

**Group Strategic Report, Report of the Directors and
Consolidated Financial Statements for the Year Ended 31st December 2022
for
Barrie Beard Holdings Limited**

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for the Year Ended 31st December 2022**

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Barrie Beard Holdings Limited
Company Information
for the Year Ended 31st December 2022

DIRECTORS:

Mrs J Beard
Mr W M Beard
Mr R W Beard
Mr L B Beard

REGISTERED OFFICE:

Worcester Road
Upton Warren
Bromsgrove
Worcestershire
B61 7ET

REGISTERED NUMBER:

11620089 (England and Wales)

AUDITORS:

Richards Sandy Audit Services Limited
(Statutory Auditor)
Thorneloe House
25 Barbourne Road
Worcester
WR1 1RU

**Group Strategic Report
for the Year Ended 31st December 2022**

The directors present their strategic report of the company and the group for the year ended 31st December 2022.

In preparing the consolidated financial statements of the group, merger accounting has been applied.

REVIEW OF BUSINESS

We aim to present a balanced and comprehensive review of the development and performance of our business during the year and its position at the year end. Our review is consistent with the size and non-complex nature of our business and is written in the context of the risks and uncertainties we face.

The group's principal activities during the year have remained unchanged.

We consider that our key finance performance indicators are those that communicate the financial performance and strength of the group as a whole, these being turnover, gross margin and return on equity.

The turnover of the group relates to the principal activity. The turnover has increased to £19,320,973 compared to £18,024,929 last year, an increase of 7.2%.

The gross profit for the year was £2,979,672 compared to £2,954,032 in the previous year. This represents a gross margin of 15.4% as compared with 16.4% for the previous year.

There was an operating profit for the year of £615,587, compared to £1,235,361 in the previous year.

PRINCIPAL RISKS AND UNCERTAINTIES

There are a variety of business risks arising from operating within the construction industry. The Directors manage risk associated with general market conditions through knowledge of the industry and monthly management accounts. It is subject to the usual credit and cashflow risks and manages this through credit control procedures.

In line with the rest of the sector the Directors have identified the following as the more significant risks and uncertainties faced by the Company: customer retention, margin pressures arising from price sensitivity of contracts, along with increases in labour costs and increases in material costs, and ultimately profitability.

The Directors believe that robust internal control processes in place, strong customer relationships, and excellent levels of customer service, provide the Company with very good protection in relation to the principle risks and uncertainties faced.

RESEARCH AND DEVELOPMENT ACTIVITIES

Technology is transforming the way that buildings and infrastructure are designed, constructed and operated. It is helping to improve decision making and performance across collaborative partnerships. Barrie Beard Ltd have a dedicated in-house design team using BIM, AUTOCAD, HEVACOMP & AMTECH.

BIM facilitates collaborative project delivery, generating opportunities for model data and project information to be modified, shared and managed throughout a project's entirety. BIM (Building Information Modelling) is an intelligent 3D model-based process that gives architecture, engineering and construction the insight and tools to more efficiently plan, design, construct and manage buildings and infrastructure.

With the high level of analytical thinking, BIM enables Barrie Beard Ltd the ability to problem solve quickly & effectively. BIM enables us to speedily evaluate alternative solutions to create a positive impact on projects to ensure a successful completion.

BIM enables the client to experience an in-depth visualisation experience into Structural, Mechanical, Electrical and Plumbing design.

ON BEHALF OF THE BOARD:

Director

28th September 2023

**Report of the Directors
for the Year Ended 31st December 2022**

The directors present their report with the financial statements of the company and the group for the year ended 31st December 2022.

PRINCIPAL ACTIVITIES

The principal activities of the group in the year under review were those of electrical contractor.

DIVIDENDS

The total distribution of dividends for the period ended 31st December 2022 will be £415,342.

The directors recommend that no final dividends be paid.

DIRECTORS

The directors shown below have held office during the whole of the period from 1st January 2022 to the date of this report.

Mrs J Beard
Mr W M Beard
Mr R W Beard
Mr L B Beard

QUALIFYING THIRD PARTY INDEMNITY PROVISIONS

The company has made qualifying third party indemnity provisions for the benefit of the directors and these provisions remain in form at the reporting date.

