Bell Rock Workplace Management Limited
Registered No: 02970406

Annual Report and Consolidated Financial Statements for the year ended 31 December 2020

Bell Rock Workplace Management Limited
Annual Report and Consolidated Financial Statements
For the year ended 31 December 2020

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Bell Rock Workplace Management Limited
Directors and Professional Advisers

DIRECTORS	APM Rudzinski (resigned 14 September 2020) DJ Smith S Perkins (appointed 14 September 2020)
COMPANY SECRETARY	S Perkins
REGISTERED OFFICE	Peat House 1 Waterloo Way Leicester England LE1 6LP United Kingdom
BANKERS	HSBC Bank Plc Leeds City Branch P.O. Box 105 33 Park Row Leeds West Yorkshire LS1 1LD United Kingdom
AUDITOR	Deloitte LLP Statutory Auditor Four Brindleyplace Birmingham B1 2HZ United Kingdom

Bell Rock Workplace Management Limited
Strategic Report
For the year ended 31 December 2020

The Directors present their Strategic Report for the year to 31 December 2020.

Bell Rock Workplace Management Limited is owned by Bell Rock Topco Limited (ultimate parent company) which in turn is owned by funds managed by Horizon Capital Partners LLP (hereafter "Horizon") and certain individuals. Bell Rock Workplace Management Limited and its subsidiary companies, which are consolidated in this set of financial statements, are hereafter referred to as "the Bellrock Group" or "the Group".

PRINCIPAL ACTIVITIES

The principal activity of the Company is as an intermediate holding company for the Bellrock Group, the companies which form part of this group are detailed in note 13 - Investments. Those subsidiaries held by the Company incorporate all trading activity of the Bellrock Group.

ACTIVITIES OF THE BELLROCK GROUP

The Bellrock Group's principal activities are to provide a range of fully integrated software, property consulting and facilities management services, often under long-term contracts, into a variety of clients in the public and private sectors. Through both organic and acquisitive growth, the Group has continued to enhance its technology platform which enables customers to both lower costs and increase efficiencies. The Bellrock Group, has 27 (2019: 27) PPP (Public Private Partnership) contracts – 20 PFI (Private Finance Initiative) and 7 LIFTs (Local Improvement Finance Trusts) - generating annual revenue in excess of £35.9m (2019: £35.6m) and with a forward order book in excess of £438m (2019: £474m).

The Group is committed to planning towards a sustainable future both through its own activities and those of its clients. It reconciles its commercial objectives with appropriate standards of corporate responsibility and corporate governance.

BUSINESS REVIEW OF THE BELLROCK GROUP

The overall UK estate risk management market is estimated to be worth £122bn annually, of which approximately £9bn is the target market for the Group, demonstrating significant opportunities for growth. We aim to change the face of estates management, bringing together excellent people, technology and supply chain partners to provide the best possible service to our clients.

The Bellrock Group has a differentiated position as a strategic integration partner to organisations looking to manage their estate through best in class service providers on a national, regional or local basis. The Group's risk management service offering ranges from software only for clients managing their properties and facilities management in-house to fully outsourced facilities management. Irrespective of the chosen solution of our clients, the Group is able to work flexibly through its accredited network of supply chain partners to deliver high quality, value for money services for whichever services our clients choose us to manage.

The key benefits to our customers from outsourcing to the Group are:

- Cost reduction in the procurement supply chain achieved by removing tiers of sub-contracting;
- Transparency on the cost and quality of service delivery;
- Improved visibility and levels of statutory compliance; and
- Flexibility to customise a supply chain to match a client's risk profile. This included self-delivery or outsourced services provided by accredited national, regional or local suppliers.

BUSINESS REVIEW OF THE BELLROCK GROUP (continued)

The Bellrock Group continues to invest in people, technology, processes and supply chain:

People

Our People strategy is built around five pillars: i) Attracting and retaining talent, ii) Learning and growth, iii) Effective people management, iv) Diversity, inclusion and wellbeing and v) Engagement and communication. We have supported our people during COVID and a recent employee survey showed increased job satisfaction among the employee base.

Technology

At the heart of the Bellrock service proposition is the innovative and scalable Concerto software platform. Our Concerto platform is utilised across all of the Bellrock service lines and covers all areas of Property and Asset Management. This unique platform allows for continued growth, repeat deployment, easy configuration and long-lasting customer retention.

Process

The Group's target operating model is based around Concerto which handles very high transactional values, whilst retaining the user experience and retaining a secure environment to operate. The decentralised operational model we employ puts data capture at the centre of the operational process being supported.

Supply Chain

The Group strives to be the easiest provider for supply chain partners to work with. It continues to invest in the procurement and supply chain teams and processes to complement the Concerto technology platform. The model is to solve a client's estate challenges with as few hand-offs as possible between logging a service desk call to approving an invoice for payment.

Results

Management's preferred measure of underlying operational profitability is earnings before interest, taxation, depreciation, amortisation and exceptional operating expenses ("EBITDAE"). For the year under review EBITDAE was £12,594k, a decrease of £2,704k (17.7%) compared to the prior year balance of £15,298k.

The reconciliation of EBITDAE to the numbers in the statutory financial statements is as follows:

	2020 £000	2019 £000
Operating profit	579	503
Add back:		
Amortisation of intangible assets (note 10)	6,363	6,937
Depreciation of tangible fixed assets (note 11 and 12)	2,384	2,076
Exceptional operating expenses (note 5)	3,268	5,782
EBITDAE	12,594	15,298
Cash generated by operations	10,582	6,177

The reduction in the Group's EBITDAE has been as a result of the challenging year faced in light of the COVID-19 pandemic. The Group's EBITDAE figure includes income of £1,991k relating the Coronavirus Job Retention Scheme (CJRS) (2019 - £nil) however only £200k related to the furlough of indirect staff. The remainder was associated with direct or revenue earning employees. We estimate that the impact of COVID on our EBITDA was in the region of £1.2m – the bulk of which was associated with the impact on the hospitality sector. Further details about this income can be found in Note 21. Forecasts show a return to an improved EBITDAE in future financial periods.

The Company's result for the financial year, was a profit of £4,747k (2019: loss of £6,359k) after tax. No dividends were paid in the year (2019: £nil).

EXCEPTIONAL OPERATING EXPENSES

The Group performed a detailed review of its cost base and undertook an assessment of the operating systems and processes required to deliver the goals during the year.

The cost base review resulted in reorganisation costs of £0.7m (2019: £2.5m) being incurred alongside transaction related expenditure of £1.6m (2019: £1.3m) and deferred consideration costs of £1.0m (2019: £2.0m).

PRINCIPAL RISKS AND UNCERTAINTIES

The key risk areas potentially impacting on the business are as follows:

Market risk
As with most businesses, the Group is influenced by prevailing conditions in the markets in which it operates. This risk is mitigated by the Group providing a broad range of services to both private and public sector clients across a number of sectors. A significant proportion of the Group's revenue is provided under long-term PFI or LIFT contracts with unexpired terms of between 5 and 25 years. The Directors believe that the Group is not unduly reliant on any single client. In addition to the above, the Group has further diversified its market risk by making a further acquisition outside of its core business and is not exposed to the construction sector.

Competitors
The Group competes against a large number of other companies in a fragmented market. Whilst the Directors believe that the Group is well positioned in its markets and sectors the Group remains exposed to the adverse impact of the actions of competitors or from a decision by a client to take services previously delivered externally to be in-sourced. However, the Concerto software platform enables clients to manage their property and facilities themselves helps to further mitigate this risk. This adverse impact could be through the loss of existing business or the failure to win new business or through the downward pressure on pricing. The Group mitigates this risk by continually seeking to improve its competitive position and enhance its service offering, the success of this is evidenced in a number of new wins since the balance sheet date.

Impact of COVID-19
The Directors have considered the impact of COVID-19 and have assessed the going concern risk of COVID-19 on the business to be low.

The impact on earnings was significant but was somewhat mitigated as the Group has a broad spread of public and private sector clients across a number of industries. The Group engages with customers on a contractual basis which, in the majority of cases, is made up of both a fixed recurring fee element and a variable fee element. Although the variable element was negatively impacted by COVID-19 due to customers being required to close sites resulting in less work being required, the fixed fees, particularly in the public sector, was still billable.

The Group does not engage in international trade or services and are not reliant on the importing or exporting of goods, therefore any further travel bans or border restrictions are not considered to have any significant direct impact on the business.

During the nationwide lockdown the business saw reported earnings fall short of forecasts by approximately 23%. As at the date of this report, the business is recovering, and half-year earnings are forecast to be up year on year by 26% on the same period last year.

PRINCIPAL RISKS AND UNCERTAINTIES (continued)

Despite to ongoing lockdowns throughout 2020 and now extended into 2021 the Group has continued to trade above the directors' original COVID-19 scenario expectation and is expected to continue to do so. In the event that a further nationwide lockdown occurs the business is keeping sufficient cash reserves and headroom within its banking covenants to continue to trade and thus would not result in a going concern issue for the Group.

In order to improve the Group's cash flow during the global crisis, full use was made of the Government's Job Retention Scheme (CJRS) by placing employees on furlough during the year, as well as deferring Value Added Tax and Pay As You Earn payments. The total amounts claimed under the CJRS amounted to £1,991k.

A significant element of the cost base incurred by the Group are through subcontractors within the Group's supply chain network. Subcontractor work is only billable if it is carried out and therefore the risk is considered to be low. The fixed costs of the Group would be expected to be covered by the aforementioned fixed fee revenue. In the event that the supply chain is affected by COVID-19, it is believed that nationally the Group has a sufficiently expansive supply chain to have the necessary subcontractors available to carry on business as usual.

In the event of site closures for the Bellrock group, all key management staff are equipped with laptops and can operate safely from home. The same applies for a large number of technical and other staff throughout the business. For those without laptops and those who work in the central call centre, contingency plans were made which enabled these staff to carry out their roles from home via a desktop PC or laptop.

CREDITOR PAYMENT POLICY

The Group fully supports the CBI initiative on payments to suppliers and has continued to apply the Prompt Payment Code in respect of all suppliers. The main features of the code are that payment terms are agreed at the outset of a transaction and are adhered to; that there is a clear and consistent policy that bills will be paid in accordance with the contract; and that there are no alterations to payment terms without prior agreement of both parties involved in that transaction. Copies of the Code can be obtained from the CBI. Trade creditor days of the Group for the year ended 31st December 2020 (excluding the impact of acquisitions) were 39 days (2019: 47), based on the ratio of Company trade creditors at the end of the year to the amounts invoiced during the year by trade creditors.

KEY PERFORMANCE INDICATORS

The Group's strategy is one of growth with improved profitability. The Directors monitor progress against this strategy by reference to a number of KPI's. Performance for the year and the prior year was as follows:

KPI	2020	2019	Definition/Method of Calculation
EBITDAE Margin	**11.0%**	13.1%	EBITDAE divided by net revenue, expressed as a percentage
EBITDAE	**£12.59m**	£15.30m	Earnings before interest, tax, depreciation, amortisation and exceptional items (detailed on page 38)
Statutory Compliance	**91%**	95.5%	Average proportion of customer assets certified as meeting statutory compliance.
% Calls answered in 45 seconds	**91%**	91%	Average inbound call answered in Contact Centre

EBITDAE Margin
EBITDAE margin moved from 13.1% to 11.0% due to the COVID impact on our revenue streams in the Hospitality, Retail and Leisure sectors. Whilst Furlough income mitigated some of the impact certain fixed costs still had to be covered by a lower contribution level.

EBITDAE
As above the COVID-19 impact on key sectors such as the Hospitality and Leisure sector impacted the actual EBITDAE that the Group was able to make. However, along with furlough, the business took action such as cutting out surplus cost in the division that was impacted the most such that, we believe, the normalised run rate EBITDAE for the Group for the year could have been closer £15.5m.

Statutory Compliance
This movement is caused primarily by the on-boarding of new customers won in the 2019 financial year – as they mobilise we often find asset data being poor and part of our Unique Selling Point is to correct this and manage their compliance metrics in a more efficient manner. This KPI will improve as the new customers gradually migrate onto Concerto.

% Calls answered in 45 seconds
This KPI remained static year on year and is in line with our key SLA's with our key customers.

FINANCIAL RISK MANAGEMENT

The Group's operations expose it to a variety of financial risks that include the effects of changes in credit risk, liquidity risk and interest rate risk.

The Bellrock Group has a level of external debt considered appropriate for a business of its size and type.

