profit and loss reserves £	Total £
Balance at 1 April 2020		52,500	145,000	891,543	617,092	1,706,135
Year ended 31 March 2021:						
Profit and total comprehensive income for the year		-	-	-	242,000	242,000
Dividends	11	-	-	-	(242,000)	(242,000)
Balance at 31 March 2021		52,500	145,000	891,543	617,092	1,706,135
Year ended 31 March 2022:						
Profit and total comprehensive income for the year		-	-	-	460,901	460,901
Dividends	11	-	-	-	(729,000)	(729,000)
Balance at 31 March 2022		52,500	145,000	891,543	348,993	1,438,036

BELL GROUP UK LIMITED

GROUP STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2022

	Notes	2022 £	£	2021 £	£
Cash flows from operating activities					
Cash generated from operations	33	1,494,018		5,646,345	
Interest paid		(266,271)		(83,599)	
Income taxes paid		(490,952)		(700,373)	
Net cash inflow from operating activities		736,795		4,862,373	
Investing activities					
Purchase of business trade		(240,995)		-	
Purchase of tangible fixed assets		(796,823)		(511,755)	
Proceeds on disposal of tangible fixed assets		275,002		81,752	
Purchase of subsidiaries (net of cash acquired)		(857,059)		-	
Interest received		34		-	
Net cash used in investing activities		(1,619,841)		(430,003)	
Financing activities					
Loan to parent undertaking		(570,000)		(5,578,743)	
Proceeds of new bank loans		-		5,000,000	
Repayment of bank loans		(1,400,000)		(350,000)	
Payment of finance leases obligations		(1,163,992)		(924,099)	
Dividends paid to equity shareholders		(104,000)		(242,000)	
Net cash used in financing activities		(3,237,992)		(2,094,842)	
Net (decrease)/increase in cash and cash equivalents		(4,121,038)		2,337,528	
Cash and cash equivalents at beginning of year		1,678,141		(659,387)	
Cash and cash equivalents at end of year		(2,442,897)		1,678,141	
Relating to:					
Cash at bank and in hand		410,913		1,845,534	
Bank overdrafts included in creditors payable within one year		(2,853,810)		(167,393)	

BELL GROUP UK LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

1 Accounting policies

Company information

Bell Group UK Limited ("the Company") is a limited company domiciled and incorporated in Scotland. The registered office is Bell Business Park, Rochsolloch Road, AIRDRIE, ML6 9BG.

The group consists of Bell Group UK 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 £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

The company is a qualifying entity for the purposes of FRS 102 and has taken advantage of the exemption available from the requirement to present a company only cash flow statement and related notes and disclosures.

1.2 Business combinations

In the parent company financial statements, the cost of a business combination is the fair value at the acquisition date of the assets given, equity instruments issued and liabilities incurred or assumed, plus costs directly attributable to the business combination. The excess of the cost of a business combination over the fair value of the identifiable assets, liabilities and contingent liabilities acquired is recognised as goodwill. The cost of the combination includes the estimated amount of contingent consideration that is probable and can be measured reliably, and is adjusted for changes in contingent consideration after the acquisition date. Provisional fair values recognised for business combinations in previous periods are adjusted retrospectively for final fair values determined in the 12 months following the acquisition date. Investments in subsidiaries, joint ventures and associates are accounted for at cost less impairment.

Deferred tax is recognised on differences between the value of assets (other than goodwill) and liabilities recognised in a business combination accounted for using the purchase method and the amounts that can be deducted or assessed for tax, considering the manner in which the carrying amount of the asset or liability is expected to be recovered or settled. The deferred tax recognised is adjusted against goodwill or negative goodwill.

1.3 Basis of consolidation

The consolidated group financial statements consist of the financial statements of the parent company Bell Group UK Limited together with all entities controlled by the parent company (its subsidiaries).

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.

Subsidiaries are consolidated in the group's financial statements from the date that control commences until the date that control ceases.

BELL GROUP UK LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

1 Accounting policies

(Continued)

1.4 Going concern

In assessing the ability of the group to continue as a going concern, the directors have prepared detailed trading forecasts and cash flow projections covering a period of at least twelve months from the date of approval of the financial statements. The directors have a reasonable expectation that the existing funding facilities are adequate to enable the group to meet its working capital requirements and that it will have access to the funding facilities for a period of at least 12 months from authorising these financial statements.