DISCLOSURE IN THE STRATEGIC REPORT

Disclosure of important events occurring since the year end and research and development activities has been included within the Group Strategic Report.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Group Strategic Report, the Report of the Directors and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and the group and of the profit or loss of the group for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- 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 and the group's transactions and disclose with reasonable accuracy at any time the financial position of the company and the group 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 the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the group's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the group's auditors are aware of that information.

ON BEHALF OF THE BOARD:

Mr W M Beard - Director

28th September 2023

Report of the Independent Auditors to the Members of Barrie Beard Holdings Limited

Opinion

We have audited the financial statements of Barrie Beard Holdings Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31st December 2022 which comprise the Consolidated Statement of Comprehensive Income, Consolidated Balance Sheet, Company Balance Sheet, Consolidated Statement of Changes in Equity, Company Statement of Changes in Equity, Consolidated Cash Flow Statement and Notes to the Consolidated Cash Flow Statement, Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent company affairs as at 31st December 2022 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's and the parent company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

The directors are responsible for the other information. The other information comprises the information in the Group Strategic Report and the Report of the Directors, but does not include the financial statements and our Report of the Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Group Strategic Report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Group Strategic Report and the Report of the Directors have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the Group Strategic Report or the Report of the Directors.

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

- adequate accounting records have not been kept 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.

Report of the Independent Auditors to the Members of Barrie Beard Holdings Limited

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities set out on page three, 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 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.

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, we have:

- obtained an understanding of the nature of the industry and sector, including the legal and regulatory framework that the company operates in and how the company is complying with the legal and regulatory framework; and
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud.

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Companies Act 2006 (and related legislation), and laws and regulations relating to the employment and payment of staff including, but not limited to, the Employment Rights Act 1996, the National Minimum Wage Act 1998 and the Pensions Act 2008.

We performed audit procedures to detect non-compliance which may have a material impact on the financial statements, which included reviewing the financial statement disclosures and testing a sample of monthly payroll records for the calculation of gross wages, payroll taxes and pension costs.

We identified the areas of the financial statements most susceptible to fraud to be management's judgement in estimating the stage of completion of contracts as at the year end (calculated based on total costs to date compared to total expected costs). We have tested a sample of contracts ongoing at the year end and tested the calculation of costs to date, reviewed managements assumptions in estimating total expected costs and checking the calculation involved for this sample of contracts.

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

**Report of the Independent Auditors to the Members of
Barrie Beard Holdings Limited**

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in a Report of the Auditors 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.

Mr Robert Iestyn Richards FCCA (Senior Statutory Auditor)
for and on behalf of Richards Sandy Audit Services Limited
(Statutory Auditor)
Thorneloe House
25 Barbourne Road
Worcester
WR1 1RU

28th September 2023

**Consolidated
Statement of Comprehensive
Income
for the Year Ended 31st December 2022**

	Notes	2022 £	2021 £
TURNOVER	4	19,320,973	18,024,929
Cost of sales		<u>16,341,301</u>	<u>15,070,897</u>
GROSS PROFIT		2,979,672	2,954,032
Administrative expenses		<u>2,303,054</u>	<u>1,702,025</u>
		676,618	1,252,007
Other operating income		<u>25,000</u>	<u>74,864</u>
OPERATING PROFIT	7	701,618	1,326,871
Interest receivable and similar income	8	<u>43,945</u>	<u>6,456</u>
		745,563	1,333,327
Interest payable and similar expenses	9	<u>930</u>	<u>74</u>
PROFIT BEFORE TAXATION		744,633	1,333,253
Tax on profit	10	<u>40,504</u>	<u>150,951</u>
PROFIT FOR THE FINANCIAL YEAR		<u>704,129</u>	<u>1,182,302</u>