The Company obtains its financing through intra group loan arrangements which are at variable rates of interest. The Group obtains its financing through loan arrangements with external parties. Loans to or from the immediate parent company are repayable by the borrower in over one year and are classified as non-current assets or liabilities.

The Group manages treasury matters on a basis that is normal for a Group of its size and nature.

Credit risk
The Group has no significant concentrations of credit risk, and general overall exposure to credit risk is considered to be low. Credit risks arise when the Group trades on a credit basis with clients of a poor credit status, however the Group has policies in place to ensure that sales are made to clients with an appropriate credit history and risk and levels of exposure are constantly and closely monitored.

Liquidity risk
Liquidity risk is the risk that the Group will not be able to meet its financial obligations as and when they fall due. Overall exposure to liquidity risk is considered to be low. Liquidity risk is reduced through prudent cash management which ensures sufficient levels of cash are maintained to meet working capital requirements and covenant requirements.

Interest rate risk
The Group has an interest-bearing liability. Interest bearing liabilities include bank borrowings, loan notes and preferred shares. Interest on preferred shares and loan notes is payable upon exit. Interest rates are fixed and where a variable element is contained, these are based on LIBOR rates which are not expected to fluctuate significantly.

SECTION 172 STATEMENT - CORPORATE GOVERNENCE AND RESPONSIBILITY

The Board consists of the Chairman, Chief Executive Officer, Chief Financial Officer, Chief Technology Officer, Chief Commercial Officer, an Investment Director from Horizon Capital Partners LLP and any Non-executive Directors (of which there is 1). As an extension of the Board, the Management Board consists of the aforementioned with the addition of the Director of Finance, Group Sales and Marketing Director and any divisional Managing Director within the Group.

The Board considers the wider needs of the stakeholders of the Group when performing its duty. The Board has sought to promote the success of the Group and the Company for the benefit of the key stakeholders to the business, taking a long-term view and ensuring that the Group has the necessary resources to meet its obligations, objectives and responsibilities. In doing so the Board has considered the six key Section 172 factors as outlined below.

The Board has identified key stakeholders of the business as being Employees, Customers, Suppliers, the Shareholders and the Group's financing providers. These stakeholders have been identified as being those with the most significant interest in the Group.

In considering these wider stakeholder needs, the Board has considered:

Consequences of any decision in the long-term
The Board reviews long-term plans in considerable depth and will work together in order to ascertain if a long-term plan is feasible and in the best interests of all parties involved. The Board does not make quick or irrational decisions and operate on a risk averse basis. As an example, potential acquisitions are scrutinised, and high levels of due diligence are carried out before any final decisions are made.

The interests of the employees
The implications and impacts of any decisions, whether day-to-day decisions or long-term strategic planning, are considered in depth in regard to how it will impact the Group's employees. The decision to continue to issue a standard percentage pay rise in line with inflation is an example of employee's interest being considered on an ongoing basis.

The Group also promotes a healthy lifestyle and routinely highlights the importance of mental and physical health, with posters and other notices throughout offices offering tips and advice on how to improve an individual's wellbeing and maintain a positive work-life balance. During 2020 the business undertook a 'Wellbeing Month' in which employees were given daily tips and advice on how to improve their own health, as well as being set various fitness challenges and holding multiple in-office fundraisers.

The Group encourages employee feedback through a variety of channels. Some examples of ways employees can feedback to the Bellrock Group are employee surveys, contacting HR and making use of the online HR portals available and raising feedback or suggestions with line managers.

The Board's approach to employee health and safety and the Group's employment policies can be found within the Director's Report on page 10.

Following the outbreak of the COVID-19 pandemic the group extended the deadline for employees annual leave, allowing staff to be more flexible with how they use their annual leave during the difficult times faced. The Group also took advantage of the Government funded Coronavirus Job Retention Scheme (CJRS) as a method of protecting the jobs and livelihood of employees. Further information on how the Board has considered the potential impact of COVID-19 on employees and the business can be found on page 4 within the Strategic Report.

The need to foster business relationships with suppliers, customers and others
The Directors recognise that building professional and co-operative relationships with third parties is integral to the Group's operations. Consideration is taken of the needs of all external parties when engaging with them. Maintaining relationships with key customers is important and the Group aims to deliver to the highest level of satisfaction possible as a measure of retaining customers. Supplier relationships are also maintained with a lot of diligence as the supply chain is a key selling point of the services on offer by the Bellrock Group.

SECTION 172 STATEMENT - CORPORATE GOVERNENCE AND RESPONSIBILITY (continued)

Other external parties include finance providers, with whose backing the Group can continue to acquire new businesses and expand operations. The Group strives to meet all covenant requirements and payment due dates for finance costs.

The impact of operations on the community and the environment
Environmental impact of operations is sought to be kept to a minimum where possible and as an example the Group strive to use electric or hybrid vehicles where possible. The Group also maintains its own internal environmental impact policies, with the use of recycling stations and other such green measures in place to reduce the overall carbon footprint of the Group.

The Group supports a number of social value initiatives within the local communities it operates in through having over 1,000 employees nationally and making use of a range of both local and national suppliers through its supply chain. In making use of local suppliers throughout the supply chain the Group is making use of smaller local businesses and traders rather than purely relying on supply for large multi-national businesses. In doing so the Group is putting money into local communities. The Group also offers apprenticeships and work experience which allows ease of access to those in the community looking to start their career.

Charity Days are also offered to employees, where an employee is granted an additional day of leave to undertake charity work of their choosing. The Group routinely engages in fundraising activities such as dress-down days, seasonal charity bake sales and other such events to raise money. The Group also operates routine food bank collections for local foodbanks.

The desirability of maintaining a reputation for high standards of business conduct
The Board continually strive to offer a professional but friendly service when engaging with all parties, both internal and external. Maintaining a professional work environment and issuing employee guidelines such as dress codes and behavioural codes of conduct are some of the ways in which the Group maintains its level of professionalism.

Routine training is provided to staff who are required to engage customers and suppliers on a regular basis. This is provided by an external provider or via online courses. Internal training and guidance are available to all staff via the internal intranet or can be requested through an individual's line manager. Training includes GDPR compliance to ensure than the Group does not suffer GDPR breaches.

The Group's internal policies are aimed at ensuring fair treatment between all internal and external parties with continued training available to employees. Internal codes of conduct and behavioural guidelines via the Group's own internal intranet and HR departments mean employees have easy access to a full range of material to consider.

The need to act fairly between members
The ownership of the Group is split between private equity backed funds and Management, with the former holding the majority of the Group's share capital. The Board acts in a way to benefit all members of the Group and acts with no bias. The Board operates fully independent of Management and seeks to achieve its long-term goals in the best interests of all parties involved.

FUTURE OUTLOOK

The Group is a well-diversified property consultancy and facilities management business and as such the future outlook, post COVID, is as strong as ever. The acquisitions the group made in 2019 are fully integrated with cost synergies extracted and the group made its 11th acquisition in March 2021. In addition, through our place on multiple public sector frameworks, new contract wins and accelerating cross sales of our multiple service lines to our customer base of over 700 customers we will generate significant organic growth.

The Group's proposition continues to be centred around using technology to provide customers with total visibility and flexibility around its supply chain management. Strategically the focus is on offering full visibility on compliance in an increasingly complex regulatory environment, offering best in class service delivery provided by a supply chain network and in house group of 169 engineers aligned with an Integrated scheduling, reporting and account management capabilities a data analytics suite identifying efficiency opportunities for clients.

As such the Group's proposition means the business has the optimal blend of pure play FM, property advisory and software. This is a strategy that will continue to win market share and build on the historic organic growth rates of between 10% and 15% into future years. In addition, the Group continue to look for acquisitions that will build on the key themes of risk management, energy management, intelligent buildings/IOT and opportunities that enhance the capabilities of Concerto.

Approved by the board and signed on its behalf by:

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DJ Smith
Director

13 May 2021

Bell Rock Workplace Management Limited
Directors' Report
For the year ended 31 December 2020

The Directors present their Annual Report and the audited consolidated financial statements for the year to 31 December 2020.

FUTURE DEVELOPMENTS

An indication of the likely future developments of the business is included in the Strategic Report on page 9.

CHARITABLE AND POLITICAL DONATIONS

Donations made to charities in the year amounted to £nil (2019: £nil).

There were no political donations during the financial year (2019: £nil).

DIVIDENDS

No dividends were paid during the current year (2019: £nil). The Directors do not recommend the payment of a final dividend (2019: £nil).

GOING CONCERN

After making due enquiries, the Board has a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future.

In reaching this conclusion the Board has considered the financial position of the Group and its funding facilities. The Board has also undertaken a review of the Group's forecasts and associated risks and sensitivities. The Board recognises the uncertain economic outlook for the UK economy and the particular circumstances relevant to the Group.

The Group made a profit before exceptional items, interest, tax, depreciation and amortisation in 2020 and whilst the impact of COVID-19 saw a reduction in earnings in FY20 the directors forecast a return to growth in 2021. Although the current economic climate provides some level of uncertainty with regard to future performance, the Group is successfully winning new business and growing its market share.

The Board has assessed the ability of the Company to repay its liabilities should a sale of the Group or its subsidiary undertakings take place within 12 months of signing these accounts, as this would trigger repayment clauses in the external debt facilities. The Board has concluded that such a sale would generate sufficient proceeds to repay the debt, and as such will have no impact on the ability of the Company to continue as a going concern.

External lenders have continued to show their support for the Group. During the year the group successfully renegotiated its banking covenants. As ten business purchase transactions have been concluded over the past 4 years, the group purposefully did not deleverage its debts in line with the original plan. This created a compliance risk that would not have existed if deleveraging had taken place. A reset of the banking covenants was therefore required to mitigate this risk. The forecast average headroom on the leverage covenant over the Going Concern review period is 25% and it will require EBITDAE underperformance of 15% for the covenants to be breached. The Directors do not deem this to be likely as the Group has a strong pipeline of new and recurring business to meet short-term and medium-term cash targets. The ultimate controlling party, Horizon Capital Partners LLP, has further agreed to fund certain acquisition related elements of the future cashflow requirements of the Group.

FINANCIAL RISK MANAGEMENT

Financial risk management is described in the Strategic Report on page 6.

DIRECTORS

The Directors of the Company during the year and to the date of signing this report are as listed below:

APM Rudzinski (resigned 14 September 2020)
DJ Smith
S Perkins (appointed 14 September 2020)

DIRECTORS' INDEMNITY

In accordance with the Articles of Association and to the extent permitted by the laws of England and Wales, the Directors are granted an indemnity from all companies within the Group in respect of liabilities incurred as a result of their office. In respect of those matters for which the Directors may not be indemnified, the Company maintained a Directors' and officers' liability third party insurance policy throughout the financial year and up to date of the approval of these financial statements. Neither the indemnity nor the insurance provides cover in the event that a Director is proven to have acted dishonestly or fraudulently. No claim was made under this provision during the year or prior year.

EMPLOYMENT POLICIES

The Bellrock Group's employment policies embody the principles of equal opportunity and are designed to meet the needs of the business. The Group is committed to engaging with its employees through communication, regular appraisals, the setting of personal objectives and the agreement of personal development plans. Steps are taken to give all employees an understanding of developments and the financial position of the Company.

The Group is committed to providing adequate training for employees at all levels and is constantly reviewing and improving its procedures.

Suitable procedures are in operation to support the Group's policy that disabled persons, whether registered or not, shall be considered for employment and subsequent training, career development and promotion on the basis of their aptitudes and abilities. Where members of staff become disabled every effort is made to make reasonable adjustments and ensure they are retrained according to their abilities.

HEALTH AND SAFETY

The Board is aware of its responsibilities on all matters relating to health and safety of employees, customers, visitors to Group premises and others affected by the Group's activities. The Director of HSEQ advises Directors and senior executives on all relevant issues relating to compliance with health and safety legislation. The Group has clearly defined health and safety policies that follow current best practices and meet or exceed legal requirements. In particular, these policies clearly define the Group's aspirations for health and safety affairs, including protecting the health and well-being of its employees, and ensuring that the responsibilities of all categories of employees within the Group are made clear to those concerned. Health and safety matters are an agenda item at Board meetings.

The policy is brought to the attention of all employees and copies of policy documents are available upon request to all interested parties.

A clearly defined system is in place to identify, assess and control any significant risks faced by both employees and others. This is reviewed regularly by the Group's Director of HSEQ.

HEALTH AND SAFETY (continued)

The Group has adopted a computer-based health and safety management system, which produces a quantified measure of line management control of health and safety. This system provides the basis for setting health and safety targets and driving a process of continuous improvement.