The group is continuing to re-invest its operational profits into the business, which the directors are confident will provide solid foundations for the future success of the business. The group will reduce its external borrowings by the continued capital repayments of its term loans over the course of the next 12 months.

The parent company has net current liabilities represented predominately by amounts due to certain subsidiary undertakings. These subsidiary undertakings have confirmed that amounts due will not be called upon for a period of 12 months from the date of approval of these financial statements.

Based on the above factors, the directors are satisfied that it remains appropriate for the group to prepare its financial statements on a going concern basis.

1.5 Turnover and contract costs

The turnover shown in the profit and loss account represents the invoices, net of value added tax, raised in the year which are adjusted for movements in the level of amounts recoverable on contracts. Contracts are assessed on a contract by contract basis and reflected in the profit and loss account by recording turnover and related costs as contract activity progresses. Turnover is ascertained in a manner appropriate to the stage of completion or phase of the contract and credit is taken for profit earned to date when the outcome of the contract can be assessed with reasonable certainty. Turnover is only recognised in the financial statements when there is a contractual right to consideration.

When it is probable that total contract costs will exceed total contract turnover, the expected loss is recognised as an expense immediately.

Where the outcome of a contract cannot be estimated reliably, contract costs are recognised as expenses in the period in which they are incurred and contract revenue is recognised to the extent of contract costs incurred where it is probable that they will be recoverable.

1.6 Intangible fixed assets - goodwill

Positive purchased goodwill arising on acquisition is capitalised, classified as an asset on the balance sheet and amortised on a straight line basis over its useful economic life of 20 years. It is reviewed for impairment at the end of the first full financial year following the acquisition and in other periods if events or changes in circumstances indicate that the carrying value may not be recovered.

Negative goodwill is credited to the statement of comprehensive income in the period the relevant assets are recovered.

1.7 Tangible fixed assets

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

BELL GROUP UK LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

1 Accounting policies

(Continued)

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

Freehold land and buildings	2% straight line
Leasehold land and buildings	2% and 15% straight line
Plant and machinery	15% straight line or 10-25% reducing balance
Fixtures, fittings & equipment	15% straight line or 15% reducing balance
Computer hardware & software	10% straight line
Motor vehicles	25% straight line or 25% reducing balance

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.

1.8 Fixed asset investments

In the parent company financial statements investments in subsidiaries are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. Investments are assessed for impairment at each reporting date and any impairment loss or reversal of impairment losses are recognised immediately in the profit and loss account.

1.9 Impairment of fixed assets

At each reporting 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.

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 the profit and loss account.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the profit and loss account.

1.10 Stocks

Stocks of painting and decorating equipment are stated at the lower of invoiced cost and estimated selling price less costs to complete and sell.

Painting and decorating stocks are calculated on a first in, first out basis.

Land held for resale is stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct costs associated with the purchase of the land as well as those overheads that have been incurred in bringing it to its present location and condition.

BELL GROUP UK LIMITED

NOTES TO THE GROUP 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 the profit and loss account. Reversals of impairment losses are also recognised in the profit and loss account.

1.11 Amounts recoverable on contracts

Amounts recoverable on contracts, which are included in debtors, are stated at the net sales value of the work done after provision for contingencies and anticipated future losses on contracts, less amounts received as progress payments on account. Excess progress payments are included in creditors as payments on account.

1.12 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.13 Financial instruments

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

Financial instruments are recognised in the 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 trade and other debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Impairment of financial assets

Financial assets 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 the profit and loss account.

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 the profit and loss account.

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.

BELL GROUP UK LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

1 Accounting policies

(Continued)

Basic financial liabilities

Basic financial liabilities, including certain creditors, 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 receipts discounted at a market rate of interest.

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. Trade creditors 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.

Derecognition of financial liabilities

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

1.14 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.

1.15 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 net profit 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.

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. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset if, and only if, there is 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.

BELL GROUP UK LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

1 Accounting policies

(Continued)

1.16 Provisions

Provisions are recognised when the group has a legal or constructive present obligation as a result of a past event, it is probable that the group will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting end date, taking into account the risks and uncertainties surrounding the obligation. Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value. When a provision is measured at present value, the unwinding of the discount is recognised as a finance cost in the profit and loss account in the period in which it arises.

