

Northern Bear

Annual Report
and Financial
Statements 2021

Main Board

Executive Directors



Steve Roberts
Executive Chairman



Tom Hayes
Finance Director



Keith Soulsby
Operations Director

Non Executive Directors



Jeff Baryshnik
Non Executive Director



John Holroyd
Non Executive Director



Howard Gold
Life President

Managing Directors of Subsidiary Companies



Keith Muldoon
Managing Director
Northern Bear
Roofing Ltd



Martin Briggs
Managing Director
Jennings Roofing Ltd



Steven Luke
Managing Director
Wensley Roofing Ltd



Matty Rowley
Managing Director
Springs Roofing Ltd



Alan Chapman
Heritage Director
Matthew Charlton Slaters
A subsidiary of Wensley Roofing Ltd



John Gilstin
Managing Director
Isoler Ltd



Neil Jukes
Managing Director
Northern Bear Building
Services Ltd



Dominic Brogan
Managing Director
H Peel & Sons Ltd



Stuart Dawson
Managing Director
A1 Industrial
Trucks Limited



Phill Burridge
Managing Director
MGM Ltd



Nigel Shorney
Managing Director
J Lister Electrical Ltd



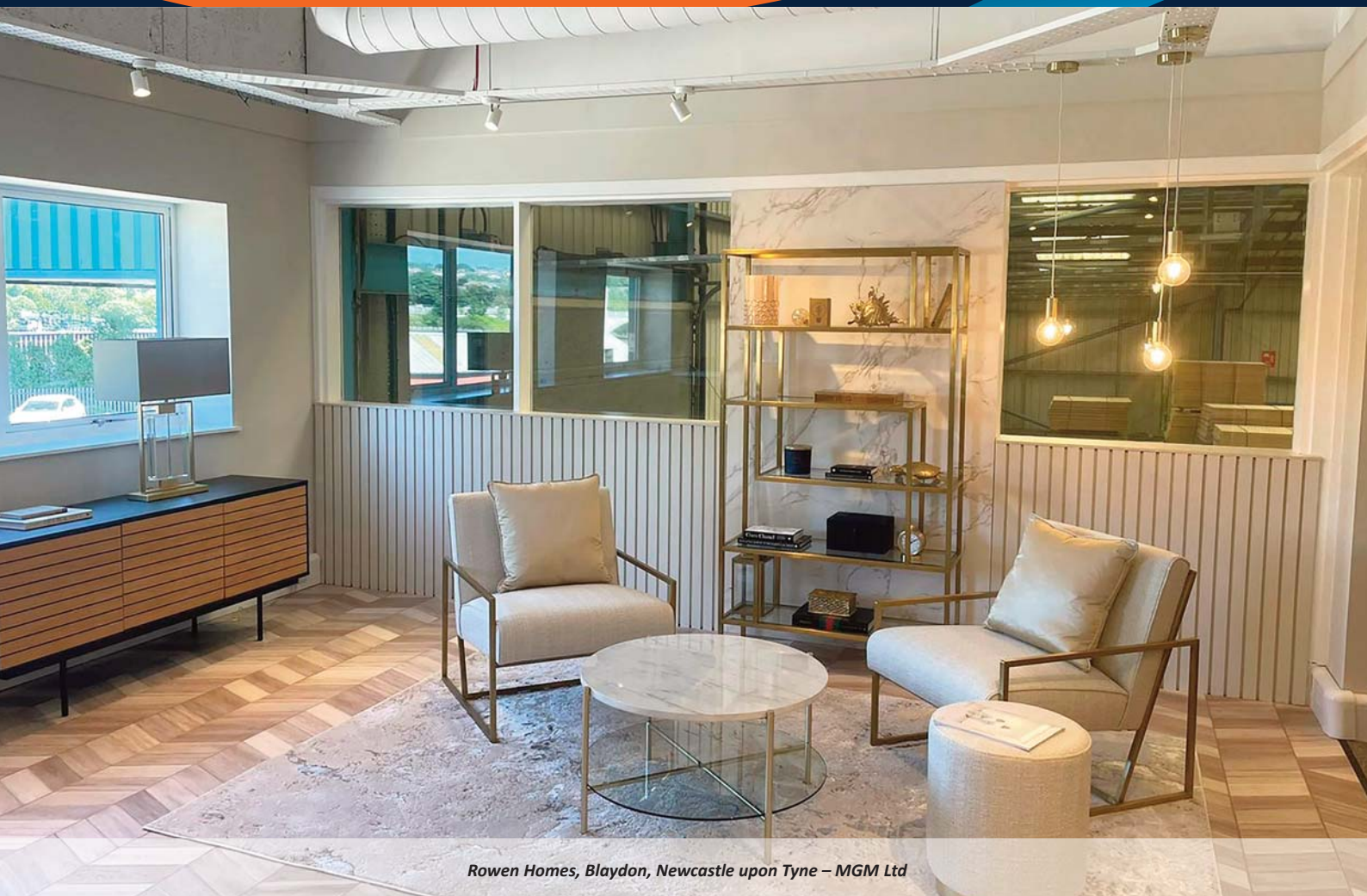
Jason Harrison
Managing Director
Northern Bear
Safety Ltd