The Group has arrangements in place to consult employees regarding health and safety matters. There are regular meetings of regional and site-based committees that are comprised of employee representatives and health and safety representatives where appropriate.

POST BALANCE SHEET EVENTS

On 30 January 2020, the World Health Organisation (WHO) announced the Coronavirus outbreak as a global health emergency. On 11 March 2020, it announced that Coronavirus was a global pandemic. This has resulted various forms of lockdown since that date, including a third national lockdown effective from 5 January 2021. The Directors have considered the potential impact of COVID-19 and have assessed this to be an event that does not require an adjustment to these accounts.

On 3 March 2021, Bell Rock Workplace Management Limited acquired 100% of the share capital of B38 Group (Holdings) Topco Limited (registered number 12813533) and the subsidiaries held within for a total consideration of £6.3m.

STREAMLINED ENERGY AND CARBON REPORTING

Quantification and reporting methodology

We have followed the 2019 HM Government Environmental Reporting Guidelines in compiling this report. We have also used the GHG Reporting Protocol – Corporate Standard and have used the 2020 UK Government's Conversion Factors for Company Reporting. Where invoices for gas and electricity were not available (such as at offices under service charge), the data from a comparable Bellrock office was used (sites where data was complete). This data was apportioned on a ratio of the office square meterage. Mileage numbers were compiled using company expenses reports and odometer readings from Bellrock's fleet management company.

STREAMLINED ENERGY AND CARBON REPORTING (continued)

The following table represents the energy consumption by the Bellrock Group in the year to 31 December 2020:

UK Greenhouse gas emissions and energy use data	**31 December 2020**
Energy consumption used to calculate emissions (kWh):	**258,925 kWh**
Energy consumption breakdown (kWh): • gas • electricity	 **103,119 kWh** **155,806 kWh**
Scope 1 emissions in metric tonnes CO2e Gas consumption	 **19.0 t/CO2e**
Scope 2 emissions in metric tonnes CO2e Purchased electricity	 **36.3 t/CO2e**
Scope 3 emissions in metric tonnes CO2e Business travel in employee owned vehicles	 **2,214.4 t/CO2e**
Total gross emissions in metric tonnes CO2e	**2,269.7 t/CO2e**
Intensity ratio; Tonnes CO2e (Annual GHG Emissions in t/CO2e per total sq m.) • gas • electricity	 **0.06** **0.04**

All energy consumption by the Bellrock Group took place in the United Kingdom.

Intensity measurement

The chosen intensity measurement ratio is total gross emissions in metric tonnes CO2e per square metre.

Measures taken to improve energy efficiency

During this year the COVID-19 pandemic has had a significant impact on energy use for the Company. Use of IT equipment for communications and the reduction of transport & travel to and from offices for physical meetings has dramatically reduced company mileage. Rationalisation of office usage as a result of making better use of technology will enable the Group to reduce its energy usage throughout the coming year, as more flexible methods of working are adopted.

The Group head office is in the process of being reduced from two floors to one as more colleagues continue to work from home thereby reducing the need for extensive floor space. This in turn will help reduce the carbon footprint of the Group as less space will require lighting and heating. As the Group moves towards a hot-desking approach, employees will only need to travel to the office a limited number of times per month, adding to the reduction of total emissions.

The Group is currently developing a program of offering employees the use of electric vehicles as well as rolling out electric vehicles over the next two years to replace the current fossil fuel-based vehicles.

Bell Rock Workplace Management Limited
Directors' Report (continued)
For the year ended 31 December 2020

AUDITOR AND DISCLOSURE OF INFORMATION

In the case of each of the persons who are Directors of the Company at the date when this report is approved:

- so far as each of the Directors is aware, there is no relevant audit information (as defined in the Companies Act 2006) of which the Company's auditor is unaware; and
- each of the Directors has taken all the steps that they ought to have taken as a Director to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Deloitte LLP have expressed their willingness to continue in office as auditor and appropriate arrangements are being made for them to be reappointed as auditor in the absence of an Annual General Meeting.

Approved by the board and signed on its behalf by:

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DJ Smith
Director

13 May 2021

Bell Rock Workplace Management Limited
Directors' Report (continued)
For the year ended 31 December 2020

DIRECTORS' RESPONSIBILITIES STATEMENT

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 Group financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union and the parent company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 101 "Reduced Disclosure Framework". 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 that period.

In preparing the group financial statements, International Accounting Standard 1 requires that Directors:

- properly select and apply accounting policies;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements in IFRSs are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance; and
- make an assessment of the Company's ability to continue as a going concern.

In preparing the parent company 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; 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.

Bell Rock Workplace Management Limited
Independent Auditor's Report to the Members of Bell Rock Workplace Management Limited
For the year ended 31 December 2020

Independent auditor's report to the members of Bell Rock Workplace Management Limited

Report on the audit of the financial statements

Opinion
In our opinion:
- the financial statements of Bell Rock Workplace Management Limited (the 'parent company') and its subsidiaries (the 'group') give a true and fair view of the state of the group's and of the parent company's affairs as at 31 December 2020 and of the group's loss for the year then ended;
- the group financial statements have been properly prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006 and International Financial Reporting Standards (IFRSs) as adopted by the European Union.;
- the parent company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 101 "Reduced Disclosure Framework"; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:
- the consolidated statement of comprehensive income;
- the consolidated and parent company balance sheets;
- the consolidated and parent company statements of changes in equity;
- the consolidated cash flow statement; and
- the related notes 1 to 29.

The financial reporting framework that has been applied in the preparation of the group financial statements is applicable law, international accounting standards in conformity with the requirements of the Companies Act 2006 and IFRSs as adopted by the European Union. The financial reporting framework that has been applied in the preparation of the parent company financial statements is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion
We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the group and the parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (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 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.

Responsibilities of directors
As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

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.

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

Extent to which the audit was 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 considered the nature of the group's industry and its control environment and reviewed the group's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management about their own identification and assessment of the risks of irregularities.

We obtained an understanding of the legal and regulatory framework that the group operates in, and identified the key laws and regulations that:
- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included UK Companies Act, pensions legislation, tax legislation; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the group's ability to operate or to avoid a material penalty. These included Streamlined Energy and Carbon Reporting Regulation and General Data Protection Regulation.

We discussed among the audit engagement team regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.
In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management and external legal counsel concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance.

Report on other legal and regulatory requirements

Opinions on other matters prescribed by the Companies Act 2006
In our opinion, based on the work undertaken in the course of the audit:

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

In the light of the knowledge and understanding of the group and of the parent company and their environment obtained in the course of the audit, we have not identified any material misstatements in the strategic report or the directors' report.

Matters on which we are required to report by exception
Under the Companies Act 2006 we are required to report in respect of the following matters 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.

We have nothing to report in respect of these matters.

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.

Andrew Halls, FCA (Senior statutory auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
Birmingham, United Kingdom

13 May 2021

Bell Rock Workplace Management Limited
Consolidated Statement of Comprehensive Income
For the year ended 31 December 2020

Note		Year ended 31 December 2020 £000	Year ended 31 December 2019 £000
1	**REVENUE**	**132,021**	132,642
	Costs recharged to customers	**(17,461)**	(16,153)
3	Adjusted revenue	**114,560**	116,489
	Cost of sales	**(92,663)**	(90,116)
21	Other income	**1,991**	-
	GROSS PROFIT	**23,888**	26,373
	Administrative expenses	**(23,309)**	(25,870)
2	**OPERATING PROFIT**	**579**	503
3	**EARNINGS BEFORE INTEREST, TAXATION, DEPRECIATION, AMORTISATION AND EXCEPTIONAL OPERATING COSTS**	**12,594**	15,298
10	Amortisation of intangible assets	**(6,363)**	(6,937)
11, 12	Depreciation of tangible fixed assets	**(2,351)**	(2,076)
5	Exceptional operating costs	**(3,288)**	(5,782)
	OPERATING LOSS	**579**	503
6	Finance costs	**(3,079)**	(3,418)
6	Finance income	**-**	1
	LOSS BEFORE TAXATION	**(2,500)**	(2,914)
7	Taxation	**937**	(434)
	LOSS AND TOTAL COMPREHENSIVE EXPENSE FOR THE YEAR ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT	**(1,563)**	(3,348)

All results are derived from continuing operations.

The accounting policies and notes on pages 25 to 58 are an integral part of these financial statements.

Bell Rock Workplace Management Limited
Consolidated Statement of Changes in Equity
For the year ended 31 December 2020

Note		Share capital £000	Share premium £000	Retained earnings £000	Total Equity £000
23	Balance at 1 January 2019	-	25,000	(28,941)	(3,914)
	Loss and total comprehensive expense for the year	-	-	(3,348)	(3,348)
23	Balance at 31 December 2019	-	25,000	(32,289)	(7,289)
	Loss and total comprehensive expense for the year	-	-	**(1,563)**	**(1,563)**
23	**Balance at 31 December 2020**	-	**25,000**	**(33,852)**	**(8,852)**

Company Statement of Changes in Equity
For the year ended 31 December 2020

Note		Share capital £000	Share premium £000	Retained earnings £000	Total Equity £000
23	Balance at 1 January 2019	-	25,000	(8,780)	16,220
	Loss and total comprehensive expense for the year	-	-	(6,417)	(6,417)
23	Balance at 31 December 2019	-	25,000	(15,197)	9,803
	Profit and total comprehensive income for the year	-	-	**4,897**	**4,897**
23	**Balance at 31 December 2020**	-	**25,000**	**(10,300)**	**14,700**

Bell Rock Workplace Management Limited
Consolidated Balance Sheet
As at 31 December 2020
Company number: 02970406

Note		As at 31 December 2020	As at 31 December 2019
		£000	£000
	NON-CURRENT ASSETS		
9	Goodwill	36,452	36,452
10	Intangible assets	15,745	21,929
20	Deferred tax assets	876	932
11	Plant and equipment, leasehold improvements and vehicles	748	830
12	Right-of-use assets	2,663	3,310
	Other receivables	897	837
		57,381	64,290
	CURRENT ASSETS		
14	Work-in-progress	1,231	2,144
	Corporation tax	209	12
15	Trade and other receivables	28,918	22,507
	Cash and cash equivalents	16,979	9,834
		47,337	34,497
	TOTAL ASSETS	104,718	98,787
	CURRENT LIABILITIES		
16	Trade and other payables	(36,162)	(28,765)
17	Lease liabilities	(841)	(1,086)
	Deferred and contingent consideration	(32)	(905)
		(37,035)	(30,756)
	NET CURRENT ASSETS	10,302	3,741

Bell Rock Workplace Management Limited
Consolidated Balance Sheet (continued)
As at 31 December 2020
Company number: 02970406

Note		As at 31 December 2020	As at 31 December 2019
		£000	£000
	NON-CURRENT LIABILITIES		
18	Loan from group companies	(71,466)	(69,267)
17	Lease liabilities	(1,622)	(1,815)
20	Deferred tax liabilities	(1,995)	(3,075)
18	Other non-current liabilities	(1,452)	(1,163)
		(76,535)	(75,320)
	TOTAL LIABILITIES	113,570	106,076
	NET LIABILITIES	(8,852)	(7,289)
	EQUITY		
23	Called-up share capital	-	-
23	Share premium	25,000	25,000
	Retained earnings	(33,852)	(32,289)
	TOTAL EQUITY	(8,852)	(7,289)

The accounting policies and notes on pages 25 to 58 are an integral part of these financial statements.

The financial statements of the Company, registered number 02970406, on pages 19 to 58 were approved by the Board of Directors and signed on its behalf by:

....

DJ Smith
Director

13 May 2021

Bell Rock Workplace Management Limited
Company Balance Sheet
As at 31 December 2020
Company number: 02970406

Note		As at 31 December 2020 £000	As at 31 December 2019 (Restated) £000
	NON-CURRENT ASSETS		
13	Investments	72,983	72,983
15	Trade and other receivables	24,977	18,776
		97,960	91,759
	CURRENT LIABILITIES		
	Trade and other payables	-	(12)
	Deferred and contingent consideration	(32)	(2,388)
		(32)	(2,400)
	NET CURRENT LIABILITIES	(32)	(2,400)
	NON-CURRENT LIABILITIES		
18	Other non-current liabilities	(83,228)	(79,556)
		(83,228)	(79,556)
	NET ASSETS	14,700	9,803
	CAPITAL AND RESERVES ATTRIBUTABLE TO THE COMPANY'S OWNERS		
23	Called up share capital	-	-
23	Share premium	25,000	25,000
	Retained Loss	(10,300)	(15,197)
	TOTAL EQUITY	14,700	9,803

The Company's result for the financial year, was a profit of £4,897k (2019: loss of £6,417k) after tax. The Company has taken an exemption in terms of S408 of the Companies Act 2006 not to disclose the Company's Statement of Comprehensive Income.