1.17 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 group is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.18 Retirement benefits

The group operates a defined contribution scheme for the benefit of its employees. Contributions payable are charged to the profit and loss account in the year they are payable.

1.19 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets' fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to the profit and loss account so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Rentals payable under operating leases, including any lease incentives received, are charged to the profit and loss account 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.

1.20 Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

Government grants relating to turnover are recognised as income over the periods when the related costs are incurred. Grants relating to an asset are recognised in income systematically over the asset's expected useful life. If part of such a grant is deferred it is recognised as deferred income rather than being deducted from the asset's carrying amount.

1.21 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 the profit and loss account.

BELL GROUP UK LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

2 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.

Key sources of estimation uncertainty

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows.

Revenue and profit recognition

The policy for revenue and profit recognition on contracts is set out at note 1.5. Revenue recognition requires the directors to exercise judgements with regard to the outcome of contracts and the recoverability of contract costs. In doing so, the directors consider the progress of each individual contract by reference to the phase of the contract or the stage of completion. Profit is only recognised when the directors believe the outcome of the contract can be measured reliably. An analysis of turnover is included in note .

Provision for bad and doubtful debts

Trade debtors are stated in the accounts at their transaction price less any appropriate provision for irrecoverable amounts. In determining if a provision is required, the directors exercise judgement for each trade debtor, considering any specific indicators that the recoverability of the balance may be in doubt. Specific indicators include balances outstanding in excess of agreed credit terms. Trade debtors are outlined in note 17.

Useful lives of tangible fixed assets

The estimated useful lives of assets are outlined in note 1.7. Useful lives have been assessed based on historical experience and the periods over which management believe future economic benefits to be derived. An analysis of fixed assets is included at note 13.

Carrying value of goodwill

At each reporting period end date, the directors review the carrying value of goodwill to determine whether there is any indication that the balance has suffered an impairment loss. If any such indication exists, the recoverable amount of the goodwill is estimated by reference to the fair value of the cash generating unit(s) of which it is a part in order to determine the extent of the impairment loss (if any). The assessment of recoverable amount involves judgement over net sales value and future cash generation attributable to the underlying cash generating units.

The carrying value of goodwill at the reporting date is outlined at note 12.

3 Turnover and other revenue

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

	2022	2021
	£	£
Turnover analysed by class of business		
Commercial and industrial property services	176,586,770	99,889,546

BELL GROUP UK LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

3 Turnover and other revenue

(Continued)

	2022 £	2021 £
Turnover analysed by geographical market		
United Kingdom	176,586,770	99,889,546
	<u> </u>	<u> </u>
	2022 £	2021 £
Other significant revenue		
Interest income	34	-
Grants received	1,125,535	8,724,831
Sundry income	22,842	27,379
	<u> </u>	<u> </u>

Grants received includes income from the Government's Job Retention Scheme of £0.4m (2021 - £8.2m) prior to the cessation of the scheme. The balance of grants relate to labour and CITB Construction Grants of £0.7m (2021 - £0.5m).

4 Operating profit

	2022 £	2021 £
Operating profit for the year is stated after charging/(crediting):		
Exchange differences	(190)	-
Government grants	(1,125,535)	(8,724,831)
Depreciation of owned tangible fixed assets	647,411	431,062
Depreciation of tangible fixed assets held under finance leases	942,286	923,608
Profit on disposal of tangible fixed assets	(137,846)	(60,122)
Amortisation of intangible assets	211,584	64,289
Operating lease charges	415,386	266,019
	<u> </u>	<u> </u>

5 Auditor's remuneration

	2022 £	2021 £
Fees payable to the company's auditor and associates:		
For audit services		
Audit of the financial statements of the group and company	5,000	-
Audit of the financial statements of the company's subsidiaries	65,000	43,950
	<u> </u>	<u> </u>
	70,000	43,950
	<u> </u>	<u> </u>
For other services		
Other taxation services	15,000	10,100
	<u> </u>	<u> </u>

