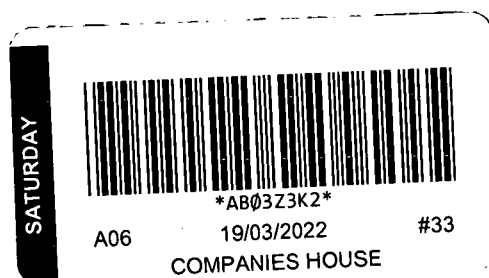


Registration number: 01126135

E W BEARD LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021



E W BEARD LIMITED

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E W BEARD LIMITED

COMPANY INFORMATION

Chairman	M G Beard PPCIOB CEnv
Directors	N A Sherreard FCIOB CEnv F L Johns BSc (Hons) FCA M J Hedges BEng (Hons) FCIOB C J Matchan BA MSc D Averies BSc (Hons) MA MCI0B MRICS
Company secretary	D B Stockham FRICS
Registered office	Faraday Road Dorcan Swindon SN3 5JY
Solicitors	Pinsent Masons LLP 30 Crown Place London EC21 4ES Blake Morgan LLP Seacourt Tower West Way Oxford OX2 0FB
Bankers	Lloyds Bank plc 14 Castle Street Cirencester GL7 1QJ
Auditors	Hazlewoods LLP Staverton Court Staverton Cheltenham GL51 0UX

E W BEARD LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2021

The directors present their strategic report for the year ended 31 December 2021.

Financial overview

The Company performed well in what proved to be a challenging year for the industry. Having started the year in a national lockdown, further risks emerged in the form of supply shortages and inflationary pressures, which dominated the remainder of the year. Importantly these risks were, and continue to be, well managed and the Company is able to report another strong set of financial results.

Sales grew by 6% in the year with the Company prioritising its' focus on delivering high quality projects on time, while controlling costs. This resulted in a turnover of £144.2m (2020: £135.8m) and net profit of £3.4m (2020: £3.5m).

Cashflow continues to be effectively managed through a combination of pro-active daily management of work in progress, prompt settlement of final accounts and timely release of retentions from customers.

We close the year with a healthy cash position of £39.6m (2020: £31.9m). This has been enhanced in part by the introduction of the VAT domestic reverse charge in April 2021, which has increased our cash temporarily by £3.4m at year end with the payment made on time in January 2022.

We have maintained a high degree of collaboration with our suppliers and customers to understand the impact of material shortages and price increases across the year. We support suppliers through our timely payment schedules, with an average time from invoice to payment of 27 days across 2021. We believe in treating suppliers fairly because it is the right thing to do; their goodwill and trust has been central to our relative success. We fully support the prompt payment of our supply chain and have signed up to the Prompt Payment Code in support of this.

Our people have continued to go above and beyond with their commitment and performance, which is a key driver of our high-quality project delivery, on which our reputation is built. They will also play an important part in our growth in 2022, which we expect to bring us back to pre-pandemic sales levels. We have been able to reward staff for their continued hard work and commitment over a difficult past 24 months.

Section 172 statement

The directors believe that they have effectively implemented their duties under section 172 of the Companies Act 2006. The Company has considered the long-term strategy of the business below and consider that this strategy will continue to deliver long term success to the business and it's stakeholders.

The Company is committed to maintaining an excellent reputation and strives to achieve high standards. We are highly selective about which sub-contractors are used to deliver best value while maintaining an awareness of the environmental impact of the work that they do and strive to reduce their carbon footprint.

The directors recognise the importance of wider stakeholders in delivering their strategy and achieving sustainability within the business. The main stakeholders in the company are considered to be the employees, suppliers and customers. Their importance to the business is considered below.

In ensuring that all our stakeholders are considered as part of every decision process we believe we act fairly between all members of the Company.

E W BEARD LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2021

Strategy

The Company's primary area of activity was building contracting for various organisations which share the same values and have a good credit rating. The Company targets:

- work where it can bring expertise which adds real benefit to the value chain; and
- projects up to £40m in our preferred sectors

A key pillar of our strategy is the effectiveness and efficiency of our supply chain, who contribute heavily to maintaining our reputation for quality and delivery excellence. We strive to develop successful, long-term relationships with our supply chain partners, forming mutually beneficial partnerships that underpin our ethos of excellent customer service and the prompt and faultless delivery of projects.

The continued focus, and successful implementation of our strategy has been critical during the year. We have been able to work with our customers, our supply chain, and our people to keep our sites open throughout the pandemic.

Our investment in technology over recent years and pre-planning ahead of the first national lockdown meant that we were well prepared for a change in the ways we work. We continue to explore and experiment with a high degree of flexibility, enabling us to establish the most effective ways of working for both the Company and our people. In 2021 we made great progress against our cyber security roadmap, ensuring we protect the business against this ever-evolving threat.