The financial statements of the Company, registered number 02970406, were approved by the Board of Directors and signed on its behalf by:

....

DJ Smith
Director

13 May 2021

Bell Rock Workplace Management Limited
Consolidated Statement of Cash Flows
For the year ended 31 December 2020

Note		Year ended 31 December 2020 £000	Year ended 31 December 2019 £000
	CASH FLOWS FROM OPERATING ACTIVITIES		
	Loss before tax from continuing operations for the year	(2,500)	(2,914)
	Adjustments for:		
6	Finance costs	3,079	3,418
10 - 12	Depreciation and amortisation	8,747	8,821
	Profit on sale of plant and equipment, leasehold improvements and vehicles	1	(4)
	Operating cash flows before movements in working capital	9,327	9,321
14	Decrease / (increase) in work-in-progress	913	(1,182)
	(Increase) / decrease in trade and other receivables	(6,471)	278
	Increase / (decrease) in trade and other payables	6,813	(2,240)
	Cash generated by operations	10,582	6,177
	Income taxes paid	(284)	(267)
6	Interest received	-	1
	Interest paid	(3,111)	(3,290)
	Net cash flows generated by operating activities	7,187	2,621
	CASH FLOWS FROM INVESTING ACTIVITIES		
10 - 11	Purchase of plant and equipment, leasehold improvements, vehicles and software	(479)	(1,084)
	Proceeds from sale of plant and equipment, leasehold improvements and vehicles	8	41
9	Acquisition of subsidiaries, net of cash acquired	-	(6,759)
	Net cash used by investing activities	(471)	(7,802)
	CASH FLOWS FROM FINANCING ACTIVITIES		
	Repayment of lease liabilities	(1,802)	(1,990)
19	Loans received from group companies	2,199	1,183
6	Lease interest paid	32	(127)
	Net cash generated / (used in) by financing activities	429	(934)
	Cash and cash equivalents at start of year	9,834	15,949
	Net increase / (decrease) in cash in the year	7,145	(6,115)
	Cash and cash equivalents at end of year	16,979	9,834

Bell Rock Workplace Management Limited
Notes to the Financial Statements
For the year ended 31 December 2020

GENERAL INFORMATION

The Company is a private company limited by shares and is incorporated and domiciled in the UK and registered in England and Wales. The Company's registered number is 02970406. The address of its registered office is Peat House, 1 Waterloo Way, Leicester, England, LE1 6LP.

Bell Rock Workplace Management Limited and its subsidiary companies are referred to as "the Bellrock Group" or "the Group".

The Bellrock Group provides facilities management and property services to the public and private sectors.

BASIS OF PREPARATION

The principal accounting policies applied in the preparation of this financial report are set out below. These policies have been consistently applied to the information presented, unless otherwise stated.

The consolidated financial statements of Bell Rock Workplace Management Limited have been prepared in accordance with International Financial Reporting Standards (IFRS). They have also been prepared in accordance with the IFRSs as adopted by the EU, and the Companies Act 2006 applicable to companies reporting under IFRS.

The Company meets the definition of a qualifying entity under FRS 100 'Application of Financial Reporting Requirements' issued by the Financial Reporting Council and these financial statements have been prepared in accordance with FRS 101 'Reduced Disclosure Framework' for the year ended 31 December 2020.

As permitted by FRS 101, the Company has taken advantage of the disclosure exemptions available under that standard in relation to share-based payments, financial instruments, capital management, presentation of comparative information in respect of certain assets, presentation of a cash flow statement, standards not yet effective, impairment of assets and related party transactions.

The Group financial statements consolidate the financial statements of Bell Rock Workplace Management Limited and its subsidiary undertakings drawn up to 31 December 2020. The results for the subsidiary undertakings acquired are consolidated from the date on which control passed. The method under which acquisitions are accounted for is described in the Consolidation accounting policy below.

The financial statements have been prepared on a going concern basis under the historical cost convention unless otherwise specified within these accounting policies and in accordance with the International Financial Reporting Standards (IFRS) or Financial Reporting Standard 101 and the Companies Act 2006.

The functional currency of the Group and Company is considered to be British pound sterling (£) as that is the currency of the primary economic environment in which both the Group and the Company operates.

All cash inflows and outflows of the Company were transacted by other group companies and recorded by the Company as balances with group companies.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed below in the section entitled 'Critical accounting estimates and assumptions'.

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Comprehensive Income in these financial statements.

The following dormant subsidiary companies have elected to take exemption from preparing individual company financial statements under section 394A of the Companies Act 2006. These subsidiaries are exempt from the requirement to prepare individual accounts by virtue of this section:

Company	Company registered number
Fasset Holdings Limited	(No. 11483734)
Eco FM Limited	(No. 10573403)
Eco Integrated Property Solutions Limited	(No. 11068565)
Workplace Management (Westminster) Limited	(No. 03770853)
NIFES Consulting Group Limited	(No. 09597848)
Naples Group Limited	(No. 07216339)

CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

In the current year, the following standards are mandatory for the first time for the financial year beginning 1 January 2020:

Amendment to IFRS 4

For accounting periods starting from 1 January 2020, amendments to IFRS 4 Insurance Contracts were published. These changes resulted in no impact to the current or prior year figures of the Company.

Amendment to IFRS 9

For accounting periods starting from 1 January 2020, amendments to IFRS 9 Financial Instrument were published. These changes resulted in no impact to the current or prior year figures of the Company.

Amendment to IFRS 16

For accounting periods starting from 1 January 2020, amendments to IFRS 16 Leases were published. These changes resulted in no impact to the current or prior year figures of the Company.

Amendment to IAS 1

For accounting periods starting from 1 January 2020, amendments to IAS 1 Presentation of Financial Statements were published. These changes resulted in no impact to the current or prior year figures of the Company.

Amendment to IAS 8

For accounting periods starting from 1 January 2020, amendments to IAS 8 Accounting Policies, Changes in Accounting Estimates and Error were published. These changes resulted in no impact to the current or prior year figures of the Company.

Amendment to IAS 39

For accounting periods starting from 1 January 2020, amendments to IAS 39 Financial Instruments: Recognition and Measurement were published. These changes resulted in no impact to the current or prior year figures of the Company.

Future changes to standards

At the date of signing these financial statements, the following Standards and Interpretations, which have not been applied in these financial statements, were in issue but not yet effective (and in some cases had not been adopted by the European Union ("E.U.")).

CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (continued)

Amendments:
IAS 16 Property, Plant and Equipment (May 2020)
IAS 37 Provisions, Contingent Liabilities and Contingent Assets (May 2020)
IAS 41 Agriculture (May 2020)
IFRS 3 Business Combinations (May 2020)
IFRS 7 Financial Instruments: Disclosures (May 2017, November 2018, June 2020)

The Directors do not expect that the adoption of the Standards listed above will have a material impact on the financial statements of the Group in future periods.

CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, the Directors are required to make judgements (other than those involving estimations) that have a significant impact on the amounts recognised and to make estimates and assumptions about the carrying amounts 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 if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.
There are no critical judgements to be disclosed.

The Group's estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the future periods are discussed below:

Estimated impairment of goodwill
The Group tests at least annually whether there has been any impairment of goodwill, in accordance with the accounting policy. These calculations require an estimation of the future cash flows of the Group. The carrying value of Goodwill at the reporting date and prior period reporting date can be found in note 9 - Goodwill.

Management have projected cash flows based on approved financial budgets and forecasts until December 2022.

The sensitivity analysis used in assessing carrying value of Goodwill is a key estimation uncertainty based on Management's estimation of future operating cashflows of the Group, which is subject to Management judgement and knowledge of the business. Further detail can be found in note 9 – Goodwill.

Other intangible assets
Other intangible assets comprise brands and customer contracts and relationships. The cost of the intangible asset is derived based upon management's assertions of projected cash flows at the date of acquisition. These calculations require the use of estimates regarding expected future cash flows to be derived from the asset, the useful economic life and the discount rate.

Management have projected cash flows based on approved financial budgets and forecasts until 2022.

The Company has no critical accounting judgements and no other estimates or assumptions that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the future periods.

GOING CONCERN

After making due enquiries, the Board has a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future.

In reaching this conclusion the Board has considered the financial position of the Group and its funding facilities. The Board has also undertaken a review of the Group's forecasts and associated risks and sensitivities. The Board recognises the uncertain economic outlook for the UK economy and the particular circumstances relevant to the Group.

The Group made a profit before exceptional items, interest, tax, depreciation and amortisation in 2020 and whilst the impact of Covid-19 saw a reduction in earnings in FY20 the directors forecast a return to growth in 2021. Although the current economic climate provides some level of uncertainty with regard to future performance, the Group is successfully winning new business and growing its market share.

The Board has assessed the ability of the Company to repay its liabilities should a sale of the Group or its subsidiary undertakings take place within 12 months of signing these accounts, as this would trigger repayment clauses in the external debt facilities. The Board has concluded that such a sale would generate sufficient proceeds to repay the debt, and as such will have no impact on the ability of the Company to continue as a going concern.

External lenders have continued to show their support for the Group. During the year the group successfully renegotiated its banking covenants. As ten business purchase transactions have been concluded over the past 4 years, the group purposefully did not deleverage its debts in line with the original plan. This created a compliance risk that would not have existed if deleveraging had taken place. A reset of the banking covenants was therefore required to mitigate this risk. The forecast average headroom on the leverage covenant over the Going Concern review period is 25% and it will require EBITDAE underperformance of 15% for the covenants to be breached. The Directors do not deem this to be likely as the Group has a strong pipeline of new and recurring business to meet short-term and medium-term cash targets. The ultimate controlling party, Horizon Capital Partners LLP, has further agreed to fund certain acquisition related elements of the future cashflow requirements of the Group.

FORWARD LOOKING STATEMENTS

The terms 'expect', 'should be', 'will be', 'is likely to' and similar expressions identify forward looking statements.

Although the Board believes that the expectations reflected in these forward-looking statements are reasonable, such statements are subject to a number of risks and uncertainties and actual results and events could differ materially from those currently expressed or implied in such forward looking statements.

Factors which may cause future outcomes to differ from those foreseen in forward looking statements include but are not limited to: general economic conditions and business conditions in the Group's markets; exchange and interest rate fluctuations; customers' and clients' acceptance of its products and services; the actions of competitors; and legislative, fiscal and regulatory developments.

CONSOLIDATION

The financial statements consolidate the results of Bell Rock Workplace Management Limited (the "Company") and its subsidiary undertakings. Entities over which the Group has the ability to exercise control are accounted for as subsidiaries. Control is achieved where the Company has the power to direct the relevant activities of an investee entity and obtain variable returns from its activities. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity. The results of subsidiaries acquired or disposed of during the year are included in the Consolidated Statement of Comprehensive Income from the effective date of acquisition or up to the effective date of disposal, as appropriate.

CONSOLIDATION (continued)

The accounting years of subsidiary undertakings are coterminous with those of the Company. Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Subsidiaries' accounting policies are changed where necessary to ensure consistency with the policies adopted by the Group.

The acquisition method of accounting is used to account for the acquisition of subsidiaries by the Group. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued, and liabilities incurred or assumed at the date of exchange. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair value at the acquisition date, irrespective of the extent of any minority interest. The excess of the cost of acquisition over the fair value of the Group's share of the identifiable tangible and intangible net assets acquired is recorded as goodwill. If the cost of acquisition is less than the fair value of the Group's share of the net assets of the subsidiary acquired, the difference is recognised directly in the Consolidated Statement of Comprehensive Income. Costs directly attributable to the cost of the acquisition are expensed to the Consolidated Statement of Comprehensive Income.

REVENUE RECOGNITION

Revenue is measured in accordance with relevant accounting standards. For all contracts within the scope of IFRS 15, the Group determines whether enforceable rights and obligations have been created with the customer and recognises revenue based on the total transaction price as estimated at the contract inception, being the amount which the Group expects to be entitled and has present enforceable rights under the contract. Revenue is allocated proportionally across the contract performance obligations and recognised either over time or at a point in time as appropriate.