Re-Roofing Scheme Seaham/Horden, Co. Durham – Springs Roofing Ltd

Contents

Advisors	1	Consolidated Balance Sheet	36
Chairman's Statement	3	Company Balance Sheet	37
Strategic Report	11	Consolidated Statement of Changes in Equity	38
Directors' Report	16	Company Statement of Changes in Equity	39
Corporate Governance Report	19	Consolidated Statement of Cash Flows	40
Independent Auditor's Report to the Members of Northern Bear plc	26	Company Statement of Cash Flows	41
Consolidated Statement of Comprehensive Income	35	Notes to the Financial Statements	42



Rowen Homes, Blaydon, Newcastle upon Tyne – MGM Ltd



Hard Rock Café, Newcastle – Northern Bear Building Services Ltd with the internal fit carried out by H Peel & Sons Ltd

Advisors

Auditor

Saffery Champness LLP
Mitre House
North Park Road
Harrogate
HG1 5RX

Bankers

Yorkshire Bank
20 Merrion Way
Leeds
LS2 8NZ

Legal advisors

Mincoffs Solicitors LLP
5 Osborne Terrace
Jesmond
Newcastle upon Tyne
NE2 1SQ

Nominated advisor and Broker

Strand Hanson Limited
26 Mount Row
London
W1K 3SQ

Registrar

Link Group
10th Floor
Central Square
29 Wellington Street
Leeds
LS1 4DL

Registered office

A1 Grainger
Prestwick Park
Prestwick
Newcastle upon Tyne
NE20 9SJ



Communal garden donation, Church Street, Durham – Isoler Ltd



*Newby Hall, Skelton-on-Ure, North Yorkshire
– J Lister Electrical Ltd*



*Newby Hall, Skelton-on-Ure, North Yorkshire
– J Lister Electrical Ltd*

Chairman's Statement



Introduction

I am pleased to report the results for the year to 31 March 2021 ("FY21") for Northern Bear plc and its subsidiaries (together, the "Group").

It has been an exceptionally challenging year, due to the impact of the COVID-19 pandemic, particularly during the six months ended 30 September 2020 ("H1

FY21"), the lengthy uncertainty surrounding Brexit, and issues which continue to affect construction industry supply chains.

In light of all of those factors, we are very pleased with the performance of the Group in FY21.

Trading

The COVID-19 pandemic began to impact our businesses from March 2020 and we took prompt actions to ensure the safety of our employees, customers, and suppliers, and to manage the Group's cash resources during the period.

In our interim results for H1 FY21, we noted substantial disruption to activity levels as a result of COVID-19 (particularly in the first quarter of FY21) and that we had a strong forward order book that should be sufficient to support stronger operating performance in the six month period ended 31 March

2021 ("H2 FY21"), conditional upon a continued ability to fulfil contracts on site and subject to the uncertainty at that time over the extent of the second wave of COVID-19 infections and associated restrictions.