Awards and recognition

RoSPA Gold Medal Award 2021	Winner
RIBA South East Award - Supported Living (Linden Farm)	Winner
RIBA South West Award - Sustainability Award (The Newt, Hadsen House)	Winner
RIBA South West Award - Client of the Year (The Newt, Hadsen House)	Winner

E W BEARD LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2021

Environment

The Company is aware that construction activities can have a seriously detrimental effect on the environment and has put in place a management system to minimise such effects.

The Company's systems are certified as being ISO 14001 compliant. The Company has also introduced a number of initiatives to minimise building material, energy and office waste, including:

- Car allowance policy which encourages staff to drive vehicles with lower CO2 emissions
- Introduction of a salary sacrifice scheme for EV and hybrid vehicles
- Ground source and air source heat pumps at Guildford office
- LED lights installed at all offices
- Solar Panels to be trialled at Oxford office
- 100% renewable tariffs in place for all offices
- Measures to minimise site waste, such as ensuring suitable storage space and facilities are available, rubbish is compacted in the skips, waste materials are recycled, and agreeing reduced material packaging with suppliers
- Training of all site managers, project managers and selected staff on environmental awareness.

We continue to assess the viability of moving our fleet and plant across to electric as and when they are due for replacement.

The Company has partnered with an energy consultant to better understand energy usage to enable setting of improvement initiatives and targets. The Company has taken the exemption to report under SECR in the current year as this information is available in the Parent Company financial statements.

Innovation

The Company places great emphasis on being better tomorrow than it is today and has five focussed hubs in place to drive innovation and best practice throughout the business. The hubs also offer employees the opportunity to engage with business improvement initiatives and issues affecting the wider construction industry.

Safety

The safety of our people and our sites has remained a business priority throughout 2021. We have continued to adapt successfully to the restrictions and risks created by the coronavirus and have remained fully operational throughout 2021, whilst safeguarding all those who come into contact with our activities.

The Company has successfully migrated to an Integrated Management System, which continues to be accredited by BSI. Our systems are audited regularly both internally and externally to ensure compliance with the latest legislation. The Health and Safety Management system is also approved and accredited by the Construction Health & Safety Assessment Group (CHAS), Construction Line Gold, Exor Gold and Safe Contractor.

Our focus on Health & Safety remains our number one priority and during the year we have further enhanced the focus with the creation of a Directors and Senior Managers meeting and the adoption of an improved KPI dashboard.

Community and social responsibility

The Beard Charitable Foundation supports staff community initiatives and construction education projects in the South of England. Its funds are held and managed by Oxfordshire Community Foundation, a charitable organisation that connects donors with local causes.

The Company encourages staff to participate in local organisations and charities and where appropriate supports this with both financial contributions, fund raising activities and time off work.

E W BEARD LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2021

Summary of performance indicators

The directors monitor various indicators which provide an overview of business performance.

	2021	2020	2019	2018	2017
End of year head of work	£119m	£115m	£92m	£105m	£89m
Work secured on best value	41%	25%	48%	47%	43%
Staff turnover	8%	21%	15%	14%	17%
Accident Frequency Rate	0.19	0.28	0.17	0.22	0.11
End of year work in progress as a % of full year turnover	2.6%	1.6%	3.0%	2.7%	2.6%
Year end debtor days	21	21	21	33	35
Growth in sales	6%	-14%	6%	4%	6%
Average days to pay suppliers	27	27	27	29	30

The Company's management reporting includes a monthly balanced scorecard. This report highlights to the Board of Directors and senior management the trends within the business and allows prompt action to be taken where appropriate to maximise opportunity and minimise risk.

After the uncertainty of the previous year, 2021 brought its own challenges to all stakeholders with the surge in inflation. However our strong relationships with both customers and suppliers have enabled us to manage these risks during the year.

Our growth in sales brings us part way back towards our pre-pandemic levels and we end the year with the highest ever head of work position, with 41% of work secured being on best value. Our head of work has remained above £100m throughout 2021 and is at its highest year end level at £118.7m.

Pleasingly our staff turnover is at historic lows, and we have grown our workforce in the year, via permanent recruitment as optimism returns to the industry.

The directors continue to keep a close eye on these risks and take appropriate action as required.

Outlook for the business

The Board of Directors expect that the first 6 months of 2022 will continue to have its challenges, many of which were also experienced during 2021. However, the directors believe the Company is well positioned to manage resultant risk and prosper during the period due to its:

- committed workforce
- broad spectrum of customers
- position on over 30 framework agreements
- continued strong order book
- strong balance sheet
- continued investment in staff development, best practice, modern processes and systems
- committed and supportive supply chain

Longer term prospects for Beard are heavily linked with the wider UK economy.