The notes form part of these financial statements

Consolidated Balance Sheet
31st December 2022

	Notes	2022 £	£	2021 £	£
FIXED ASSETS					
Tangible assets	13		2,400,572		2,426,937
Investments	14		-		-
			<u>2,400,572</u>		<u>2,426,937</u>
CURRENT ASSETS					
Stocks	15	364,119		278,400	
Debtors	16	4,111,094		4,562,707	
Cash at bank and in hand		<u>3,761,358</u>		<u>3,713,867</u>	
		8,236,571		8,554,974	
CREDITORS					
Amounts falling due within one year	17	<u>2,448,000</u>		<u>3,080,847</u>	
NET CURRENT ASSETS			<u>5,788,571</u>		<u>5,474,127</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			8,189,143		7,901,064
PROVISIONS FOR LIABILITIES	19		<u>57,030</u>		<u>57,738</u>
NET ASSETS			<u>8,132,113</u>		<u>7,843,326</u>
CAPITAL AND RESERVES					
Called up share capital	20		100		100
Retained earnings	21		<u>8,132,013</u>		<u>7,843,226</u>
SHAREHOLDERS' FUNDS			<u>8,132,113</u>		<u>7,843,326</u>

The financial statements were approved by the Board of Directors and authorised for issue on 28th September 2023 and were signed on its behalf by:

Mr W M Beard - Director

Mr R W Beard - Director

Company Balance Sheet
31st December 2022

	Notes	2022 £	£	2021 £	£
FIXED ASSETS					
Tangible assets	13		-		-
Investments	14		<u>101</u>		<u>101</u>
			101		101
CURRENT ASSETS					
Cash at bank		3,546,173		2,013,068	
CREDITORS					
Amounts falling due within one year	17	<u>1,519,945</u>		<u>10,474</u>	
NET CURRENT ASSETS			<u>2,026,228</u>		<u>2,002,594</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>2,026,329</u>		<u>2,002,695</u>
CAPITAL AND RESERVES					
Called up share capital	20		100		100
Retained earnings	21		<u>2,026,229</u>		<u>2,002,595</u>
SHAREHOLDERS' FUNDS			<u>2,026,329</u>		<u>2,002,695</u>
Company's profit for the financial year			<u>438,976</u>		<u>346,847</u>

The financial statements were approved by the Board of Directors and authorised for issue on 28th September 2023 and were signed on its behalf by:

Mr R W Beard - Director

Mr W M Beard - Director

**Consolidated Statement of Changes in Equity
for the Year Ended 31st December 2022**

	Called up share capital £	Retained earnings £	Total equity £
Balance at 1st January 2021	100	7,007,224	7,007,324
Changes in equity			
Dividends	-	(346,300)	(346,300)
Total comprehensive income	-	1,182,302	1,182,302
Balance at 31st December 2021	<u>100</u>	<u>7,843,226</u>	<u>7,843,326</u>
Changes in equity			
Dividends	-	(415,342)	(415,342)
Total comprehensive income	-	704,129	704,129
Balance at 31st December 2022	<u>100</u>	<u>8,132,013</u>	<u>8,132,113</u>

**Company Statement of Changes in Equity
for the Year Ended 31st December 2022**

	Called up share capital £	Retained earnings £	Total equity £
Balance at 1st January 2021	100	2,002,048	2,002,148
Changes in equity			
Dividends	-	(346,300)	(346,300)
Total comprehensive income	-	346,847	346,847
Balance at 31st December 2021	<u>100</u>	<u>2,002,595</u>	<u>2,002,695</u>
Changes in equity			
Dividends	-	(415,342)	(415,342)
Total comprehensive income	-	438,976	438,976
Balance at 31st December 2022	<u>100</u>	<u>2,026,229</u>	<u>2,026,329</u>

**Consolidated Cash Flow Statement
for the Year Ended 31st December 2022**

	Notes	2022 £	2021 £
Cash flows from operating activities			
Cash generated from operations	1	1,186,648	(62,986)
Interest paid		(930)	(74)
Tax paid		(411,408)	99,282
Net cash from operating activities		<u>774,310</u>	<u>36,222</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(114,129)	(168,823)
Sale of tangible fixed assets		4,150	8,499
Interest received		43,945	6,456
Net cash from investing activities		<u>(66,034)</u>	<u>(153,868)</u>
Cash flows from financing activities			
Equity dividends paid		(415,342)	(346,300)
Net cash from financing activities		<u>(415,342)</u>	<u>(346,300)</u>
Increase/(decrease) in cash and cash equivalents		<u>292,934</u>	<u>(463,946)</u>
Cash and cash equivalents at beginning of year	2	3,468,424	3,932,370
Cash and cash equivalents at end of year	2	<u>3,761,358</u>	<u>3,468,424</u>