Whilst we have experienced some ongoing disruption from the severity of the COVID-19 second wave and the other matters described above, I am pleased to be able to report that Group adjusted operating profit for H2 FY21 (£0.9 million) was slightly ahead of the corresponding period in FY20 (£0.8 million).

This performance is testament to the hard work and commitment of all our employees, and to the first-class safety procedures which our safety team have implemented, which have minimised on-site disruption during the pandemic.



Care Home, Worsley, Salford, Manchester – Jennings Roofing Ltd



Re-Roofing Scheme Seaham/Horden, Co. Durham – Springs Roofing Ltd

Northern Bear Roofing

Despite on-site restrictions, our Roofing division has performed well in H2 FY21. Whilst there was some weather-related disruption in a very wet February, in general there was no repeat of FY20's severe winter weather.

We are delighted to announce that Keith Muldoon has been appointed to oversee the Group's Roofing division as part of our longer-term succession planning. Keith was appointed Managing Director at Springs Roofing Limited at the time of its acquisition by the Company in 2006 and has demonstrated outstanding leadership of that business, particularly in recent years. Matty Rowley has replaced Keith as Managing Director at Springs Roofing Limited, having previously served as Operations Director.

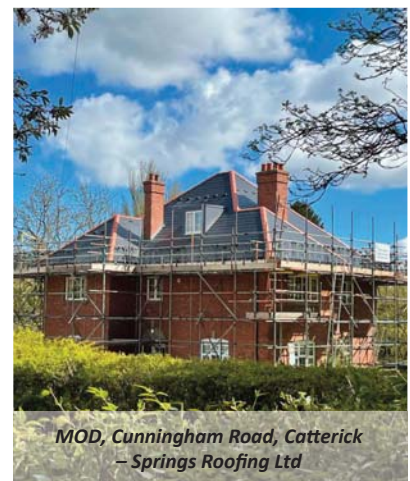
Northern Bear Construction

The businesses in our Construction division have seen a more mixed performance in H2 FY21.

MGM Limited ("MGM"), our specialist construction and refurbishment business, has performed exceptionally well following the appointment of Phil Burridge as Managing Director in August 2020 and had an excellent finish to the year. Phil was brought into MGM to allow Neil Jukes, Managing Director of Northern Bear Building Services Limited, to focus on the continued development of that business, where Neil and the team have expanded revenues over time and are seeing further opportunities for growth.

H. Peel & Sons Limited ("H Peel"), our fit out and interiors business, continued to experience very challenging trading conditions in

H2 FY21, due to the impact of COVID-19 on its core hospitality and leisure markets. We recorded an impairment of the goodwill and intangible assets related to H Peel in our interim results for H1 FY21. We are cautiously hopeful of an improvement in H Peel's core markets, and of a resultant improvement in H Peel's trading, as the current year progresses.



MOD, Cunningham Road, Catterick – Springs Roofing Ltd

Chairman's Statement

(continued)

Trading (continued)

J Lister Electrical Limited ("J Lister"), our electrical contractor, traded well over the autumn period but has since experienced COVID-19 related disruption due to the indoor nature of works, which has impacted profitability for H2 FY21. In light of current order book levels, we are optimistic that trading at J Lister will improve significantly in the coming year.

Northern Bear Materials Handling

Our materials handling business, A1 Industrial Trucks Limited ("A1"), has also seen disruption to new truck sales and its ability to deliver maintenance and service works on site during H2 FY21, although its