E W BEARD LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2021

Principal risks to the business

The business is well financed and the directors are confident that it is well placed to deal with internal and external shocks.

The directors have identified the following risks as being of major concern:

- uninsured events
- economic and political uncertainty
- continued impact of Covid-19 pandemic
- management failure
- site incident
- design team failure
- customer or supply chain insolvency
- cyber attack

Each individual risk is actively considered within the appropriate business unit and managed by the directors. A fully detailed disaster recovery plan is in place to deal with significant events which affect the day-to-day activity of the business.

A quarterly cyber security review meeting is now in place. This is a subset of the Board and is attended by two Company Directors and supported by an independent cyber security advisor. This group are tasked with reviewing the security roadmap along with incidents and non-compliances. Risks are presented throughout the year to the Audit and Risk Committee.

Financial risk management

Exposure to credit and liquidity risks arise in the normal course of the Company's business.

The Company's credit risk is attributable to its trade receivables. The amounts presented in the statement of financial position are net of any allowances for doubtful debtors, based upon prior experience and assessment of specific circumstances by the directors. Credit checking of new customers and cash collection processes remain strong.

The Company seeks to manage risk to ensure that sufficient liquidity is available to meet foreseeable needs and to invest cash assets safely and profitably. Short term flexibility is achieved using fixed and variable deposit accounts. The directors prepare rolling cashflow forecasts to plan for future surpluses and expenditure.

The Company has entered into performance bonds in the ordinary course of business with a total value of £11.0m as at 31 December 2021 (2020: £11.2m). The Company has never had a bond called and it is the directors' opinion that no liability will arise in respect of the current bonds.

Employees

The Company strives to create an environment where people enjoy working, give their best and deliver successful outcomes. Flexible working continues to be trialled across the Company enabling new ways of working which benefit both Beard and its people.

The development of all our people is central to the Company's long-term success and this was recognised by our retention of Investors in People (IiP) Gold status in 2020. We are also recognised as an employer committed to the health and wellbeing of our employees by receiving the IiP Health and Wellbeing Award.

The Company continues to invest in leadership, technical and safety training for all staff who have been identified, where deemed beneficial to themselves and the Company. Beard continues to recruit and train school-leavers and graduates who have achieved good academic results, have shown an enthusiasm for working in the construction industry and have a commitment to achieving relevant high-quality qualifications through formal training.

E W BEARD LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2021

A number of initiatives are in place to keep employees informed of matters of interest, including: an annual Communications Day event attended by all members of staff and a weekly business and office update. At the beginning of 2021, the Company introduced Yammer to enhance the quality and timeliness of internal communications and interactions. Furthermore the Company performance is shared with all staff via a 2-monthly performance dashboard.

Feedback from employees is welcomed across the Company, with a number of employees being members of various working groups, aimed at sharing information. The sharing of best practice across construction sites is also encouraged, through the regular issuing of Best Practice Bulletins.

Employees are able to share in the success of the Company through an annual bonus scheme, which is in part based on the Company's financial performance for the period and in part related to the individual's performance throughout the period. An annual awards ceremony takes place during our Communications Day, for which employees across the business can be nominated for an award by either their peers or by senior management.

The Company is an equal opportunity employer and gives full and fair consideration to all applications for employment. The Company's aim is to ensure that no job applicant is placed at a disadvantage by practices or requirements which are not justified by the demands of the job. Adjustments are made to accommodate disabled employees where possible and reasonable. Promotion and training opportunities are open to all employees and are based on merit.

The Company recognises its responsibility to understand the risks relating to modern slavery and to ensure that no element is present within either the Company itself or its Supply Chain. A statement on modern slavery can be found on the Company's website. This statement picks up the key principles and spirit of the Modern Slavery Act 2015 and sets out the steps taken by the Company to prevent slavery and human trafficking from taking place in any of its supply chains or in any part of its business, and the ways it has sought to minimise the risks of any association with practices which undermine the principles of safety and dignity for its customers, employees, and business partners.

Supplier payment policy

The Company agrees terms and conditions for its business transactions with suppliers before orders are placed. Payments are then made in accordance with these obligations.

As a Company we believe it is important to pay our suppliers promptly and on time for the service they provide. The average time taken to pay invoices was 27 days across 2021, as reported via the government payment practices statistics, which is significantly ahead of the industry norm. Our commitment to this is shown by joining the Prompt Payment Code, which supports smaller suppliers in the industry.