BELL GROUP UK LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

6 Employees

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

	Group 2022 Number	2021 Number	Company 2022 Number	2021 Number
Production staff	1,403	1,398	-	-
Admin staff	331	254	72	-
Total	1,734	1,652	72	-

Their aggregate remuneration comprised:

	Group 2022 £	2021 £	Company 2022 £	2021 £
Wages and salaries	60,548,703	47,553,944	4,757,070	-
Social security costs	5,721,372	4,514,861	487,315	-
Pension costs	1,451,540	826,963	212,909	-
	67,721,615	52,895,768	5,457,294	-

During the current year, the payroll of certain employees was transferred from one of the company's subsidiaries, Bell Decorating Group Limited, to the company.

7 Directors' remuneration

	2022 £	2021 £
Remuneration for qualifying services	1,331,683	1,650,753
Company pension contributions to defined contribution schemes	100,423	83,920
	1,432,106	1,734,673

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 6 (2021 - 7).

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

	2022 £	2021 £
Remuneration for qualifying services	296,071	334,555
Company pension contributions to defined contribution schemes	17,316	-

BELL GROUP UK LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

8 Interest receivable and similar income

	2022	2021
	£	£
Interest income		
Interest on bank deposits	34	-

9 Interest payable and similar expenses

	2022	2021
	£	£
Interest on bank overdrafts and loans	214,047	50,403
Interest on finance leases and hire purchase contracts	52,224	33,196
Total finance costs	266,271	83,599

10 Taxation

	2022	2021
	£	£
Current tax		
UK corporation tax on profits for the current period	567,416	489,287
Adjustments in respect of prior periods	1,674	119
Total current tax	569,090	489,406
Deferred tax		
Origination and reversal of timing differences	699,233	74,142
Changes in tax rates	38,961	-
Adjustment in respect of prior periods	5,757	1,231
Total deferred tax	743,951	75,373
Total tax charge	1,313,041	564,779

BELL GROUP UK LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

10 Taxation

(Continued)

The charge for the year can be reconciled to the profit/(loss) per the profit and loss account as follows:

	2022 £	2021 £
Profit before taxation	5,973,827	2,587,149
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2021: 19.00%)	1,135,027	491,558
Tax effect of expenses that are not deductible in determining taxable profit	143,944	67,183
Adjustments in respect of prior years	1,674	119
Effect of change in corporation tax rate	202,877	-
Deferred tax adjustments in respect of prior years	5,757	1,231
Other differences	(176,238)	4,688
Taxation charge	1,313,041	564,779

A change in the future UK Corporation tax rate to 25% with effect from 1 April 2023 was announced in the March 2021 budget and substantively enacted on 24 May 2021. This change will have a consequential effect on the group's future tax charge in the UK and as the 25% tax rate was substantively enacted prior to the reporting date, deferred tax expected to unwind after 1 April 2023 has been calculated at 25% as opposed to the current tax rate of 19%.

11 Dividends

	2022 £	2021 £
Recognised as distributions to equity holders:		
Final payable	625,000	-
Interim paid	104,000	242,000
	729,000	242,000

BELL GROUP UK LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

12 Intangible fixed assets

Group	Goodwill £
Cost	
At 1 April 2021	1,509,300
Additions - business combinations	3,424,362
	<hr/>
At 31 March 2022	4,933,662
	<hr/>
Amortisation and impairment	
At 1 April 2021	422,781
Amortisation charged for the year	211,584
	<hr/>
At 31 March 2022	634,365
	<hr/>
Carrying amount	
At 31 March 2022	4,299,297
	<hr/>
At 31 March 2021	1,086,519
	<hr/>
Company	Goodwill £
Cost	
At 1 April 2021 and 31 March 2022	115,359
	<hr/>
Amortisation and impairment	
At 1 April 2021 and 31 March 2022	115,359
	<hr/>
Carrying amount	
At 31 March 2022	-
	<hr/>
At 31 March 2021	-
	<hr/>

Details of business combinations in the year are outlined at note 27.