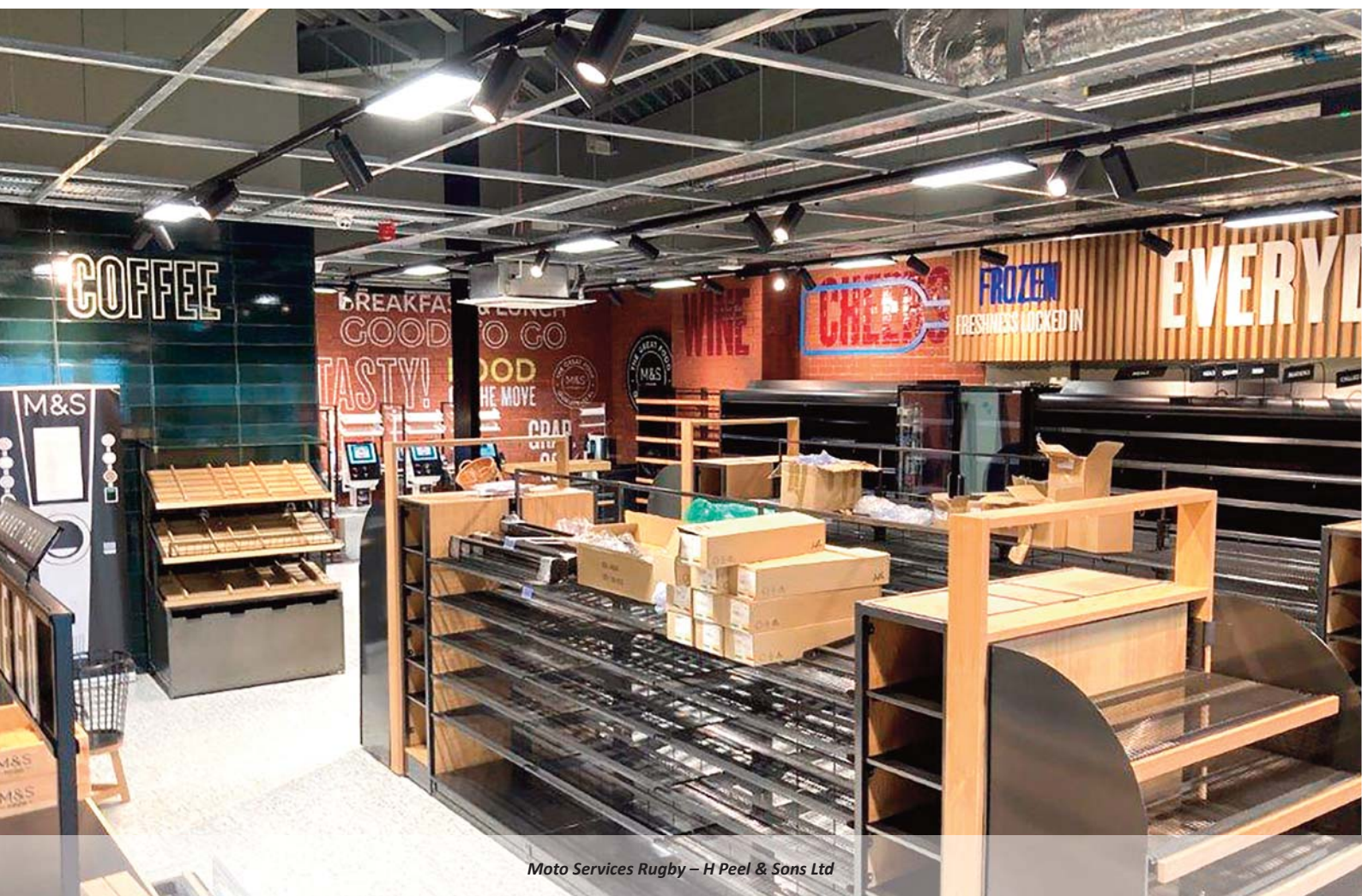
long-term hire revenue streams have helped support this business. We are, again, hopeful of an improvement in trading at A1 as COVID-19 restrictions are eased moving forward.

Other matters

As in prior years, we have presented amortisation and certain other adjustments separately within the Consolidated Statement of Comprehensive Income, in order to provide an indication of underlying trading performance. The adjustments in the current year are for the impairment charge related to H Peel, as described below, and amortisation. Adjustments in the prior year include the write-back of deferred consideration, transaction costs related to the acquisition of J Lister and the tender offer in September 2019, payments to departing employees, and all associated professional costs.