Supply chain management

The Company benefits from close relationships with a variety of sub-contractors, in which the Company has developed a high level of trust over several years. These sub-contractors help the Company to engineer cost effective solutions to individual project challenges for the mutual benefit of the supplier, the customer and Beard.

Approved by the Board on 17TH MARCH 2022 and signed on its behalf by:



F L Johns BSc (Hons) FCA
Finance Director

E W BEARD LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2021

The directors present their report and the financial statements for the year ended 31 December 2021.

Results and dividends

The profit for the year, after taxation, amounted to £3.4m (2020: £3.5m).

The directors have recommended the following dividends:

	2021	2020
	£ 000	£ 000
Proposed dividends on equity capital	2,048	2,074
Dividends paid on equity capital	<u>2,074</u>	<u>1,786</u>
	<u>4,122</u>	<u>3,860</u>

Directors of the company

The directors who held office during the year were as follows:

M A Bayley MCI0B (ceased 31 March 2021)

M G Beard PPCIOB CEnv - Chairman

N A Sherreard FCIOB CEnv

F L Johns BSc (Hons) FCA

M J Hedges BEng (Hons) FCIOB

C J Matchan BA MSc (appointed 1 January 2021)

D Averages BSc (Hons) MA MCI0B MRICS (appointed 1 April 2021)

Matters covered in the strategic report

Information on the future developments of the business, employee communication, disabled employees and financial risk management is shown in the Strategic Report.

Post balance sheet events

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

Directors' indemnity

The Company's Articles of Association provide, subject to the provisions of UK legislation, an indemnity for directors and officers of the Company in respect of liabilities they may incur in the discharge of their duties or in the exercise of their powers, including any liabilities relating to the defence of any proceedings brought against them which relate to anything done or omitted, or alleged to have been done or omitted, by them as officers or employees of the Company.

Appropriate directors' and officers' liability insurance is in place in respect of all the Company's directors and officers.

Streamlined Energy and Carbon Reporting (SECR)

The Company has taken exemption from its SECR reporting requirements as this is disclosed in full in its parent entity's accounts. A full copy of the parent accounts can be found at Companies House.

E W BEARD LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2021

Disclosure of information to the auditors

The directors confirm that:

- so far as each director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- the directors have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Reappointment of auditors

The auditors Hazlewoods LLP are deemed to be reappointed under section 487(2) of the Companies Act 2006 28 days after these financial statements were sent to members or 28 days after the latest date prescribed for filing the accounts with the registrar, whichever is earlier.

Approved by the Board on 17th MARCH 2022 and signed on its behalf by:


.....
F L Johns BSc (Hons) FCA
Finance Director

E W BEARD LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Strategic Report, Directors' 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 company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

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

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

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

E W BEARD LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF E W BEARD LIMITED

Opinion

We have audited the financial statements of E W Beard Limited (the 'company') for the year ended 31 December 2021, which comprise the Profit and Loss Account, Balance Sheet, Statement of Changes in Equity, and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2021 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the original financial statements were 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 directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

E W BEARD LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF E W BEARD LIMITED

Opinion on other matter prescribed by the Companies Act 2006

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

- the information given in the Strategic Report and Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and 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 company and its 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 where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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 Statement of Directors' Responsibilities set out on page 10, 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 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's responsibilities for the audit of the financial statements

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

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

- We obtained an understanding of the legal and regulatory frameworks applicable to the company financial statements or that had a fundamental effect on the operations of the company. We determined that the most significant laws and regulations included UK GAAP, UK Companies Act 2006, and taxation laws;
- We assessed the susceptibility of the company's financial statements to material misstatement, including how fraud might occur. Audit procedures performed by the engagement team included challenging assumptions and judgments made by management in its significant accounting estimates and identifying and testing journal entries, in particular any journal entries posted with unusual characteristics.

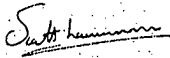
A further description of our responsibilities is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

E W BEARD LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF E W BEARD LIMITED

Use of this 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.



.....
Scott Lawrence (Senior Statutory Auditor)
For and on behalf of Hazlewoods LLP, Statutory Auditor

Staverton Court
Staverton
Cheltenham
GL51 0UX

Date: 17 March 2022
.....

E W BEARD LIMITED

PROFIT AND LOSS ACCOUNT AND STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2021

	Note	2021 £ 000	2020 £ 000
Turnover	4	144,240	135,764
Cost of sales		<u>(133,867)</u>	<u>(125,731)</u>
Gross profit		10,373	10,033
Administrative expenses		(6,234)	(6,159)
Fair value movements		16	264
Exceptional income and expenditure	5	<u>3</u>	<u>(43)</u>
Operating profit	6	4,158	4,095
Other interest receivable and similar income	10	<u>54</u>	<u>170</u>
Profit before tax		4,212	4,265
Taxation	11	<u>(798)</u>	<u>(809)</u>
Profit for the financial year		<u>3,414</u>	<u>3,456</u>
Other comprehensive income for the year			
Unrealised surplus / (deficit) on revaluation of tangible fixed assets		<u>99</u>	<u>123</u>
Total comprehensive income for the year		<u>3,513</u>	<u>3,579</u>

The above results were derived from continuing operations.