The notes form part of these financial statements

Notes to the Consolidated Cash Flow Statement
for the Year Ended 31st December 2022

1. RECONCILIATION OF PROFIT BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS

	2022	2021
	£	£
Profit before taxation	744,633	1,333,253
Depreciation charges	138,597	130,978
Profit on disposal of fixed assets	(2,253)	(1,144)
Finance costs	930	74
Finance income	(43,945)	(6,456)
	<u>837,962</u>	<u>1,456,705</u>
Increase in stocks	(85,719)	(53,489)
Decrease/(increase) in trade and other debtors	825,273	(2,342,739)
(Decrease)/increase in trade and other creditors	(390,868)	876,537
Cash generated from operations	<u>1,186,648</u>	<u>(62,986)</u>

2. CASH AND CASH EQUIVALENTS

The amounts disclosed on the Cash Flow Statement in respect of cash and cash equivalents are in respect of these Balance Sheet amounts:

Year ended 31st December 2022

	31.12.22	1.1.22
	£	£
Cash and cash equivalents	3,761,358	3,713,867
Bank overdrafts	-	(245,443)
	<u>3,761,358</u>	<u>3,468,424</u>

Year ended 31st December 2021

	31.12.21	1.1.21
	£	£
Cash and cash equivalents	3,713,867	3,932,377
Bank overdrafts	(245,443)	(7)
	<u>3,468,424</u>	<u>3,932,370</u>

3. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.1.22	Cash flow	At 31.12.22
	£	£	£
Net cash			
Cash at bank and in hand	3,713,867	47,491	3,761,358
Bank overdrafts	(245,443)	245,443	-
	<u>3,468,424</u>	<u>292,934</u>	<u>3,761,358</u>
Total	<u>3,468,424</u>	<u>292,934</u>	<u>3,761,358</u>

**Notes to the Consolidated Financial Statements
for the Year Ended 31st December 2022**

1. STATUTORY INFORMATION

Barrie Beard Holdings Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the General Information page.

2. ACCOUNTING POLICIES

BASIS OF PREPARING THE FINANCIAL STATEMENTS

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

INDIVIDUAL COMPANY EXEMPTION FROM PREPARING A CASH FLOW STATEMENT

These financial statements have taken advantage of the disclosure exemptions within FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" from the requirement to prepare a cash flow statement of the individual company.

BASIS OF CONSOLIDATION

The consolidated financial statements incorporate the financial statements of the company and the subsidiaries that are controlled by the group. Control exists where the group has the power to govern the financial and operating policies of the subsidiaries, generally conferred by holding a majority of voting rights.

All inter-group balances, transactions, income and expenses are eliminated on consolidation.

The consolidated financial statements are prepared using uniform accounting policies.

The consolidated financial statements have been prepared under the merger accounting method, where the carrying values of the assets and liabilities of the parties to the combinations are not required to be adjusted to fair value on acquisition.

The comparative information stated by including the total comprehensive income for all the combining entities for the previous reporting period and their statement of financial position for the previous reporting date.

TURNOVER

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured as the fair value of the consideration received, excluding discounts, rebates, value added tax and other sales.

Where the outcome of a contract can be estimated reliably, revenue and costs are recognised by reference to the stage of completion of the contract activity at the balance sheet date. This is normally measured by the proportion that contract costs incurred for work performed to date bear to the estimated total contract costs, except where this would not be representative of the stage of completion. Variations in contract work, claims and incentive payments are included to the extent that can be measured reliably and its receipt is considered probable.

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

TANGIBLE FIXED ASSETS

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Freehold property	- not provided
Improvements to property	- 5% on cost
Plant and machinery	- 15% on reducing balance
Motor vehicles	- 25% on reducing balance
Computer equipment	- 33% on cost and 25% on cost

Freehold property has not been depreciated on the basis that residual value is not expected to be materially less than historical cost.