During periods when our businesses were unable to operate on site, with the consequent furloughing of direct and indirect employees, we received significant sums from the Government's Coronavirus Job Retention Scheme. These amounts are shown in other operating income and total £1.5 million (2020: £nil). The majority of the related staff costs are included in cost of sales and this consequently impacts reported gross margin in the year.

The element of operating profit before amortisation and other adjustments contributed by our trading subsidiaries was £2.1 million (2020: £3.1 million), which was offset by corporate and central costs of £0.7 million (2020: £0.9 million). While we were able to make some savings on corporate and central costs during the period, this cost is more fixed than variable.



Moto Services Rugby – H Peel & Sons Ltd

Chairman's Statement

(continued)

Trading *(continued)*

Should future subsidiary profits increase via organic growth or acquisition, central costs would not be expected to increase proportionately and this would, therefore, provide some operating leverage.

Impairment charge

As mentioned above, we recorded an impairment of goodwill, intangible assets, and related balances of £2.8m in our interim results for H1 FY21. Following this, the Group made a loss for the year of £1.8 million (2020: £1.5m profit for the year).

The impairment charge relates to H Peel, our fit out and interiors business. H Peel has seen a major impact on its core hospitality and leisure markets due to COVID-19 restrictions and, as a result, has experienced a very challenging trading period.

We had noted in our annual report and financial statements for the year ended 31 March 2020 that, should trading performance not improve at H Peel, it was likely that a goodwill impairment would need to be booked in future years. At that point in time, the COVID-19 impact was still relatively low and we were hopeful of a recovery in trading. However, given the situation has since worsened and we have seen the impact of continued restrictions on the hospitality and leisure sector, it seems there is no certainty over how quickly that sector and, therefore, H Peel's trading will

recover, so we considered it prudent to record this impairment in our interim report for H1 FY21.

The management team at H Peel continue to make every effort to explore new markets and we expect them to be well positioned to benefit from any recovery in their core sectors in due course.

Goodwill is a non-cash accounting estimate which arises on acquisition of subsidiaries. It should be noted that the carrying value of goodwill included estimated consideration payable during a three year earn-out period. The majority of the proposed earn-out was neither achieved nor paid.



Chairman's Statement

(continued)

Cash flow and bank facilities

The Group had a substantial net cash position (defined as cash balances less revolving credit facility) of £2.1 million at 31 March 2021 (£0.2 million at 31 March 2020). Cash generated from operations during the year was £3.8 million (2020: £1.4 million), following some favourable working capital swings in the year. These have, to an extent, reversed post year-end although the Group's financial position remains strong.

As we have emphasised in previous years' results, our net cash/bank debt position represents a snapshot at a particular point in time and can move by up to £1.5 million in a matter of days, given the nature, size and variety of contracts that we work on and the related working capital balances.

The lowest position during the year was £1.1 million net bank debt, the highest was £2.2 million net cash, and the average was £0.2 million net cash.

We have made limited use of our committed £1 million overdraft and £3.5 million revolving credit facility in H2 FY21. While the Group's working capital requirements will continue to vary depending on the ongoing customer and contract mix, we believe that our financial position and committed bank facilities provide us with ample cash resources for the Group's strategic and operational requirements.

Growth initiatives

We have challenged our subsidiary management teams during the year to consider what opportunities there are to expand their businesses over the medium term, notwithstanding the exceptionally challenging trading conditions during FY21. This could include a degree of geographic expansion and/or the opportunity to broaden their product and service offerings. I would like to cover two examples of this below.

A1 Industrial Trucks

A1 has seen significant disruption from COVID-19 restrictions but we are backing Stuart Dawson, who has performed very well since his appointment as MD in December 2018, to oversee a recovery and future growth in the business. We are seeking to expand the business via both geographical expansion and by adding additional types of plant and machinery to complement the existing revenue streams.

To support Stuart in this new venture we are looking into the possibility of moving A1 in to new, larger premises, in order to provide capacity for expansion.