Long-term complex contracts
The Group has a number of long-term complex contracts which are predominantly integrated facilities management arrangements. Typically, these contracts involve the provision of multiple service lines, with a single management team providing an integrated service. Such contracts tend to be transformational in nature where the business works with the client to identify and implement cost saving initiatives across the life of the contract. The Group considers the majority of services provided within integrated facilities management contracts meet the definition of a series of distinct goods and services that are substantially the same and have the same pattern of transfer over time. The series constitutes services provided in distinct time increments (e.g. monthly or quarterly) and therefore the Group treats the series of such services as one performance obligation. The Group also delivers major project-based services under long-term complex contracts that include performance obligations under which revenue is recognised over time as value from the service is transferred to the customer. This may be where the Group has a legally enforceable right to remuneration for the work completed to date, or at milestone periods, and therefore revenue will be recognised in line with the associated transfer of control or milestone dates.

Repeat service-based contracts (single and bundled contracts)
The Group operates a number of single or joint-service line arrangements where repeat services meet the definition of a series of distinct services that are substantially the same (e.g. the provision of cleaning, security, catering, waste, and landscaping services). They have the same pattern of transfer of value to the customer as the series constitutes core services provided in distinct time increments (e.g. monthly or quarterly). The Group therefore treats the series of such services as one performance obligation delivered over time.

Short-term service-based arrangements
The Group delivers a range of other short-term service-based performance obligations and professional services work across certain reporting segments for which revenue is recognised at the point in time when control of the service has transferred to the customer. This may be at the point when the customer obtains control of the service in a contract with customer-specified acceptance criteria e.g. the delivery of a strategic operating model or report.

Sale of goods and software licences
Sales of goods are recognised when goods are delivered, and control has passed to the customer. Revenue from sale of software licences is recognised over time based on the period over which it grants customers right of access to the Concerto platform.

REVENUE RECOGNITION (continued)

Other revenue
Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount.

GOVERNMENT GRANTS

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received.

All amounts received under the Coronavirus Job Retention Scheme were recognised in the period to which they relate. These amounts have been recognised within Other Income in the Consolidated Statement of Comprehensive Income and have been shown separately due to being material in value.

CONTRACT ASSETS

Pre-contract costs
The Group incurs pre-contract expenses (e.g. legal costs) when it is expected to enter into a new contract. The incremental costs to obtain a contract with a customer are recognised within contract assets if it is expected that those costs will be recoverable. Costs to obtain a contract that would have been incurred regardless of whether the contract was obtained are recognised as an expense in the period.

Contract fulfilment costs
Costs incurred to ensure that the project or programme has appropriate organisational, operational and technical infrastructures, and mechanisms in place to enable the delivery of full services under the contract target operating model, are defined as contract fulfilment costs. Only costs which meet all three of the criteria below are included within contract assets on the Balance Sheet:

I. the costs directly relate to the contract (e.g. direct labour, materials, sub-contractors);
II. the Group is building an asset that belongs to the customer that will subsequently be used to deliver contract outcomes; and
III. the costs are expected to be recoverable i.e. the contract is expected to be profitable after amortising the capitalised costs. Contract fulfilment costs covered within the scope of another accounting standard, such as inventories, intangible assets, or property, plant and equipment are not capitalised as contract fulfilment assets but are treated according to the other standard.

Amortisation and impairment of contract assets
The Group amortises contract assets (pre-contract costs and contract fulfilment costs) on a systematic basis that is consistent with the entity's transfer of the related goods or services to the customer. The expense is recognised in profit or loss in the period. A capitalised pre-contract cost or contract fulfilment cost is derecognised either when it is disposed of or when no further economic benefits are expected to flow from its use or disposal. The Group is required to determine the recoverability of contract related assets at each reporting date. An impairment exists if the carrying amount of any asset exceeds the amount of consideration the entity expects to receive in exchange for providing the associated goods and services, less the remaining costs that relate directly to providing those goods and services under the relevant contract. In determining the estimated amount of consideration, the Group uses the same principles as it does to determine the contract transaction price which includes estimates around variable consideration. An impairment is recognised immediately where such losses are forecast.

EXCEPTIONAL ITEMS

Items that are deemed to be either material in size, non-operating, non-recurring in nature or are incurred solely as a result of the Group's ownership structure are presented as exceptional items in the Consolidated Statement of Comprehensive Income. The Directors are of the opinion that the separate reporting of exceptional items provides a better understanding of the underlying performance of the Group. Events which may give rise to the classification of items as exceptional include restructuring of businesses and expenses incurred in relation to business acquisitions.

TAXATION

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

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the Consolidated Statement of Comprehensive Income 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 Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and associates, and interests in joint ventures, except where the Company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each balance sheet 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 year when the liability is settled or the asset is realised. Deferred tax is charged or credited in the Consolidated Statement of Comprehensive Income, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

When the amount the can be deducted for tax for an asset (other than goodwill) that is recognised in a business combination is less (more) than the value at which it is recognised, a deferred tax liability (asset) is recognised for the additional tax that will be paid (avoided) in respect of that difference. Similarly, a deferred tax asset (liability) is recognised for the additional tax that will be avoided (paid) because of a difference between the value at which a liability is recognised and the amount that will be assessed for tax.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis. Deferred tax is not discounted.

DIVIDEND DISTRIBUTION

Under IAS 10 (Events after the balance sheet date) dividends to holders of equity instruments declared after the balance sheet date are not recognised as a liability as at the balance sheet date. Dividend distribution to the Company's shareholders is recognised in the financial statements in the year in which the dividends are approved by the Company's shareholders. Interim dividends are recognised when paid.

INTANGIBLE ASSETS

Goodwill
Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the net identifiable assets and liabilities at the date of acquisition. Goodwill on acquisitions is included in non-current assets. Goodwill is tested at least annually for impairment and carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

INTANGIBLE ASSETS (continued)

Capitalised software
Acquired computer software licences are capitalised on the basis of the costs incurred to acquire and bring to use the specific software and are included on the Balance Sheet within intangible assets. Costs are amortised, once commissioned, over their estimated useful lives (4 years) on a straight-line basis.

Costs associated with the general development and maintenance of computer software programs are recognised as an expense as incurred. Costs that are directly associated with the production of identifiable and unique software products controlled by the Group, and that will probably generate economic benefits exceeding costs beyond one year, are recognised as intangible assets. Direct costs include the costs of employees involved in software development and an appropriate portion of relevant overheads.

Computer software development costs recognised as assets are amortised over their estimated useful lives (5 years). Amortisation of computer software is charged to Administrative expenses in the Consolidated Statement of Comprehensive Income.

Separately identified intangible assets
Separately identified intangible assets comprise customer contracts and relationships recognised at cost. They are acquired on business combinations or by individual acquisition. Other intangible assets have a finite useful life and are carried at cost less accumulated amortisation. Amortisation of other intangible assets is calculated using the straight-line method to allocate the cost of the assets over their estimated useful lives (4 - 35 years). Amortisation of capitalised software is included within administrative expenses in the Consolidated Statement of Comprehensive Income in determining operating profit. Amortisation of other intangible assets is shown separately on the face of the Consolidated Statement of Comprehensive Income.

IMPAIRMENT OF NON-FINANCIAL ASSETS

Assets that have an indefinite useful life, for example goodwill, are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value-in-use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows. Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

PROPERTY, PLANT AND EQUIPMENT

Tangible fixed assets are stated at cost less depreciation and impairment, which is calculated to write off these assets, by equal annual instalments, over their estimated useful lives. Cost includes expenditure directly attributable to the acquisition of the assets. The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

The estimated useful economic lives by asset category are as follows:

Plant and equipment	Three to ten years
Vehicles	Four years
Leasehold improvements	Lower of remaining lease period or their respective useful economic life
ROU plant, equipment and vehicles	Lower of remaining lease period or their respective useful economic life
ROU leasehold improvement	Lower of remaining lease period or their respective useful economic life

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance costs are charged to the Consolidated Statement of Comprehensive Income during the financial year in which they are incurred.

Gains and losses on disposals are determined by comparing the net proceeds with the carrying amount and are recognised within the Consolidated Statement of Comprehensive Income.

INVESTMENTS

Investments in subsidiaries are recorded at cost, which is the fair value of the consideration paid. Investments are tested at least annually for impairment and carried at cost less accumulated impairment losses. Where an impairment is identified, it is charged to the Consolidated Statement of Comprehensive Income within intangibles amortisation and impairment. Investments that suffer an impairment are reviewed for possible reversal of the impairment at each future reporting date.

WORK-IN-PROGRESS

Work-in-progress includes outlays incurred on behalf of clients, including service costs, and other third-party costs that have not yet and cannot yet be billed and are considered receivables under IFRS 15 Revenue from Contracts with Customers.

FINANCIAL INSTRUMENTS

Financial assets and liabilities are recognised when the Company becomes a party to the contractual provisions of the relevant instrument and derecognised when it ceases to be a party to such provisions, when the instrument expires or when it is cancelled. Financial instruments are classified as cash and cash equivalents, trade and group receivables, trade payables, and other payables (excluding taxes). Non-derivative financial assets are categorised as "loans and receivables" and non-derivative financial liabilities are categorised as "other financial liabilities".

Other financial liabilities
Other financial liabilities, as categorised above, are initially measured at fair value, net of transaction costs. Other financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

Trade receivables
Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less loss allowance. See note 15 for further information about the Group's accounting for trade receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default in payments are considered indicators that the asset has incurred an expected credit loss. Changes in the carrying amount of the receivable are recognised in the Consolidated Statement of Comprehensive Income.

Cash and cash equivalents
For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

Lifecycle funds are cash balances held to fund certain contractual obligations within a number of the subsidiaries. This cash is not available for general use by the Group and can only be used to fund the specific costs to which it relates.

EMPLOYEE BENEFITS

Defined contribution pension scheme
The Group operates a defined contribution scheme (The Bellrock Group Pension plan) on behalf of eligible employees of the Group. The Group pays contributions to publicly or privately administered pension insurance plans on a mandatory, contractual or voluntary basis. The Group has no further payment obligations once the contributions have been paid. The contributions are recognised as an employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

Defined benefit pension scheme
Defined benefit scheme surpluses and deficits are measured at:

- the fair value of plan assets at the reporting date; less
- plan liabilities calculated using the projected unit credit method discounted to its present value using yields available on high quality corporate bonds that have maturity dates approximating to the terms of the liabilities; plus
- unrecognised past service costs; less
- the effect of minimum funding requirements agreed with scheme trustees.

Remeasurements of the net defined obligation are recognised directly within equity. The remeasurements include:

- actuarial gains and losses;
- return on plan assets (interest exclusive); and
- any asset ceiling effects (interest exclusive).

Service costs are recognised in profit or loss and include current and past service costs as well as gains and losses on curtailments. Settlements of defined benefit schemes are recognised in the period in which the settlement occurs.

Bonus Plans
The Group recognises a liability for bonuses paid on the profit attributable to the Group as appropriate and other pre-determined performance criteria. The Group recognises a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

Termination Benefits
Termination benefits are payable when employment is terminated before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits when it is demonstrably committed to the termination of the employment of current employees according to a detailed formal plan without possibility of withdrawal.

CAPITAL RISK MANAGEMENT

The Group adopts normal capital risk management actions to manage working capital. These include ensuring that there are appropriate terms of trade with both clients and suppliers and there are suitable accounts receivable and accounts payable processes in place together with cash forecasts.

CONTINGENT CONSIDERATION

Contingent consideration payable on the acquisition of the trading subsidiaries is discounted to their present value unless there is uncertainty as to when it will fall due. Based on forecast trading information, and the tax position of the Group, the contingent consideration is included within non-current liabilities.

SHARE CAPITAL

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

SHARE PREMIUM

Amounts in excess of the nominal value of share capital paid to the Company for the purchase of shares are classed as share premium within equity in the financial statements.

PREFERRED SHARES

Preferred shares are treated as equity on the basis that no fixed rate of dividend is payable. Distributions accrued on the preferred shares and any capital amount shall only become payable at the absolute discretion of the Board or by shareholders' resolution.

LEASES

The Group as a lessee
The Group assesses whether a contract is or contains a lease, at inception of a contract. The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease agreements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise:
- fixed lease payments (including in-substance fixed payments), less any lease incentives;

The lease liability is included in 'Creditors' on the Balance Sheet.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Group did not make any such adjustments during the periods presented.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The right-of-use assets are included in the 'Intangible Assets' and 'Tangible Fixed Assets' lines, as applicable, in the Balance Sheet. The Group applies IAS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described. As a practical expedient, IFRS 16 permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease components as a single arrangement. The Company has used this practical expedient.