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31st December 2022

2. ACCOUNTING POLICIES - continued

STOCKS

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

At each reporting date, an assessment is made for impairment. any excess of the carrying amounts of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in the profit and loss (if any).

FINANCIAL INSTRUMENTS

Financial instruments are recognised when the company becomes party to contractual provisions of the instrument.

Financial assets are offset, with the net amounts presented in the accounts where there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic Financial Assets

Basic financial assets, which include trade and other receivables and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Basic Financial Liabilities

Basic financial liabilities, including trade and other payables, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of future receipts, discounted at a market rate of interest. Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of the operations from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction.

TAXATION

Taxation for the year comprises current and deferred tax. Tax is recognised in the Consolidated Statement of Comprehensive Income, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

DEFERRED TAX

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

RESEARCH AND DEVELOPMENT

Expenditure on research and development is written off in the year in which it is incurred.

PENSION COSTS

The group operates a defined contribution pension scheme. Contributions payable to the group's pension scheme are charged to profit or loss in the period to which they relate.

**Notes to the Consolidated Financial Statements - continued
for the Year Ended 31st December 2022**

3. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY**CRITICAL ACCOUNTING JUDGEMENTS****Freehold property not depreciated**

The directors are of the opinion that, as the operations of the group require that the group has to carry out a regular programme of maintenance to ensure that its premises continue to meet the required high standards throughout its estimated useful life, that the residual value at the end of its estimated useful life is not likely to be materially lower than its cost and therefore any element of depreciation is considered to be immaterial and no provision for depreciation on freehold property has been made.

The carrying value of freehold property at the year end can be found in note 13 of the financial statements.

KEY SOURCES OF ESTIMATION UNCERTAINTY**Measurement of amounts recoverable under contract**

The group recognises contract revenue and costs associated with professional service contracts by reference to the estimated stage of completion of contracts at the year end. The estimated stage of completion of contracts is calculated based on total costs to date compared to total expected costs. Total expected costs of contracts could potentially vary significantly from the amounts used in calculating the year end estimated stage of completion of contract.

The carrying value of amounts recoverable on contract at the year end can be found in note 16 of the financial statements.

4. TURNOVER

The turnover and profit before taxation are attributable to the principal activities of the group.

An analysis of turnover by class of business is given below:

	2022 £	2021 £
Contract services rendered	19,245,600	17,943,081
Shop sales of goods	62,317	68,468
Scrap metal sales	13,056	13,380
	<u>19,320,973</u>	<u>18,024,929</u>

Turnover only relates to sales from within the United Kingdom.

5. EMPLOYEES AND DIRECTORS

	2022 £	2021 £
Wages and salaries	4,606,070	4,170,559
Social security costs	475,508	443,008
Other pension costs	228,510	226,081
	<u>5,310,088</u>	<u>4,839,648</u>

The average number of employees during the year was as follows:

	2022	2021
Employees	<u>132</u>	<u>131</u>

All staff pension costs relate only to defined contribution pension schemes.

6. DIRECTORS' EMOLUMENTS

	2022 £	2021 £
Directors' remuneration	39,269	34,472
Directors' pension contributions to money purchase schemes	<u>56,200</u>	<u>80,000</u>

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31st December 2022

6. **DIRECTORS' EMOLUMENTS - continued**

The number of directors to whom retirement benefits were accruing was as follows:

Money purchase schemes	<u>2</u>	<u>3</u>
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7. **OPERATING PROFIT**

The operating profit is stated after charging/(crediting):

	2022	2021
	£	£
Depreciation - owned assets	138,597	130,978
Profit on disposal of fixed assets	(2,253)	(1,144)
Auditors' remuneration	12,952	10,750
Government grant income	<u>(25,000)</u>	<u>(74,864)</u>

8. **INTEREST RECEIVABLE AND SIMILAR INCOME**

	2022	2021
	£	£
Bank interest received	40,343	5,811
Corporation tax interest received	3,602	645
	<u>43,945</u>	<u>6,456</u>