J Lister Electrical

I am delighted that J Lister Electrical recently succeeded in gaining BAFE 'Installation of Fire Detection and Alarm Systems' accreditation as well as retaining FIA (Fire Industry Association) membership. BAFE is the independent registration body for Third Party Certificated fire safety service providers across the UK and a national independent register of quality fire safety companies.

This accreditation allows us to work with companies in the fire alarm industry as a third-party installer where BAFE certification is required as well as complete our own installation work. I would like to congratulate Nigel Shorney (MD) and Kevin Baxter (Fire Division Manager) on their hard work in securing this accreditation.

Supply Chain and Outlook

It has been well documented in the media that there have been industry-wide challenges in recent months with both availability and price inflation for construction materials. Our companies have strong and well-established customer and supplier relationships and have been able, on the whole, to work with both groups to ensure continuity of supply for contracts and to pass on cost increases where possible.

We have seen some impact from this on our results, mainly in our Northern Bear Roofing division, and expect this situation could provide a short term headwind to operations until industry supply and demand revert to more typical levels.

Our forward order book remains strong and should support our trading performance in the coming months, subject to potential supply chain challenges and the business-specific considerations noted in the trading statement above, and whilst there remains a level of uncertainty over the long-term outlook for COVID-19.

We regularly report that the timing of Group turnover and profitability is difficult to predict despite the continued strong order book, and our results can also be volatile on a month to month basis. This is the principal reason we consider that having publicly available broker forecasts for the Group would be of limited value. We have provided several trading updates in the past year, and will continue to update shareholders of any material changes in trading in between our interim and final results in each year.



Northumberland Health Trust Offices, Cobalt Business Park, North Tyneside – MGM Ltd

Chairman's Statement

(continued)

Dividend

As noted above, we received significant sums from the Government's Coronavirus Job Retention Scheme during FY21. This, together with our asking non-furloughed staff to take temporary pay reductions across the Group, means that, on balance we do not consider it appropriate to return capital to shareholders via a final dividend for the year ended 31 March 2021.

I would note that we have the cash resources available to pay a final dividend commensurable with the year ended 31 March 2019 (3.25p final dividend per share), should it have been deemed appropriate.

Should trading continue to improve, and subject, inter alia, to the ongoing cash requirements and general outlook for the Group, our intention is to resume dividend payments in respect of the year ending 31 March 2022.

The Board will continue to assess dividend levels generally and our intention for the longer term remains to adjust future dividends in line with the Group's relative performance, after taking into account the Group's available cash, working capital requirements, corporate opportunities, debt obligations, and the macro-economic environment at the relevant time.

Strategy

We continue to seek acquisitions of established specialist building services businesses, either in the same or complementary sectors to our current operations. Our main criteria are that a business is well-established in its sector, has a consistent track record of profitability and cash generation and has a strong management

team who are committed to remaining with the business. Any potential acquisition would, in addition, need to be earnings accretive and provide an acceptable return on investment.

People

Ian McLean

It was with profound sadness that we had to announce in February that our colleague and friend, Ian McLean, a Non-Executive Director of the Company, had passed away following a short illness. I would once again like to extend our deepest sympathies to his wife, Lesley, and all his family and friends.

Ian was part of the broking team which originally helped Northern Bear to obtain its listing on AIM and subsequently joined the Board in November 2008. Ian helped to guide the Group through difficult circumstances following his appointment, including a severe recession and a major restructuring process, and his continued involvement and support proved invaluable in recent years.

John Holroyd

John Holroyd joined us as a Non-Executive Director in January 2021. John is both a Chartered Accountant and Chartered Tax Adviser and has substantial experience in the professional services industry, providing advisory services to a wide range of corporate and public sector bodies. John also has an excellent network of contacts in the business community in the North of England and has previously supported, as a consultant, on acquisition search, including for J Lister Electrical (which we acquired in January 2020). I would like to welcome John to the Board and look forward to working with him over the coming years.