BELL GROUP UK LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

13 Tangible fixed assets

Group	Freehold land and buildings	Leasehold land and buildings	Plant and machinery	Fixtures, fittings & equipment	Computer hardware & software	Motor vehicles	Total
	£	£	£	£	£	£	£
Cost							
At 1 April 2021	1,312,599	1,932,515	167,835	907,950	219,158	6,277,910	10,817,967
Additions	9,305	62,030	248,307	50,722	282,074	3,214,121	3,866,559
Business combinations	-	-	148,267	38,452	-	-	186,719
Disposals	(161,000)	-	(16,262)	(3,075)	-	(806,637)	(986,974)
Transfers	758,290	(756,665)	(206,374)	203,116	-	262,758	261,125
At 31 March 2022	1,919,194	1,237,880	341,773	1,197,165	501,232	8,948,152	14,145,396
Depreciation and impairment							
At 1 April 2021	508,887	940,414	96,577	452,584	-	4,319,673	6,318,135
Depreciation charged in the year	39,640	112,327	132,263	46,206	49,925	1,209,336	1,589,697
Eliminated in respect of disposals	(45,882)	-	(12,854)	(3,075)	-	(788,007)	(849,818)
Transfers	153,489	(153,456)	(82,385)	79,361	-	264,116	261,125
At 31 March 2022	656,134	899,285	133,601	575,076	49,925	5,005,118	7,319,139
Carrying amount							
At 31 March 2022	1,263,060	338,595	208,172	622,089	451,307	3,943,034	6,826,257
At 31 March 2021	803,712	992,101	71,258	455,366	219,158	1,958,237	4,499,832

BELL GROUP UK LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

Company	Computer hardware & software £	Motor vehicles £	Total £
Cost			
At 1 April 2021	219,158	-	219,158
Additions	282,074	801,222	1,083,296
At 31 March 2022	501,232	801,222	1,302,454
Depreciation and impairment			
At 1 April 2021	-	-	-
Depreciation charged in the year	49,925	40,808	90,733
At 31 March 2022	49,925	40,808	90,733
Carrying amount			
At 31 March 2022	451,307	760,414	1,211,721
At 31 March 2021	219,158	-	219,158

The net carrying value of tangible fixed assets includes the following in respect of assets held under finance leases or hire purchase contracts.

	Group 2022 £	2021 £	Company 2022 £	2021 £
Motor vehicles	3,950,285	1,915,992	760,414	-

14 Fixed asset investments

	Notes	Group 2022 £	2021 £	Company 2022 £	2021 £
Investments in subsidiaries	15	-	-	7,173,083	4,149,333

Investments in subsidiaries are stated after provisions for impairment of £502,439 (2021 - £502,439).

BELL GROUP UK LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

14 Fixed asset investments

(Continued)

Movements in fixed asset investments Company

	Shares in subsidiaries £
Cost or valuation	
At 1 April 2021	4,149,333
Additions	3,023,750
At 31 March 2022	7,173,083
Carrying amount	
At 31 March 2022	7,173,083
At 31 March 2021	4,149,333

15 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
ABCO Management Limited	See below	Management consultancy activities	Ordinary	100.00
Bell Decorating Group Limited	See below	Industrial painting and decorating contractors	Ordinary	100.00
Bell Facilities Management Limited	See below	Property redevelopment	Ordinary	100.00
Cyril John Limited	See below	Non trading	Ordinary	100.00
Paint My Home By Bell Limited	See below	Residential painting and decorating contractors	Ordinary	100.00
ABCO Recruitment Limited	See below	Recruitment	Ordinary	100.00
P&D Scotland Limited	See below	Property management contractor (*)	Ordinary	100.00
Torbay Decorating Company Limited	See below	Non trading	Ordinary	100.00
Napier and Company (Painters) Limited	See below	Painting and decorating	Ordinary	100.00
C.B. Contracts (N.I.) Limited	See below	Painting and flooring	Ordinary	100.00

BELL GROUP UK LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

15 Subsidiaries

(Continued)

The registered office of ABCO Management Limited and Torbay Decorating Company Limited is Unit 9 Mercury Orion Way, Orion Business Park, North Shields, England, NE29 7SN.

The registered office of C.B. Contracts (N.I.) Limited is Unit B1 19 Heron Road, Sydenham Business Park, Belfast, Northern Ireland, BT3 9LE.

The registered office of the remaining subsidiaries is Bell Business Park, Rochsolloch Road, Airdrie, ML6 9BG.