9. **INTEREST PAYABLE AND SIMILAR EXPENSES**

	2022	2021
	£	£
Bank interest payable	2	-
HMRC interest payable	928	74
	<u>930</u>	<u>74</u>

10. **TAXATION**

Analysis of the tax charge

The tax charge on the profit for the year was as follows:

	2022	2021
	£	£
Current tax:		
UK corporation tax	161,367	219,437
R&D tax relief	(120,027)	(101,444)
Prior year adjustment	(128)	-
Total current tax	41,212	117,993
Origination and reversal of timing differences	(708)	32,958
Tax on profit	<u>40,504</u>	<u>150,951</u>

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31st December 2022

10. **TAXATION - continued**

RECONCILIATION OF TOTAL TAX CHARGE INCLUDED IN PROFIT AND LOSS

The tax assessed for the year is lower than the standard rate of corporation tax in the UK. The difference is explained below:

	2022 £	2021 £
Profit before tax	<u>744,633</u>	<u>1,333,253</u>
Profit multiplied by the standard rate of corporation tax in the UK of 19 % (2021 - 19 %)	141,480	253,318
Effects of:		
Expenses not deductible for tax purposes	23,133	7,463
Adjustments to tax charge in respect of previous periods	(128)	-
Super deduction on fixed asset additions	(3,954)	(8,386)
Research and development claims	<u>(120,027)</u>	<u>(101,444)</u>
Total tax charge	<u>40,504</u>	<u>150,951</u>

11. **INDIVIDUAL STATEMENT OF COMPREHENSIVE INCOME**

As permitted by Section 408 of the Companies Act 2006, the Statement of Comprehensive Income of the parent company is not presented as part of these financial statements.

12. **DIVIDENDS**

	2022	2021
Interim dividends		
Ordinary A shares	1,000	45,000
Ordinary B shares	136,642	94,087
Ordinary C shares	138,842	100,087
Ordinary D shares	<u>138,858</u>	<u>107,126</u>
	<u>415,342</u>	<u>346,300</u>

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31st December 2022

13. TANGIBLE FIXED ASSETS

Group

	Freehold property £	Improvements to property £	Plant and machinery £
COST			
At 1st January 2022	1,694,042	795,614	170,669
Additions	-	4,447	21,021
Disposals	-	-	-
At 31st December 2022	<u>1,694,042</u>	<u>800,061</u>	<u>191,690</u>
DEPRECIATION			
At 1st January 2022	-	455,443	67,531
Charge for year	-	37,351	17,434
Eliminated on disposal	-	-	-
At 31st December 2022	<u>-</u>	<u>492,794</u>	<u>84,965</u>
NET BOOK VALUE			
At 31st December 2022	<u>1,694,042</u>	<u>307,267</u>	<u>106,725</u>
At 31st December 2021	<u>1,694,042</u>	<u>340,171</u>	<u>103,138</u>

	Motor vehicles £	Computer equipment £	Totals £
COST			
At 1st January 2022	594,839	87,730	3,342,894
Additions	86,130	2,531	114,129
Disposals	(20,949)	-	(20,949)
At 31st December 2022	<u>660,020</u>	<u>90,261</u>	<u>3,436,074</u>
DEPRECIATION			
At 1st January 2022	335,271	57,712	915,957
Charge for year	69,499	14,313	138,597
Eliminated on disposal	(19,052)	-	(19,052)
At 31st December 2022	<u>385,718</u>	<u>72,025</u>	<u>1,035,502</u>
NET BOOK VALUE			
At 31st December 2022	<u>274,302</u>	<u>18,236</u>	<u>2,400,572</u>
At 31st December 2021	<u>259,568</u>	<u>30,018</u>	<u>2,426,937</u>

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31st December 2022

14. **FIXED ASSET INVESTMENTS**

Company

Shares in
group
undertakings
£

COST

At 1st January 2022
and 31st December 2022

101

NET BOOK VALUE

At 31st December 2022
At 31st December 2021

101

101

The group or the company's investments at the Balance Sheet date in the share capital of companies include the following:

SUBSIDIARIES

Barrie Beard Limited

Registered office: Worcester Road, Upton Warren, Bromsgrove, Worcestershire, B61 7ET
Nature of business: Electrical contractor

Class of shares:	%
Ordinary A, B, C & D shares	holding 100.00

Barrie Beard Properties Limited

Registered office: Worcester Road, Upton Warren, Bromsgrove, Worcestershire, B61 7ET
Nature of business: Property rental

Class of shares:	%
Ordinary	holding 100.00

15. **STOCKS**

Group

	2022 £	2021 £
Raw materials	<u>364,119</u>	<u>278,400</u>

16. **DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

Group

	2022 £	2021 £
Trade debtors	1,384,182	935,331
Amounts recoverable on contract	2,137,284	3,127,379
Other debtors	31,571	35,340
Amounts due from related parties	42,904	29,325
Directors' loan accounts	2,121	-
Corporation tax recoverable	373,660	-
VAT	53,979	346,494
Prepayments	85,393	88,838
	<u>4,111,094</u>	<u>4,562,707</u>

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31st December 2022

17. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2022	2021	2022	2021
	£	£	£	£
Bank loans and overdrafts (see note 18)	-	245,443	-	60
Trade creditors	1,606,978	2,055,986	-	-
Amounts owed to group undertakings	-	-	1,510,654	6,805
Corporation tax	39,096	35,632	5,514	128
Social security and other taxes	134,241	239,682	-	-
Other creditors	-	571	-	-
Pension creditor	22,439	21,875	-	-
Directors' loan accounts	217,296	158,728	-	-
Accrued expenses	427,950	322,930	3,777	3,481
	<u>2,448,000</u>	<u>3,080,847</u>	<u>1,519,945</u>	<u>10,474</u>

18. LOANS

An analysis of the maturity of loans is given below:

	Group		Company	
	2022	2021	2022	2021
	£	£	£	£
Amounts falling due within one year or on demand:				
Bank overdrafts	<u>-</u>	<u>245,443</u>	<u>-</u>	<u>60</u>

Bank loans and overdrafts are secured by way of fixed and floating charges over all undertakings and assets of the subsidiary Barrie Beard Limited.

19. PROVISIONS FOR LIABILITIES

	Group	
	2022	2021
	£	£
Deferred tax		
Accelerated capital allowances	<u>57,030</u>	<u>57,738</u>
Group		
		Deferred tax
		£
Balance at 1st January 2022		57,738
Credit to Statement of Comprehensive Income during year		(708)
Balance at 31st December 2022		<u>57,030</u>

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31st December 2022

20. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid

Class	Nominal value	Number in issue	£
Ordinary A	£1	25	25
Ordinary B	£1	25	25
Ordinary C	£1	25	25
Ordinary D	£1	25	25
			<u>100</u>

All shares rank pari passu, except for the distribution of the profits of the company there the directors determine the amounts and manner of dividends to be issued for each individual class of share.

21. RESERVES

Retained earnings

Retained earnings represents cumulative profits and losses made by the group net of distributions to owners.

22. DIRECTORS' ADVANCES, CREDITS AND GUARANTEES

The following advances and credits to a director subsisted during the years ended 31st December 2022 and 31st December 2021:

	2022 £	2021 £
Mrs J Beard		
Balance outstanding at start of year	-	-
Amounts advanced	2,121	-
Amounts repaid	-	-
Amounts written off	-	-
Amounts waived	-	-
Balance outstanding at end of year	<u>2,121</u>	<u>-</u>

Amounts advances to directors are repayable on demand. No interest has been charged on the basis that the value of any such interest would be inconsequential.

23. RELATED PARTY DISCLOSURES

Directors and other entities controlled by the directors

	2022 £	2021 £
Sales	-	142,639
Dividends issued	415,342	346,300
Amount due from related party	<u>42,904</u>	<u>29,325</u>

24. ULTIMATE CONTROLLING PARTY

Mrs J Beard, Mr W Beard, Mr R Beard and Mr L Beard are considered to be the ultimate controlling parties of the group, by virtue of their equal shareholding in the parent company.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.