1 REVENUE

An analysis of the Group's revenue is as follows:

	Year ended 31 December 2020 £000	Year ended 31 December 2019 £000
Property and facilities management services	128,920	130,150
Provision of software services	3,101	2,492
	132,021	132,642

Disaggregated revenue

The Group disaggregates revenue from contracts with customers by service type. The Group believes this best depicts how the nature, timing and amount of revenue and cash flows are affected by economic factors. The following table includes a reconciliation of disaggregated revenue with the Group's reportable segments:

	Year ended 31 December 2020 £000	Year ended 31 December 2019 £000
Workplace and Compliance Services	100,396	99,695
Technical and Real Estate	22,511	20,995
Mechanical and Electrical	33,487	28,846
	156,394	149,536
Less: Intercompany trading	(24,373)	(16,894)
	132,021	132,642

2 OPERATING PROFIT

	Year ended 31 December 2020 £000	Year ended 31 December 2019 £000
Operating loss is stated after charging/(crediting):		
Depreciation of tangible fixed assets		
- plant and equipment, leasehold improvements and vehicles	374	496
- right-of-use assets	2,010	1,580
Loss on sale of tangible fixed assets		
- plant and equipment, leasehold improvements and vehicles	(1)	(4)
Amortisation of intangible assets		
- capitalised software	376	630
- customer relationships	5,987	6,307
Low value lease payments		
- plant and equipment, leasehold improvements and vehicles	31	90

2 OPERATING PROFIT (continued)

	Year ended 31 December 2020 £000	Year ended 31 December 2019 £000
Auditor's remuneration		
Fees payable for the audit of the parent company and consolidated financial statements	**28**	27
Fees payable to the Company's auditor for other services:		
- Audit of the Company's subsidiaries, pursuant to legislation	**175**	169
- Other services	**100**	73

Other services relate mostly to tax compliance fees.

3 ALTERNATIVE PERFORMANCE MEASURES

The Group presents various Alternative Performance Measures (APMs) as the Directors believe that these are useful for users of the financial statements in helping to provide a balanced view of, and relevant information on, the Group's financial performance.

Adjusted revenue is an APM that is a more appropriate metric to use for margin analysis as it excludes revenue on which no margin is earned. The reconciliation from revenue to adjusted revenue can be seen in the Consolidated Statement of Comprehensive Income on page 19.

Earnings before interest, taxation, depreciation, amortisation and exceptional operating costs (EBITDAE) – is a more appropriate metric to assess the operating performance of the Group as it excludes non-cash movements for depreciation and amortisation and excludes exceptional items, which are non-recurring by their nature. The reconciliation from the EBITDAE to the operating loss can also be seen in the Consolidated Statement of Comprehensive Income on page 19.

4 EMPLOYEES

Employee benefit expense	Year ended 31 December 2020 £000	Year ended 31 December 2019 £000
Staff costs during the year were as follows:		
Wages and salaries	30,124	32,534
Social security costs	3,016	3,252
Defined contribution pension costs (note 22)	1,007	1,085
Redundancy (included within exceptional items)	409	169
Total	34,556	37,040

The Company had no employees during the year.

The average monthly number of persons (including Directors) employed by the Group during the year was:

	Year ended 31 December 2020 No.	Year ended 31 December 2019 No.
Management	36	38
Sales	21	12
Production	916	964
Finance	59	46
IT	25	25
Total	1,056	1,085

KEY MANAGEMENT PERSONNEL

Members of the Board of Directors are the key management personnel and their aggregate emoluments are as follows:

	Year ended 31 December 2020 £000	Year ended 31 December 2019 £000
Short-term employment benefits	798	958
Post-employment benefits	16	20
	814	978

2 Directors (2019: 2) were members of the defined contribution money purchase scheme.

Highest Paid Director

	Year ended 31 December 2020 £000	Year ended 31 December 2019 £000
Wages and salaries (excluding employers' pension contributions but including bonuses earned and benefits in kind)	229	303
Pension costs – defined contribution plans	-	3
	229	306

5 EXCEPTIONAL OPERATING EXPENSES

GROUP

	Year ended 31 December 2020 £000	Year ended 31 December 2019 £000
Reorganisation costs	685	2,495
Transaction related expenditure	1,551	1,329
Deferred consideration payroll costs	1,032	1,958
	3,268	5,782

The reorganisation costs relate to costs of departing people following a restructuring of the business as a result of changes in the Board and the acquisitions made in the prior year.

Transaction related expenditure are those costs directly attributable to the acquisitions made by the Group and the potential sale of the Group.

The deferred consideration payroll costs represent amounts due in the year as a result of acquisitions, where a deferred payment or earn out is payable.

6 FINANCE COSTS

	Year ended 31 December 2020 £000	Year ended 31 December 2019 £000
Interest payable on inter-company balances	2,972	3,065
Interest payable on bank borrowings	139	226
Lease finance costs	(32)	127
Total finance costs	3,079	3,418
Interest receivable	-	(1)
Net finance costs	3,079	3,417

7 TAXATION

	Year ended 31 December 2020 £000	Year ended 31 December 2019 £000
Current tax charge/(credit)		
UK Corporation tax charge / (credit) for the year at 19% (2019: 19%)	97	(801)
	97	(801)
Deferred tax (credit)/charge		
Deferred tax (credit) / charge for the year (note 20)	(1,034)	367
Total credit for taxation included in the Statement of Comprehensive Income	(937)	(434)

At the balance sheet date, the Group has unused tax losses of £470k (2019: £494k) available for offset against future profits. No deferred tax asset has been recognised in respect of such losses as it is not considered probable that there will be future taxable profits available.

The tax for the year is lower (2019: higher) than the standard rate of corporation tax in the UK. The differences are explained below:

	Year ended 31 December 2020 £000	Year ended 31 December 2019 £000
Loss before taxation from continuing operations per the Consolidated Statement of Comprehensive Income	(2,500)	(2,914)
Loss before taxation multiplied by average standard rate of corporation tax in the UK of 19.00% (2019: 19.00%)	(475)	(553)
Tax effect of expenses not deductible for tax	(123)	1,061
Changes in unrecognised deferred tax assets	-	(173)
Adjustment in respect of prior years	(112)	(386)
Utilisation of brought forward tax losses	(423)	-
Group relief utilised	-	(755)
Deferred consideration payroll costs not deductible	196	372
Total tax credit for the year	(937)	(434)

The income tax credit for the year is based on the effective United Kingdom statutory rate of Corporation Tax for the year of 19% (2019 - 19%). On 3 March 2021 the UK government announced an intention to increase the UK corporation tax rate to 25% with effect from 1 April 2023. If enacted this will impact the value of our UK deferred tax balances, and the tax charged on UK profits generated in 2023 and subsequently. We have yet to determine the impact of these proposed changes.

8 DIVIDENDS

The Directors do not recommend the payment of a dividend for the year ended 31 December 2020 (2019: £nil).

9 GOODWILL

Group	2020 £000	2019 £000
Cost		
Cost brought forward	**36,452**	36,452
Acquisitions	**-**	-
Closing cost & carrying amount	**36,452**	36,452

In accordance with International Financial Reporting Standards, Goodwill is not amortised, but instead is tested at least annually for impairment and carried at cost less accumulated impairment losses.

Goodwill is allocated to Cash Generating Units (CGU). The recoverable amount of a CGU is determined based on value-in-use calculations. These calculations use pre-tax cash flow projections based on financial budgets that are approved by the Board, excluding cash flows used in valuing the other intangible assets. Income and costs within the budget are derived on a detailed, 'bottom up' basis – all income streams and cost lines are considered and appropriate growth, or decline, rates are assumed for each, all of which are then reviewed and challenged, firstly by senior management and ultimately by the Board. Income and cost growth forecasts are discounted to reflect the specific risks facing each CGU and take account of the markets in which they operate. Cash flows beyond the budgeted year are extrapolated using the estimated growth rate stated below. Anticipated cash flows beyond 10 years have been ignored. The growth rate does not exceed the long-term average growth rate for the markets in which each CGU operates. Further, it is assumed that there are no material adverse changes in legislation that would affect the forecast cash flows.

The carrying amount of Goodwill is split by CGU's as follows:

	2020 £000	2019 £000
The Naples Group	**5,799**	5,799
FME Properties Solutions Limited	**5,732**	5,732
Bellrock Maintenance and Engineering Services Limited (formerly Planned Engineering Services Limited)	**1,212**	1,212
Bellrock and other acquisitions	**23,709**	23,709
Carrying amount	**36,452**	36,452

The Other category in the table above is the combined carrying value of Goodwill recognised on acquisitions of Bell Rock Workplace Management Limited, Concerto Support Services Limited, Stanley Hicks Limited and Property Solutions Limited in previous periods. The individual carrying value of Goodwill for each of these CGU's is not individually material and have been aggregated for the purpose of this disclosure.

The key assumption used in the impairment test for goodwill, when utilised in the performance of the value-in-use calculations is:

- Growth rate: 2.0% per annum

The discount rate used in the recoverable amount calculation is 11.99% (2019: 11.84%). The discount rate used is pre-tax and reflects specific risks relating to each CGU and is based upon the weighted average cost of capital reflecting the specific principal risks and uncertainties applicable to each CGU.

9 GOODWILL (continued)

The discount rate considers, amongst other things, the risk-free rate of return, the cost of equity, the market risk premium (which is used in deriving the cost of equity) and the cost of debt. The same discount rate has been used for each CGU as the principal risks and uncertainties associated with the Company, as highlighted on page 4 of this report as being those risks with the highest likelihood or impact, would also impact each CGU in a similar manner.

The Board acknowledge that there are additional factors that could impact the risk profile of each CGU given the difference in operations, customer base and trading performance over recent years. These additional factors were considered by way of a sensitivity analysis performed on each CGU as part of the annual impairment tests. The impairment tests and sensitivities evaluated, which even when aggregated did not indicate there was any impairment were:

- reduce budgeted cash flows to the year 1 level; and
- delay new business recognised in the budget by 12 months, adjusting by the growth rate thereafter.

Having completed the 2020 annual impairment review, the Company has recognised no impairment (2019: £nil). The level of impairment recognised is predominantly dependent upon judgements used in arriving at future growth rates and the discount rate applied to cash flow projections. Key drivers to future growth rates are dependent on the Company's ability to maintain and grow income streams whilst effectively managing operating costs. The level of headroom may change if different growth rate assumptions or a different pre-tax discount rate were used in the cash flow projections.

Where the value-in-use calculations suggest an impairment, the Board would consider alternative use values prior to realising any impairment. Alternative use values may include, inter alia, net proceeds from an outright sale.

The recoverable amounts of cash-generating units have been determined based on value-in-use calculations and the recoverable value in aggregate exceeds the carrying value by £102.80m (2019: £53.05m).

9 GOODWILL (continued)

2019

Acquisitions (2019)

On 30 April 2019 the Group acquired Fasset Holdings Limited and as a result of this acquisition, acquired Fasset Limited, a national facilities management business.

Total acquisition costs incurred relating to the acquisition of Fasset Holdings Limited amounted to £0.13m, of which £0.13m was recognised as an expense within Exceptional Costs.

The amounts recognised, which are provisional fair values in respect of the identifiable assets acquired and liabilities assumed, are as set out below:

	Fasset Holdings Ltd Fair value to group £000
Fixed assets	84
Identifiable intangible assets – customer relationships	2,709
Current assets	3,355
Current liabilities	(2,443)
Long-term liabilities	(193)
Total identifiable assets	3,512
Goodwill	-
Total consideration	**3,512**
Satisfied by:	
Cash	3,337
Deferred consideration	175
Total consideration transferred	**3,512**
Deferred consideration/earn out payments paid as remuneration	**243**
Net cash outflow arising on acquisition:	
Cash consideration	3,337
Less: Cash and cash equivalent balances acquired	(1,462)
	1,875

Deferred and contingent considerations are payments due within 12 months of the balance sheet date based on certain business performance and revenue targets.

9 GOODWILL (continued)

Acquisition - revenue and profit contribution

The acquired business contributed the following revenues and profit before tax to the Group for the period from acquisition to 31 December 2019:

	Fasset Ltd £000	Total £000
Revenue	10,626	10,626
Profit after tax	618	618

If the acquisition had occurred on 1 January 2019, pro-forma revenue and profit contributed by this entity for the year ended 31 December 2019 would have been:

	Fasset Ltd £000	Total £000
Revenue	15,830	15,830
Profit after tax	920	920

10 INTANGIBLE ASSETS

Group	Capitalised software £000	Customer relationships £000	Total £000
Cost			
At 1 January 2019	3,818	32,194	36,012
Additions	504	-	504
Additions – Business Combinations	-	2,709	2,709
Disposals	(14)	-	(14)
At 31 December 2019	4,308	34,903	39,211
Additions	179	-	179
At 31 December 2020	**4,487**	**34,903**	**39,390**
Accumulated amortisation			
At 1 January 2019	2,904	7,441	10,345
Charged during the year	630	6,307	6,937
At 31 December 2019	3,534	13,748	17,282
Charged during the year	376	5,987	6,363
At 31 December 2020	**3,910**	**19,735**	**23,645**
Net book value			
At 31 December 2018	914	24,753	25,667
At 31 December 2019	774	21,155	21,929
At 31 December 2020	**577**	**15,168**	**15,745**

The amortisation period for all current year additions is five years.