(*) - On 1 April 2022, P & D Scotland Limited transferred its trade to Bell Decorating Group Limited and subsequent to the transfer, ceased to trade.

Bell Facilities Management Limited, ABCO Recruitment Limited, Paint My Home By Bell Limited and Napier and Company (Painters) Limited have taken the exemption from the requirement to have their individual financial statements audited. This exemption is available under section 479A of the Companies Act 2006.

16 Stocks

	Group 2022 £	2021 £	Company 2022 £	2021 £
Raw materials and consumables	58,167	62,306	-	-
Land held for resale	801,971	738,381	-	-
	<u>860,138</u>	<u>800,687</u>	<u>-</u>	<u>-</u>

Included within land held for resale are interest costs totalling £80,657 (2021 - £80,657).

17 Debtors

	Group 2022 £	2021 £	Company 2022 £	2021 £
Amounts falling due within one year:				
Trade debtors	37,476,958	21,951,119	2,491	-
Gross amounts owed by contract customers	8,328,335	4,917,979	-	-
Amounts owed by group undertakings	-	-	115,663	-
Other debtors	499,682	498,193	571	-
Prepayments and accrued income	1,248,586	974,051	502,499	-
	<u>47,553,561</u>	<u>28,341,342</u>	<u>621,224</u>	<u>-</u>
Amounts falling due after more than one year:				
Amounts owed by group undertakings	<u>7,221,701</u>	<u>7,276,701</u>	<u>-</u>	<u>-</u>
Total debtors	<u>54,775,262</u>	<u>35,618,043</u>	<u>621,224</u>	<u>-</u>

BELL GROUP UK LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

17 Debtors

(Continued)

Trade debtors are stated after provision for impairment of £5,439 (2021 - £16,594).

Amounts owed by group undertakings outlined above relate to balances owed by the company's ultimate parent company. These balances have been presented as due after one year on the basis that they will not be repaid within the next 12 months.

18 Creditors: amounts falling due within one year

	Notes	Group 2022 £	2021 £	Company 2022 £	2021 £
Bank loans and overdrafts	20	4,253,810	1,567,393	-	-
Obligations under finance leases	21	1,351,938	744,978	78,067	-
Payments received on account		4,445,560	2,589,990	-	-
Trade creditors		10,079,517	5,287,628	-	-
Amounts owed to group undertakings		-	-	3,927,626	2,662,356
Corporation tax payable		440,734	489,287	9	-
Other taxation and social security		6,810,103	6,468,480	386,956	-
Other creditors		2,576,658	1,868,204	1,020,408	-
Accruals and deferred income		10,703,524	4,461,797	392,795	-
		<u>40,661,844</u>	<u>23,477,757</u>	<u>5,805,861</u>	<u>2,662,356</u>

Other creditors include deferred consideration of £1,000,000 associated with acquisitions in the year. Further details on acquisitions are outlined at note 27.

Obligations under finance leases are secured over the assets concerned.

19 Creditors: amounts falling due after more than one year

	Notes	Group 2022 £	2021 £	Company 2022 £	2021 £
Bank loans and overdrafts	20	1,850,000	3,250,000	-	-
Obligations under finance leases	21	2,035,348	644,142	598,303	-
Other creditors		1,000,000	-	1,000,000	-
		<u>4,885,348</u>	<u>3,894,142</u>	<u>1,598,303</u>	<u>-</u>

Other creditors relate to deferred consideration of £1,000,000 associated with acquisitions in the year. Further details on acquisitions are outlined at note 27.

Obligations under finance leases are secured over the assets concerned.

BELL GROUP UK LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

20 Loans and overdrafts

	Group 2022 £	2021 £	Company 2022 £	2021 £
Bank loans	3,250,000	4,650,000	-	-
Bank overdrafts	2,853,810	167,393	-	-
	<u>6,103,810</u>	<u>4,817,393</u>	<u>-</u>	<u>-</u>
Payable within one year	4,253,810	1,567,393	-	-
Payable after one year	<u>1,850,000</u>	<u>3,250,000</u>	<u>-</u>	<u>-</u>

Bank loans and overdrafts are secured by a floating charge over the assets of the group and a multilateral guarantee provided by group undertakings.