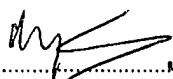
The notes on pages 17 to 28 form an integral part of these financial statements.

E W BEARD LIMITED

(REGISTRATION NUMBER: 01126135)
BALANCE SHEET AS AT 31 DECEMBER 2021

	Note	2021 £ 000	2020 £ 000
Fixed assets			
Tangible assets	13	3,773	3,681
Investment property	14	<u>2,401</u>	<u>2,385</u>
		<u>6,174</u>	<u>6,066</u>
Current assets			
Stocks	15	4,494	2,425
Debtors	16	14,935	16,827
Debtors: Amounts falling due after more than one year		872	671
Cash at bank and in hand		<u>39,572</u>	<u>31,919</u>
		59,873	51,842
Creditors: Amounts falling due within one year	17	<u>(45,476)</u>	<u>(38,954)</u>
Net current assets		<u>14,397</u>	<u>12,888</u>
Total assets less current liabilities		20,571	18,954
Provisions for liabilities	11, 19	<u>(552)</u>	<u>(374)</u>
Net assets		<u>20,019</u>	<u>18,580</u>
Capital and reserves			
Called up share capital	21	10	10
Share premium reserve	20	5	5
Revaluation reserve	20	649	550
Profit and loss account	20	<u>19,355</u>	<u>18,015</u>
Total equity		<u>20,019</u>	<u>18,580</u>

Approved and authorised by the Board on 17TH MARCH 2022 and signed on its behalf by:



F L Johns BSc (Hons) FCA
Finance Director

E W BEARD LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2021

	Share capital £ 000	Share premium £ 000	Revaluation reserve £ 000	Profit and loss account £ 000	Total £ 000
At 1 January 2021	10	5	550	18,015	18,580
Profit for the year	-	-	-	3,414	3,414
Other comprehensive income	-	-	99	-	99
Total comprehensive income	-	-	99	3,414	3,513
Dividends	-	-	-	(2,074)	(2,074)
At 31 December 2021	10	5	649	19,355	20,019

	Share capital £ 000	Share premium £ 000	Revaluation reserve £ 000	Profit and loss account £ 000	Total £ 000
At 1 January 2020	10	5	427	16,345	16,787
Profit for the year	-	-	-	3,456	3,456
Other comprehensive income	-	-	123	-	123
Total comprehensive income	-	-	123	3,456	3,579
Dividends	-	-	-	(1,786)	(1,786)
At 31 December 2020	10	5	550	18,015	18,580

The notes on pages 17 to 28 form an integral part of these financial statements.

E W BEARD LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

1 General information

E W Beard Limited is a limited liability company incorporated in the United Kingdom. Its registered office is Faraday Road, Dorcan, Swindon, SN3 5JY, and the turnover and profit before tax are attributable to the one principal activity of the Company, construction.

2 Accounting policies

2.1 Basis of preparation of financial statements

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

These financial statements are presented in Sterling (£).

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

The following principal accounting policies have been applied:

2.2 Financial reporting standard 102 - reduced disclosure exemptions

The Company has taken advantage of the following disclosure exemptions under FRS 102:

- disclosures in respect of financial instruments as a result of these being disclosed in the publicly available Group accounts;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7 and;
- the requirements of Section 7 Statement of Cash Flows.

2.3 Going concern

The financial statements have been prepared on a going concern basis, which assumes that the Company will continue in operational existence for the foreseeable future. This is in line with directors' forecasts for the business over the next 12 months.

2.4 Turnover

The turnover shown in the profit and loss account represents amounts invoiced during the year, including the retention thereon, excluding VAT. Invoices on projects are only raised following third party certification. Invoices for small works are raised during and at the end of the project.

2.5 Long-term contracts

The attributable profit on long-term contracts is recognised once their outcome can be assessed with reasonable certainty. The profit recognised reflects the proportion of work completed to date on the project.

Costs associated with long-term contracts are included in work in progress to the extent that they cannot be matched with contract work accounted for as turnover. Long-term contract balances included in work in progress are stated at cost, after provision has been made for any foreseeable losses and deduction of applicable payments on account.

Full provision is made for losses on all contracts in the year in which the loss is first foreseen.