Bell Rock Workplace Management Limited
Notes to the Financial Statements (continued)
For the year ended 31 December 2020

11 PLANT PROPERTY AND EQUIPMENT

	Plant and Equipment and Vehicles £000	Leasehold Improvements £000	Total £000
Cost			
At 1 January 2019	2,920	751	3,671
Additions	532	5	537
Acquisition of subsidiary	84	-	84
Disposals	(105)	(8)	(113)
At 31 December 2019	3,431	748	4,179
Additions	300	-	300
Disposals	(12)	-	(12)
At 31 December 2020	**3,719**	**748**	**4,467**
Accumulated depreciation			
At 1 January 2019	2,552	390	2,942
Charged during the year	439	57	496
On disposals	(81)	(8)	(89)
At 31 December 2019	2,910	439	3,349
Charged during the year	325	49	374
On disposals	(4)	-	(4)
At 31 December 2020	**3,231**	**488**	**3,719**
Net book value			
At 31 December 2019	521	309	830
At 31 December 2020	**488**	**260**	**748**

12 RIGHT-OF-USE ASSETS

	Plant and Equipment and Vehicles £000	Land and Buildings £000	Total £000
Cost			
At 1 January 2019	-	-	-
Adoption of IFRS 16	1,345	3,157	4,502
Additions	212	176	388
Disposals	-	-	-
At 1 January 2020	1,557	3,333	4,890
Revision of lease	-	(984)	(984)
Additions	1,392	502	1,894
Disposals	(640)	-	(640)
At 31 December 2020	**2,309**	**2,851**	**5,160**
Accumulated depreciation			
At 1 January 2019	-	-	-
Charged during the year	729	851	1,580
On disposals	-	-	-
At 1 January 2020	729	851	1,580
Revision of lease	-	(482)	(482)
Charged during the year	752	1,258	2,010
On disposals	(611)	-	(611)
At 31 December 2020	**870**	**1,627**	**2,497**
Net book value			
At 31 December 2019	828	2,482	3,310
At 31 December 2020	**1,439**	**1,224**	**2,663**

During the year the Group triggered a break clause in the lease agreement for their head offices. Following the break clause being triggered negotiations were entered into and, before the year-end date, the Group had agreed to reduce their head offices from two floors to a single floor of the shared office building. As this change had been agreed upon by the year-end date and heads of terms of the lease agreed, the accounting treatment was in substance that the exiting lease was instead revised. Relevant adjustments to depreciation and the lease finance costs have been recognised in the current year Consolidated Statement of Comprehensive Income. Changes as a result of lease revision are reflected in the table above.

The range of lease terms for Leased assets is as follows:

- Buildings 1-3 years
- Plant and Equipment 2-5 years
- Vehicles 3-4 years

Amounts recognised in profit and loss	31 December 2020 £000	31 December 2019 £000
Depreciation expense on right-of-use assets	2,010	1,580
Interest expense on lease liabilities	(32)	127
Expense relating to short-term and low-value leases	31	90
Total recognised in profit and loss	**1,758**	**1,797**

The total cash outflow for leases in 2020 amounted to £1.80m (2019: £3.53m).

13 INVESTMENTS

The Company has the following investments in subsidiaries:

	2020 £000	2019 £000
Cost		
Cost brought forward	72,983	64,469
Reclassification from inter-company debtors	-	3,514
Carried forward cost and carrying value	72,983	72,983

As at 31 December 2020 the Company had the following investments, all of which are 100% owned by equity.

The following companies are registered in England and Wales:

Company	Activity	Class of share
Bellrock Property & Facilities Management Limited	Facilities management	Ordinary, Ordinary A
Barnhill School Services Limited	Facilities management	Ordinary
Cardinal Heenan School Services Limited	Facilities management	Ordinary
Colfox School Services Limited	Facilities management	Ordinary
Workplace Management (Westminster) Limited	Non-trading	Ordinary
Stanley Hicks Limited	Non-trading	Ordinary
Property Solutions (UK) Limited	Non-trading	Ordinary
Concerto Support Services Limited	Software publishing	Ordinary A, Ordinary B
Profile Consultancy Limited	Non-trading	Ordinary
Bellrock Maintenance and Engineering Services Limited (formerly Planned Engineering Services Limited)	Mechanical & Electrical	Ordinary
Eco IPS Limited	Non-trading	Ordinary A, Ordinary B, Ordinary C
FME Property Solutions Limited	Mechanical & Electrical	Ordinary
Naples Group Limited	Investment Holding Company	Ordinary
Oakleaf Facilities (UK) Limited	Non-trading	Ordinary
Oakleaf Surveying Limited	Property Services	Ordinary
Oakleaf Technical Services Limited	Non-trading	Ordinary
NIFES Projects Limited	Non-trading	Ordinary
NIFES Property Limited	Property Services	Ordinary
NIFES Consulting Group Limited	Non-trading	Ordinary
Eco FM Limited	Non-trading	Ordinary
Eco Integrated Property Solutions Limited	Non-trading	Ordinary
Fasset Holdings Limited	Non-trading	Ordinary
Fasset Limited	Facilities management	Ordinary

All of the companies noted above are registered at Peat House, 1 Waterloo Way, Leicester, England, LE1 6LP.

13 INVESTMENTS (continued)

The following companies are registered in Scotland:

Company	Activity
Balfron Schools Services Limited	Facilities management
Dundee Healthcare Services Limited	Facilities management
East Ren Schools Services Limited	Facilities management

All of the companies noted above are registered at 50 Lothian Way, Edinburgh, Scotland, EH3 9WJ.

The following dormant subsidiary companies have elected to take exemption from preparing individual company financial statements under section 394A of the Companies Act 2006:

Company	Company registered number
Fasset Holdings Limited	(No. 11483734)
Eco FM Limited	(No. 10573403)
Eco Integrated Property Solutions Limited	(No. 11068565)
Workplace Management (Westminster) Limited	(No. 03770853)
NIFES Consulting Group Limited	(No. 09597848)
Naples Group Limited	(No. 07216339)

All of the companies noted above are registered at Peat House, 1 Waterloo Way, Leicester, England, LE1 6LP.

The following subsidiary companies have elected to take exemption from audit under section 479A of the Companies Act 2006:

Company	Company registered number
Concerto Support Services Limited	(No. 05124418)
Profile Consultancy Limited	(No. 06459483)
Property Solutions (UK) Limited	(No. 03002344)
Stanley Hicks Limited	(No. 10229810)
Eco IPS Limited	(No. 06793556)
Bellrock Maintenance and Engineering Services Limited	(No. 08320198)
FME Property Solutions Limited	(No. 06464433)
Naples Group Limited	(No. 07216339)
Oakleaf Facilities (UK) Limited	(No. 06155005)
Oakleaf Surveying Limited	(No. 06151373)
Oakleaf Technical Services Limited	(No. 06151419)
NIFES Projects Limited	(No. 09599382)
NIFES Property Limited	(No. 09599379)
Fasset Limited	(No. 05422389)
Fasset Holdings Limited	(No. 11483734)

All of the aforementioned companies are registered at Peat House, 1 Waterloo Way, Leicester, England, LE1 6LP.

In accordance with this Bell Rock Workplace Management Limited has given a guarantee as set out in section 479C of the Companies Act 2006 over the liabilities of these companies.

14 WORK-IN-PROGRESS

An analysis of the work-in-progress held by the Group by Company is as follows:

	2020 £000	2019 £000
Bellrock Maintenance and Engineering Services Limited	1,205	1,355
FME Property Solutions Limited	-	763
NIFES Property Limited	-	13
Oakleaf Surveying Limited	26	13
Total	**1,231**	**2,144**

15 TRADE AND OTHER RECEIVABLES

Group

	2020 £000	2019 £000
Amounts falling due within one year:		
Trade receivables from contracts with customers	18,943	14,676
Less: provision for credit notes and bad debts	(409)	(220)
Trade receivables net of loss allowance	**18,534**	**14,456**
Other receivables	574	1,007
Prepayments and accrued income	9,810	7,044
Net trade and other receivables	**28,918**	**22,507**

The value of net bad debt expense in the Consolidated Statement of Comprehensive Income is an expense of £33k (2019: income of £81k).

The average credit period on sales was 52 days (2019: 40 days).

The above assets are secured by a fixed and floating charge against the bank borrowings of the group.

Further numerical disclosures in respect of financial assets, are set out below:

	At 31 December 2020			At 31 December 2019		
	Gross £000	Provision £000	Net £000	Gross £000	Provision £000	Net £000
Trade receivables						
- Not yet due and up to 3 months past due	17,202	(29)	17,173	13,440	(33)	13,407
- 3 to 6 months past due	1,013	(2)	1,011	816	(34)	782
- 6 to 12 months past due	630	(325)	305	327	(119)	208
- Over 12 months past due	98	(53)	45	93	(34)	59
	18,943	(409)	18,534	14,676	(220)	14,456

Trade and other receivables which are less than three months past due are not considered impaired unless specific information indicates otherwise. Trade and other receivables greater than three months past due are considered for recoverability, and, where appropriate, a provision against bad debt is recognised.

The Group recognises lifetime expected credit losses for trade receivables, contract assets and lease receivables. The expected credit losses on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

15 TRADE AND OTHER RECEIVABLES (continued)

The movement in the impairment provision for trade and other receivables is analysed below:

	2020 £000	2019 £000
Fair value adjustments to assets acquired	(220)	(361)
Provision for receivables impairment	(341)	(37)
Utilisation	152	178
At 31 December 2020	(409)	(220)

The creation and release of provision for impaired receivables are included in 'Administrative expenses' in the Consolidated Statement of Comprehensive Income. Amounts charged to the allowance account are generally written off when there is no expectation of recovering additional cash.

The maximum exposure to credit risk of the reporting data is the fair value of each class of receivable. The Group does not hold any collateral as security.

Concentrations of credit risk with respect to trade receivables are limited due to the Group's customer base being large and unrelated. Due to this, management believe that there is no further credit risk provision required in excess of the normal provision for doubtful receivables.

Company

	2020 £000	2019 (Restated) £000
Amounts due from group companies	24,977	18,776
At 31 December 2020	24,977	18,776

Amounts due from Group companies are unsecured and attract interest at a fixed commercial rate of 5.1401%. This intercompany loan is repayable on 17 May 2024 and has been classified as due after more than one year after the date of this report.

Further details regarding the restatement of the Company only Trade and other receivables can be found within note 29 – Restatement of comparatives.

16 TRADE AND OTHER PAYABLES

Group	2020 £000	2019 £000
Trade payables	13,689	12,991
Other payables	3,746	988
Other taxation and social security liabilities	6,369	3,076
Accruals	10,442	8,656
Deferred consideration payable as remuneration	85	1,745
Deferred income	1,813	1,291
Settlement agreement	18	18
	36,162	28,765

The average credit period taken for trade purchases is 39 days (2019: 47 days).

The Group has financial risk management policies in place to ensure that all payables are paid within the pre-agreed credit terms.

17 LEASE LIABILITIES

Lease liabilities	2020	2019
	£000	£000
Non-current	1,622	1,815
Current	841	1,086
Total	2,463	2,901

Maturity Analysis	2020	2019
	£000	£000
Less than 1 year	841	1,086
More than 1 year and less than 5 years	1,582	1,513
More than 5 years	40	302
Total	2,463	2,901

The Group does not face a significant liquidity risk with regard to its lease liabilities. Lease liabilities are monitored within the Group's treasury function.

18 OTHER NON-CURRENT LIABILITIES

	2020	2019
Group	£000	£000
Amounts owed to group undertakings	71,466	69,267
Life-cycle works	666	669
Settlement agreement	48	66
Dilapidations provision	738	428
	1,452	1,163

	2020	2019 (Restated)
Company	£000	£000
Amounts owed to group undertakings	83,228	79,556
	83,228	79,556

Amounts due to Group companies are unsecured and attract interest at a fixed commercial rate of 5.1401%. This intercompany loan is repayable on 17 May 2024 and has been classified as due after more than one year after the date of this report.