21 Finance lease obligations

	Group 2022 £	2021 £	Company 2022 £	2021 £
Future minimum lease payments due under finance leases:				
Within one year	1,351,938	744,978	78,067	-
In two to five years	<u>2,035,348</u>	<u>644,142</u>	<u>598,303</u>	<u>-</u>
	<u>3,387,286</u>	<u>1,389,120</u>	<u>676,370</u>	<u>-</u>

Finance lease payments represent rentals payable by the company or group for certain tangible fixed assets. Leases include purchase options at the end of the lease period, and no restrictions are placed on the use of the assets. The average lease term is 3 years. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

22 Provisions for liabilities

	Group 2022 £	2021 £	Company 2022 £	2021 £
Provision for onerous contracts	<u>434,590</u>	<u>-</u>	<u>-</u>	<u>-</u>

BELL GROUP UK LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

22 Provisions for liabilities

(Continued)

Movements on provisions:

Group	Provision for onerous contracts £
Additional provisions in the year	718,397
Utilisation of provision	(283,807)
At 31 March 2022	<u>434,590</u>

Provision for onerous contracts outlined above relate to certain loss making contracts existing at the date the group acquired the share capital C.B. Contracts (N.I.) Limited and the trade of Mi-Space (UK) Ltd. Amounts relating to each acquisition are outlined at note 27.

23 Deferred taxation

Deferred tax assets and liabilities are offset where the group or company has a legally enforceable right to do so. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

Group	Liabilities 2022 £	Liabilities 2021 £
Accelerated capital allowances	909,261	97,131
Other timing differences	(47,690)	(15,143)
	<u>861,571</u>	<u>81,988</u>

Company	Liabilities 2022 £	Liabilities 2021 £
Accelerated capital allowances	266,090	-
Other timing differences	(9,957)	-
	<u>256,133</u>	<u>-</u>

BELL GROUP UK LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

23 Deferred taxation

(Continued)

	Group 2022 £	Company 2022 £
Movements in the year:		
Liability at 1 April 2021	81,988	-
Charge to the profit and loss account	743,951	256,133
On acquisition	35,632	-
Liability at 31 March 2022	<u>861,571</u>	<u>256,133</u>

24 Retirement benefit schemes

	2022 £	2021 £
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	<u>1,451,540</u>	<u>826,963</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. Contributions totalling £300,263 (2021 - £202,137) were payable to the fund at the year end and are included in creditors.

25 Share capital

Group and company	2022 Number	2021 Number	2022 £	2021 £
Ordinary share capital				
Issued and fully paid				
Ordinary shares of £1 each	<u>52,500</u>	<u>52,500</u>	<u>52,500</u>	<u>52,500</u>

26 Reserves

Share premium

Share premium represents amounts received for equity instruments in excess of their par value.

Other reserve - Merger reserve

Merger reserves represent the difference between the nominal value of shares issued and the fair value of the investments obtained on business combinations accounted for under the merger accounting method.

Profit and loss reserves

Profit and loss reserves represent total comprehensive income for the year and prior periods less dividends paid.

BELL GROUP UK LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

27 Business acquisitions

On 8 February 2022 the group acquired the trade of Mi-space (UK) Ltd, the property services division of the Midas Group following its administration. The acquisition resulted in the group taking over a number of ongoing contracts as well as the safeguarding of 46 jobs. Details of the consideration paid is outlined below and the acquisition allowed the group to benefit from the acquired division's experienced staff as well as in supporting the growth of the group's external wall installation/retro-fit offering.

Following an assessment of the contracts taken over, a provision was made in respect of certain onerous contracts with the impact of these on recorded goodwill is also outlined below.

	Book Value £	Adjustments £	Fair Value £
Net assets acquired			
Provision for onerous contracts	(385,021)	-	(385,021)
Goodwill			626,016
Total consideration			240,995
The consideration was satisfied by:			£
Cash			240,995

On 28 July 2021 the group also acquired 100 percent of the issued share capital of C.B. Contracts (N.I.) Limited.