2.6 Government grants

Government grants are recognised based on the accrual model and are measured at the fair value of the amount receivable. Grants relating to revenue are recognised in income in the period in which the income is receivable.

E W BEARD LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

2.7 Tangible fixed assets

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

The Company adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the Company. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to profit or loss during the period in which they are incurred.

Assets under the course of construction are not depreciated until the asset is brought into use and transferred to the relevant fixed asset category.

Land is not depreciated. Depreciation on other assets is charged so as to allocate the cost of assets less their anticipated residual value over their expected useful lives, using the methods shown below.

Depreciation is provided on the following basis:

Asset class	Depreciation method and rate
Freehold land and buildings	2% straight line
Plant & machinery and vehicles	25% reducing balance
IT equipment, furniture and fittings	20% to 50% straight line

2.8 Revaluation of tangible fixed assets

Individual freehold properties are carried at fair value at the date of the revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Revaluations are undertaken with sufficient regularity to ensure the carrying amount does not differ materially from that which would be determined using fair value at the Statement of Financial Position date.

Fair values are determined from market based evidence.

Revaluation gains and losses are recognised in the Statement of Comprehensive Income unless losses exceed the previously recognised gains or reflect a clear consumption of economic benefits, in which case the excess losses are recognised in profit or loss.

2.9 Investment property

Investment property is carried at fair value determined annually and derived from the current market rents and investment property yields for comparable real estate, adjusted if necessary for any difference in the nature, location or condition of the specific asset. No depreciation is provided. Changes in fair value are recognised in the Profit and Loss Account.

2.10 Stocks and work in progress

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress is valued on the basis of direct costs plus attributable overheads on a normal level of activity.

Provision is made for any foreseeable losses where appropriate.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

2.11 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.12 Cash and cash equivalents

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

E W BEARD LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

2.13 Creditors

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

2.14 Dividends

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

2.15 Interest income

Interest income is recognised in the Statement of Comprehensive Income using the effective interest method.

2.16 Provisions for liabilities

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

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

When payments are eventually made, they are charged to the provision carried in the Statement of Financial Position.

2.17 Current and deferred taxation

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

The current income, tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the Statement of Financial Position date in the countries where the Company operates and generates income.

Deferred balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of Financial Position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

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

E W BEARD LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

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

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Estimates are based on historical experience and other assumptions that are considered reasonable in the circumstances. The actual amount or values may vary in certain instances from the assumptions and estimates made. Changes will be recorded, with corresponding effect in profit or loss, if and when better information is obtained.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in material adjustment within the next financial year are included below.

Critical judgements that management have made in the process of applying accounting policies disclosed herein and that have a significant effect on the amounts recognised in the financial statements relate to the following:

Revenue recognition and long-term contract balances

Management applies judgement when assessing the percentage of completion for contracts and the subsequent net realisable value of contract work in progress, taking into account the most reliable evidence available at each reporting date. The future realisation of these amounts may be affected by future outcome of these contracts. Provisions are made for any losses which are foreseen.

Useful lives of depreciable assets

Management reviews its estimate of the useful lives of depreciable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technological obsolescence that may change the utility of certain IT equipment.

Provisions

In recognising provisions, the company evaluates the extent to which it is probable that it has incurred a legal or constructive obligation in respect of past events and the probability that there will be an outflow of benefits as a result. The judgements used to recognise provisions are based on currently known factors which may vary over time, resulting in changes in the measurement of recorded amounts as compared to initial estimates.

Stocks and work in progress

Management estimates the net realisable values of stock and work in progress, taking into account the most reliable evidence at each reporting date. The future realisation of these inventories may be affected by future technology or other market-driven changes that may reduce future value.

4 Turnover

The turnover and profit before tax are attributable to the one principal activity of the Company, construction.

The analysis of the turnover by country of destination:

	2021 £ 000	2020 £ 000
United Kingdom	144,073	135,604
Rental income	167	160
	<u>144,240</u>	<u>135,764</u>

E W BEARD LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

5 Exceptional income and expenditure

The analysis of the company's exceptional items for the year is as follows:

	2021 £ 000	2020 £ 000
Government grants	3	679
Exceptional expenses	-	(722)
	<u>3</u>	<u>(43)</u>

Coronavirus Job Retention Scheme

The company received grants in relation to the Coronavirus Job Retention Scheme (CJRS) which is accounted for under the accrual method as a revenue grant. £3,000 (2020 - £679,000) was credited to the profit and loss account in relation to this grant.

The exceptional expenses relate to redundancy costs incurred in relation to restructuring the business due to the impact of Covid-19.