Further details regarding the restatement of the Company only Other non-current liabilities can be found within note 29 – Restatement of comparatives.

19 FINANCIAL INSTRUMENTS

Details of the Group's policies and strategies in relation to Financial Instruments are given on page 31.

Financial Assets measured at amortised cost	**2020**	2019
Group	**£000**	£000
Cash at bank and in hand (excluding Life-Cycle funds)	**16,363**	9,199
Cash at bank and in hand (Life-Cycle funds)	**616**	635
Total cash and cash equivalents	**16,979**	9,834
Net trade receivables (note 15)	**18,534**	14,456
	35,513	24,290

Cash in respect of Life-Cycle funds can only be used to fund certain specific contractual obligations under certain Facilities Management contracts and is not part of the Group's cross guarantee arrangement.

Financial Liabilities measured at amortised cost	**2020**	2019
	£000	£000
Group		
Inter group borrowings (note 18)	**71,466**	69,267
Trade payables (note 16)	**13,689**	12,991
Deferred consideration	**32**	905
Lease liabilities (note 17)	**2,463**	2,901
Settlement agreement	**66**	84
	87,716	86,148

Financial liabilities – analysis of maturity dates

The maturity profile of the financial liabilities, based on contractual cash flows, is as follows:

2020	**Inter group borrowings £000**	**Trade payables £000**	**Deferred consideration £000**	**Settlement agreement £000**	**Finance Leases £000**
Less than 1 year	**-**	**13,689**	**32**	**18**	**1,464**
One to two years	**-**	**-**	**-**	**18**	**572**
Two to three years	**71,466**	**-**	**-**	**18**	**380**
Three to four years	**-**	**-**	**-**	**12**	**47**
Four to five years	**-**	**-**	**-**	**-**	**-**
Beyond five years	**-**	**-**	**-**	**-**	**-**
Total	**71,466**	**13,689**	**32**	**66**	**2,463**

2019	Inter group borrowings £000	Trade payables £000	Deferred consideration £000	Settlement agreement £000
Less than 1 year	-	12,991	905	18
One to two years	-	-	-	18
Two to three years	-	-	-	18
Three to four years	-	-	-	18
Four to five years	69,267	-	-	12
Beyond five years	-	-	-	-
Total	69,267	12,991	905	84

20 DEFERRED TAXATION

Deferred tax is calculated in full on temporary differences under the liability method.

Group	Deferred tax assets 2020 £000	Deferred tax liabilities 2020 £000
Balance brought forward	932	(3,075)
Short-term timing differences	(56)	1,090
Timing differences relating to acquisitions	-	-
	876	(1,985)

Group	Deferred tax assets 2019 £000	Deferred tax liabilities 2019 £000
Recognised deferred tax balances in respect of:		
Balance brought forward	1,343	(3,385)
Short-term timing differences	(411)	778
Timing differences relating to acquisitions	-	(468)
	932	(3,075)

Deferred tax assets are recognised in full when it is anticipated that future profits will be available against which to offset the deferred tax assets.

As part of the acquisition of Bell Rock Workplace Management Limited from Johnson Service Group Plc a deferred tax asset in relation to capital allowances was purchased. Utilisation of this deferred tax asset in future years gives rise to a liability to the vendor of up to £1.080m. This liability is recorded as contingent consideration.

The following provides a reconciliation of the movement in each of the major deferred tax assets / (liabilities):

	Accelerated capital allowances £000	Intangible assets £000	Acquisitions £000	Total £000
Balance brought forward	1,594	(198)	(3,438)	(2,042)
Arising on acquisitions	-	-	(468)	(468)
(Charge) / credit to Consolidated Statement of Comprehensive Income	(339)	69	637	367
At 31 December 2019	1,255	(129)	(3,269)	(2,143)
(Charge)/credit to Consolidated Statement of Comprehensive Income	**(79)**	**21**	**1,092**	**1,034**
At 31 December 2020	**1,176**	**(108)**	**(2,177)**	**(1,109)**

21 GOVERNMENT ASSISTANCE

The following government assistance was received during the year:

	Year ended 31 December 2020 £000	Year ended 31 December 2019 £000
Grants received	1,991	-
	1,991	-

During the year the Group received government grants in the form of assistance relating to the Coronavirus Job Retention Scheme (CJRS). This assistance was provided following the outbreak of the COVID-19 pandemic.

All amounts received under the Coronavirus Job Retention Scheme were recognised in the period to which they relate. The total amounts received during the year under the Coronavirus Job Retention Scheme totalled £1,991k (2019: £nil). These amounts have been recognised within Other Income in the Consolidated Statement of Comprehensive Income.

There are no unfulfilled conditions or other contingencies relating to the grants received in the year.

During the year the Group received further government assistance through the deferral of tax payments. HMRC agreed to the Group deferring VAT payments of £3,759k and PAYE & NI payments of £572k. These deferred amounts were partly repaid in 2020 and the balance due to be repaid over the course of 2021. These amounts are held with Trade and Other Payables.

22 RETIREMENT BENEFIT OBLIGATIONS

Defined contribution scheme
The Bellrock Group operates a defined contribution scheme (The Bellrock Group Pension plan) on behalf of eligible employees of the Group. The cost to the Group of contributions to this scheme during the year was £1,007k (2019: £1,085k).

The balance at the year-end which is payable to the scheme was £187k (2019: £159k). This is shown within other creditors due within one year.

Defined benefit scheme
The Bellrock Group operate 5 defined benefit pension schemes. One of these schemes is the Royal Borough of Kensington and Chelsea (RBKC) Pension Fund of which the Bellrock Group have a capped liability of 20% of the participating employees final annual salary. For 3 other schemes, any final deficit is the contractual responsibility of the relevant local authority and not of the Bellrock Group. The net consolidated position of all defined benefit pension schemes, taking into account the offset of the arrangements described above, at 31 December 2020 was a deficit of £344k (2019 – deficit of £5k) and therefore the Directors have decided to disclose no further details nor recognise this deficit in the balance sheet on the grounds of materiality.

23 CALLED-UP SHARE CAPITAL

At 31 December 2020 Authorised, issued and fully paid	Shares No.	Share Capital £000	Share Premium £000
Ordinary shares of £1 each	250	-	25,000
At end of year	250	-	25,000

At 31 December 2019 Authorised, issued and fully paid	Shares No.	Share Capital £000	Share Premium £000
Ordinary shares of £1 each	250	-	25,000
At end of year	250	-	25,000

24 FINANCIAL COMMITMENTS

Group

Capital expenditure

Contracts placed for future financial expenditure contracted but not provided for in the financial statements are £nil (2019: £nil).

Total future minimum lease payments under non-cancellable operating leases are as follows:

	2020 £000	2019 £000
Land and buildings		
- within one year	234	584
- between two and five years	800	1,473
- over five years	40	353
	1,074	2,410

Plant and machinery and motor vehicles		
- within one year	607	503
- between two and five years	981	294
- over five years	-	-
	1,588	797

Operating lease payments represent rentals payable by the Group for certain of its office properties and hire of vehicles and other equipment. These leases have average durations ranging from two to ten years. No arrangements have been entered into for contingent rental payments. Rentals are determined based on market rates.

Company

The Company has no financial commitments at 31 December 2020 (2019: £nil).

25 RELATED PARTY TRANSACTIONS

The Group has a related party relationship with its Shareholders, other Group Undertakings and with its Directors and Executive Officers. Transactions during the year and balances between these related parties are disclosed below:

Transactions with Related Parties

	2020 £000	2019 £000
Horizon Capital Partners LLP		
Costs recharged	**(157)**	(100)
Interest accrued on loan balances		
Management	**1**	1

Other than the transactions disclosed above, and the emoluments paid to Directors disclosed in note 4, there were no other transactions with Directors occurring during the year.

Balance with Related Parties

	2020 £000	2019 £000
Horizon Capital Partners LLP – Purchase Ledger	**(386)**	(197)

Purchase Ledger balances with Horizon Capital Partners LLP are due within 30 days of the invoice date. Loan Notes held with Horizon Capital Partners LLP accrue interest at a fixed rate of either 10% or 15% per annum which is payable upon redemption on 17 May 2024. Loans held by Management accrue interest at a fixed rate of 15% per annum which is payable upon redemption on 17 May 2024.

The Company has taken advantage of the exemption under paragraph 8(k) of FRS 101 not to disclose transactions with wholly owned subsidiaries.

26 CONTINGENT LIABILITIES

In 2017 a former Director of a business from which trade and assets were acquired prior to the acquisition by Horizon Capital Partners LLP raised a legal claim against the Group for non-compliance with the Sale and Purchase Agreement relating to the purchase of those assets. The Group has an indemnity from Johnson Service Group relating to such matters pre-Horizon's ownership and has sought legal advice on this matter and our assessment is that the probability of success is low. As a result, the liability is not provided for with the financial statements as the value is not known and the likelihood of a transfer of economic benefit is assessed to be low.

The Group's borrowings are secured by fixed and floating charge over the assets of the Group.

27 ULTIMATE CONTROLLING PARTY

The Company's immediate parent undertaking is Bell Rock Bidco Limited, a company registered in England and Wales, Peat House, 1 Waterloo Way, Leicester LE1 6LP. The Company's ultimate parent undertaking, which is the parent undertaking of the largest group to consolidate these financial statements is Bell Rock Topco Limited. Copies of the ultimate parent's Consolidated Financial Statements may be obtained from The Company Secretary, Bell Rock Topco Limited, Peat House, 1 Waterloo Way, Leicester LE1 6LP. The Company, being Bell Rock Workplace Management Limited, is the smallest group in which the Company is consolidated. Copies of these Consolidated Financial Statements may be obtained from The Company Secretary, Bell Rock Workplace Management Limited, Peat House, 1 Waterloo Way, Leicester LE1 6LP.

The ultimate controlling parties are funds managed by Horizon Capital Partners LLP, Brettenham House (North Entrance), Lancaster Place, London, England, WC2E 7EN, due to their holding of 97.8% of the A shares issued at the year-end of Bell Rock Topco Limited. The remaining 'A' ordinary shares and 100% of the 'B' Ordinary Shares of Bell Rock Topco Limited are owned by Management.

The funds managed by Horizon Capital Partners LLP and their associated Ordinary A shareholdings comprise of Horizon Capital Fund 2013 A Limited Partnership (95.9%), Horizon Capital Fund 2013 B Limited Partnership (1.2%) and Horizon Capital 2013 Friends And Family Limited Partnership (0.7%) whose principal place of business are Brettenham House (North Entrance), Lancaster Place, London, England, WC2E 7EN.

28 POST BALANCE SHEET EVENTS

On 30 January 2020, the World Health Organisation (WHO) announced the Coronavirus outbreak as a global health emergency. On 11 March 2020, it announced that Coronavirus was a global pandemic. This has resulted various forms of lockdown since that date, including a third national lockdown effective from 5 January 2021. The Directors have considered the potential impact of COVID-19 and have assessed this to be an event that does not require an adjustment to these accounts.

On 3 March 2021 Bell Rock Workplace Management Limited acquired 100% of the share capital of B38 Group (Holdings) Topco Limited (registered number 12813533) and the subsidiaries held within for a total consideration of £6.3m.

29 RESTATEMENT OF COMPARATIVES

Company

The comparative Balance Sheet of the Company has been restated to reflect the following:

Loan receivable from Subsidiary

The loan related to proceeds from a preference share capital issue by a Group holding company in 2017 to the value of £5.67m was on-loaned through the Company and onto the subsidiary. The Company's intention was to hold the loan as an amount due for more than one year with an interest charge of 1%. However, this loan was previously offset against Amounts owed to group undertakings within Other non-current liabilities. The directors note that there was no legally enforceable right to offset the loan receivable against Other non-current liabilities and hence the respective comparative financial information is restated (note 15 and 18).

Other intercompany receivables

Other intercompany receivables amounting to £13.11m were also previously offset against Other non-current liabilities for which there was also no legally enforceable right to do so. Hence, the respective comparative financial information is restated (note 15 and 18).

Below are extracts from the 2019 Balance Sheet which show the original disclosed values compared with the restated values:

	As originally disclosed £000	Reclassification of intercompany balances £000	Restated £000
Non-current assets			
Trade and other receivables	-	18,776	18,776
Non-current Liabilities			
Other non-current liabilities	(60,780)	(18,776)	(79,556)

There was no impact on the Statement of Changes in Equity as a result of this restatement.

There was no impact on the prior year loss as a result of this restatement.

The Company only Statement of Comprehensive Income and Statement of Cashflows are not disclosed and therefore no impact has been disclosed.