	Book Value £	Adjustments £	Fair Value £
Net assets acquired			
Goodwill	100,000	-	100,000
Property, plant and equipment	186,719	-	186,719
Trade and other receivables	1,879,303	-	1,879,303
Cash and cash equivalents	166,691	-	166,691
Obligations under finance leases	(92,422)	-	(92,422)
Trade and other payables	(1,672,570)	-	(1,672,570)
Tax assets	126,691	-	126,691
Provision for onerous contracts	(333,376)	-	(333,376)
Deferred tax	(35,632)	-	(35,632)
Total identifiable net assets	325,404	-	325,404
Goodwill			2,698,346
Total consideration			3,023,750

BELL GROUP UK LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

27 Business acquisitions

(Continued)

The consideration was satisfied by:	£
Cash	1,000,000
Deferred consideration	2,000,000
Legal and professional fees	23,750
	<u>3,023,750</u>

Contribution by the acquired business for the reporting period included in the group statement of comprehensive income since acquisition:

	£
Turnover	7,465,876
Profit after tax	<u>770,773</u>

28 Financial commitments, guarantees and contingent liabilities

The company has provided cross guarantees to its bankers in respect of amounts due from other group companies amounting to £2,726,318 (2021: £4,817,393).

29 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 2022 £	2021 £	Company 2022 £	2021 £
Within one year	1,361,309	676,331	-	-
Between two and five years	1,961,930	690,062	-	-
In over five years	44,571	63,673	-	-
	<u>3,367,810</u>	<u>1,430,066</u>	<u>-</u>	<u>-</u>

30 Capital commitments

Amounts contracted for but not provided in the financial statements:

	Group 2022 £	2021 £	Company 2022 £	2021 £
Acquisition of tangible fixed assets	<u>871,915</u>	<u>490,030</u>	<u>207,491</u>	<u>-</u>

BELL GROUP UK LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

31 Related party transactions

Transactions with entities under common control

The group entered into the following transactions during the year;

- The group sold goods and services totalling £281,235 (2021 - £326,400) to entities under common control;
- The group purchased goods and services totalling £55,110 (2021 - £28,019) from entities under common control.

Amounts outstanding at the year end

At the year end, the group was owed £233,885 (2021 - £275,411) by entities under common control.

Company

The company has taken advantage of disclosure exemptions available under Section 33 of FRS 102 whereby it has not disclosed transactions entered into with any wholly-owned subsidiary of the group.

32 Controlling party

The immediate and ultimate parent company is CTB Holdings Limited, a company registered in England which has its registered office at Lakehouse, Ewehurst Lane, Speldhurst, Tunbridge Wells, TN3 0JX.

CTB Holdings Limited is the largest group that prepares consolidated accounts and copies of the consolidated accounts may be obtained from the registered office.

The ultimate controlling party is C Bell.

33 Cash generated from group operations

	2022 £	2021 £
Profit for the year after tax	4,660,786	2,022,370
Adjustments for:		
Taxation charged	1,313,041	564,779
Finance costs	266,271	83,599
Investment income	(34)	-
Gain on disposal of tangible fixed assets	(137,846)	(60,122)
Amortisation and impairment of intangible assets	211,584	64,289
Depreciation and impairment of tangible fixed assets	1,589,697	1,354,670
Increase in provisions	49,569	-
Movements in working capital:		
(Increase)/decrease in stocks	(59,451)	3,368
Increase in debtors	(17,332,916)	(1,722,677)
Increase in creditors	10,933,317	3,336,069
Cash generated from operations	1,494,018	5,646,345

BELL GROUP UK LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

34 Analysis of changes in net debt - group

	1 April 2021	Cash flows	Acquisitions and disposals	New finance leases	31 March 2022
	£	£	£	£	£
Cash at bank and in hand	1,845,534	(1,601,312)	166,691	-	410,913
Bank overdrafts	(167,393)	(2,686,417)	-	-	(2,853,810)
	<u>1,678,141</u>	<u>(4,287,729)</u>	<u>166,691</u>	<u>-</u>	<u>(2,442,897)</u>
Borrowings excluding overdrafts	(4,650,000)	1,400,000	-	-	(3,250,000)
Obligations under finance leases	(1,389,120)	1,163,992	(92,422)	(3,069,736)	(3,387,286)
	<u>(4,360,979)</u>	<u>(1,723,737)</u>	<u>74,269</u>	<u>(3,069,736)</u>	<u>(9,080,183)</u>