6 Operating profit

The operating profit is stated after charging:

	2021 £ 000	2020 £ 000
Depreciation of tangible fixed assets	357	373
Pension	978	1,075
Lease payments as an expense	<u>167</u>	<u>167</u>

7 Auditors' remuneration

	2021 £ 000	2020 £ 000
Audit of the financial statements	<u>46</u>	<u>36</u>
Other fees to auditors		
All other non-audit services	<u>13</u>	<u>18</u>

8 Staff costs

The aggregate payroll costs (including directors' remuneration) were as follows:

	2021 £ 000	2020 £ 000
Wages and salaries	17,967	17,679
Social security costs	1,989	1,985
Other pension costs	<u>978</u>	<u>1,075</u>
	<u>20,934</u>	<u>20,739</u>

E W BEARD LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

The average number of persons employed by the company (including directors) during the year, analysed by category was as follows:

	2021 No.	2020 No.
Project management staff	222	241
Administrative and management staff	64	63
	<u>286</u>	<u>304</u>

9 Directors' remuneration

The directors' remuneration for the year was as follows:

	2021 £ 000	2020 £ 000
Remuneration	653	592
Contributions paid to money purchase schemes	54	52
	<u>707</u>	<u>644</u>

During the year the number of directors who were receiving benefits and share incentives was as follows:

	2021 No.	2020 No.
Accruing benefits under money purchase pension scheme	<u>4</u>	<u>3</u>

In respect of the highest paid director:

	2021 £ 000	2020 £ 000
Remuneration	207	207
Company contributions to money purchase pension schemes	<u>19</u>	<u>19</u>

10 Interest receivable

	2021 £ 000	2020 £ 000
Other interest receivable	54	133
Interest income on bank deposits	<u>-</u>	<u>37</u>
	<u>54</u>	<u>170</u>

E W BEARD LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

11 Taxation

Tax charged in the profit and loss account

	2021 £ 000	2020 £ 000
Current taxation		
UK corporation tax	620	563
UK corporation tax adjustment to prior periods	<u>-</u>	<u>153</u>
	620	716
Deferred taxation		
Arising from origination and reversal of timing differences	<u>178</u>	<u>93</u>
Tax expense in the income statement	<u><u>798</u></u>	<u><u>809</u></u>

The tax on profit before tax for the year is lower than the standard rate of corporation tax in the UK (2020: lower than the standard rate of corporation tax in the UK) of 19% (2020: 19%).

The differences are reconciled below:

	2021 £ 000	2020 £ 000
Profit before tax	<u>4,212</u>	<u>4,265</u>
Corporation tax at standard rate	800	810
Effect of revenues exempt from taxation	(3)	(50)
Effect of expense not deductible in determining taxable profit (tax loss)	5	1
Deferred tax expense/(credit) relating to changes in tax rates or laws	132	(117)
Increase in UK and foreign current tax from adjustment for prior periods	-	153
Tax increase from effect of capital allowances and depreciation	7	11
Tax decrease arising from group relief	(140)	-
Other tax effects for reconciliation between accounting profit and tax expense (income)	<u>(3)</u>	<u>1</u>
Total tax charge	<u><u>798</u></u>	<u><u>809</u></u>

12 Dividends

	2021 £ 000	2020 £ 000
Dividends paid on equity capital	<u>2,074</u>	<u>1,786</u>

E W BEARD LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

13 Tangible assets

	Freehold land and buildings £ 000	IT, Furniture, Fittings, Vehicles, Plant & machinery £ 000	Total £ 000
Cost or valuation			
At 1 January 2021	2,775	3,274	6,049
Revaluations	19	-	19
Additions	-	361	361
Disposals	-	(64)	(64)
At 31 December 2021	<u>2,794</u>	<u>3,571</u>	<u>6,365</u>
Depreciation			
At 1 January 2021	-	2,368	2,368
Charge for the year	80	277	357
Eliminated on disposal	-	(53)	(53)
Revaluation	(80)	-	(80)
At 31 December 2021	<u>-</u>	<u>2,592</u>	<u>2,592</u>
Carrying amount			
At 31 December 2021	<u>2,794</u>	<u>979</u>	<u>3,773</u>
At 31 December 2020	<u>2,775</u>	<u>906</u>	<u>3,681</u>

Included within the net book value of land and buildings above is £2,794,000 (2020: £2,775,000) in respect of freehold land and buildings.

There are charges held over the freehold and investment properties by the bank.

The property valuations were made by management as at 31 December 2021, on an open market value for existing use basis.

If the freehold properties had not been included at a valuation they would have been included under the historical cost convention as follows:

	2021 £ 000	2020 £ 000
Historic cost	2,073	2,073
Accumulated depreciation	<u>(381)</u>	<u>(339)</u>
	<u>1,692</u>	<u>1,733</u>

E W BEARD LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

14 Investment properties

	2021
	£ 000
At 1 January and at 31 December 2020	2,385
Fair value adjustments	<u>16</u>
At 31 December	<u><u>2,401</u></u>

The property valuations were made by management as at 31 December 2021, on an open market value for existing use basis.

If the investment properties had not been included at a valuation they would have been included under the historical cost convention as follows:

	2021	2020
	£ 000	£ 000
Historic cost	2,747	2,747
Accumulated depreciation and impairments	<u>(392)</u>	<u>(337)</u>
	<u><u>2,355</u></u>	<u><u>2,410</u></u>

15 Stocks

	2021	2020
	£ 000	£ 000
Raw materials and consumables	396	367
Work in progress	312	447
Long term contract balances	<u>3,786</u>	<u>1,611</u>
	<u><u>4,494</u></u>	<u><u>2,425</u></u>

16 Debtors

		2021	2020
		£ 000	£ 000
Due within one year	Note		
Trade debtors		14,425	14,831
Amounts owed by related parties	23	-	127
Other debtors		-	575
Prepayments		<u>510</u>	<u>1,294</u>
Total current trade and other debtors		<u><u>14,935</u></u>	<u><u>16,827</u></u>
 Due after one year			
Debtors > 1 year		<u><u>872</u></u>	<u><u>671</u></u>

E W BEARD LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

17 Creditors

	Note	2021 £ 000	2020 £ 000
Due within one year			
Trade creditors		19,901	17,909
Amounts due to related parties	23	25	-
Social security and other taxes		4,008	797
Other creditors		988	1,448
Accrued expenses		20,277	18,617
Corporation tax liability	11	277	183
		<u>45,476</u>	<u>38,954</u>

18 Pension and other schemes

The company operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the company to the scheme and amounted to £978,000 (2020: £1,075,000).

19 Deferred tax and other provisions

	Deferred tax £ 000
At 1 January 2021	374
Charged to the profit or loss	<u>178</u>
At 31 December 2021	<u>552</u>

The provision for deferred taxation is made up as follows:

	2021 £ 000	2020 £ 000
Accelerated capital allowances	576	389
Short term timing differences	<u>(24)</u>	<u>(15)</u>
	<u>552</u>	<u>374</u>

20 Reserves

Share premium account

The share premium account includes any premiums received on issue of share capital. Any transaction costs associated with the issuing of shares are deducted from share premium.

Revaluation reserve

The revaluation reserve comprises unrealised revaluation gains or losses on freehold land and buildings. The revaluation reserve is not distributable.

Profit & loss account

The Profit and Loss Account includes all current and prior year retained profits and losses.

E W BEARD LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

21 Share capital

Allotted, called up and fully paid shares

	2021		2020	
	No.	£	No.	£
10,000 Ordinary shares of £1 each	<u>10,000</u>	<u>10,000</u>	<u>10,000</u>	<u>10,000</u>

22 Contingent liabilities

There are cross-guarantees of the banking facilities between the company and its holding company, E W Beard (Holdings) Limited. At the year end these amounted to £Nil (2020: £Nil).

The company has entered into performance bonds in the ordinary course of business with a total value of £11,022,163 at 31 December 2021 (2020: £11,159,053). The company has never had a bond called and it is the directors opinion that no liability will arise in respect of the current bonds.

E W BEARD LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

23 Related party transactions

bClear Communications Limited, a PR agency in which Neil Sherreard was also a Director, provided services to E W Beard Limited within the year amounting to £45,873 (2020: £43,159). At the year end £8,100 was outstanding relating to these services (2020: £5,865).

Lucent Consult Limited, a consultancy business in which David Stockham is also a Director, provided services to E W Beard Limited within the year amounting to £143,142 (2020: £144,618). At the year end £18,955 was outstanding relating to these services (2020: £nil)

Intercompany sales:

Sales to Magdalen Victoria LLP during the year amounted to £6,840 (2020: £11,806) and costs relating to these sales amounted to £6,840 (2020: £11,806).

Remuneration of key management personnel amounted to £1,061,408 (2020: £1,360,425) in the year. There were no other material transactions or amounts owed to or by any of the Company's key management or members of their family.

The company has taken advantage of the exemption under FRS 102 section 33 not to disclose transactions with other wholly-owned members of the group headed by E W Beard (Holdings) Limited, on the grounds that the consolidated accounts are publicly available.

24 Parent and ultimate parent undertaking

E W Beard (Holdings), registered in England and Wales, is the Company's ultimate parent undertaking by virtue of its 100% shareholding. The Company is registered to the same address as E W Beard Limited and copies of its accounts may be obtained from that address.