Simon Anderson

We also strengthened the Group's risk processes with the appointment of Simon Anderson as the Group's Risk and Legal Consultant in March 2021. Simon has extensive experience in the construction sector and was previously a partner in a construction law team at one of the North's leading firms. Simon's role will be to work closely with the individual businesses on general and specific risk issues and oversee the contractual legal requirements of the Group. I am delighted that Simon has agreed to join Northern Bear in this newly created role. His pragmatic skill set will undoubtedly benefit the Group as we look to deal proactively with our valued clients, current and future, in relation to risk and contract related matters.

Our workforce

As always, our loyal, dedicated, and skilled workforce is a key part of our success and we make every effort to both retain and protect them through continued training and health and safety compliance, supported by our health and safety advisory business, Northern Bear Safety Limited.

Conclusion

I am pleased with the Group's results for the year in light of the unprecedented impact of the COVID-19 pandemic and the other challenges facing our industry.

I would like to once again thank all of our employees for their hard work and their commitment during what has been an exceptionally challenging year.

Steve Roberts

Executive Chairman 28 July 2021



Private House, Longhorsley, Northumberland – Wensley Roofing Ltd

Strategic Report

The Directors present their Strategic Report for Northern Bear plc (the Company and its subsidiaries, together “the Group”) for the year ended 31 March 2021.

REVIEW AND ANALYSIS OF THE BUSINESS DURING THE CURRENT YEAR

Principal Activities

There have not been any significant changes in the Group’s principal activities set out in the Directors’ Report in the year under review. The Directors are not aware, at the date of this report, of any likely major changes in the Group’s principal activities in the year. The subsidiary undertakings of the Group are listed in note 14 of the Notes to the financial statements.

Objective and strategy

Having established the Group via an acquisition strategy and subsequently restructured operations during the economic downturn from 2009 to 2011 through the disposal of non-core businesses, the Group now has an established portfolio of mature businesses wholly focused on the support services sector.

The Directors believe that opportunities for growth exist through both providing new services to the existing, long established customer base, and also through further bolt on acquisitions where appropriate. Examples of the latter include the acquisitions of H Peel & Sons (Holdings) Limited in July 2017 and Lister Holdings (York) Limited in January 2020.

Further details of how the Directors intend to promote long-term value for shareholders are provided in the Corporate Governance Report.

Key performance indicators

The Group uses a number of financial key performance indicators to measure performance and these are communicated to the Board of Directors through monthly reports.

The primary financial measurements, as identified and discussed in the Chairman’s Statement, are:

- Revenue £49.2 million (2020: £54.4 million)
- Gross margin 17.2% (2020: 20.0%)
- Operating profit before amortisation and other adjustments £1.4 million (2020: £2.2 million)
- Cash generated from operations £3.8 million (2020: £1.4 million)

The primary non-financial key performance indicators relate to three Health & Safety areas in our businesses which are site activities, documentation, and environmental. Site inspections are held on a regular basis by our Health & Safety business (Northern Bear Safety Limited) which assess the effectiveness of each company in these areas. Following these inspections, a report is prepared, and should any issues be identified they would immediately be brought to the Board’s attention for appropriate action as and when required.

The Board considers that the key performance indicators used are an effective system tailored specifically to the demands of the sector.

Financial performance and position

Commentary on financial performance during the year and financial position at the reporting date is included in the Chairman’s Statement.

Statement on risks relating to the Group’s business

The nature of the building services industry means that the Group is subject to a number of risk factors. Some of these factors apply to the building services industry generally, while others are specific to the Group’s activities within that market.

Sector demand

The Group currently consists of twelve businesses which operate in three main segments of the support services sector of the economy. The Group is therefore exposed to varying activity levels within these diverse industries. The exposure of the Group to the new house build sector is a relatively small part of Group turnover; our exposure to public sector markets is greater. Consequently, any sustained material reduction in Government expenditure programmes will have an adverse effect on the financial position of the Group. This risk is largely outside the control of the Group; however, the Directors monitor public sector markets closely and this informs decision making within the Group.

Competition

Some of the businesses within the Group have competitors who may be able to accept lower financial returns than that required by the Group. Competition with these companies could adversely affect the Group’s profitability and financial position. In order to mitigate this risk, significant senior management effort is invested in the review of contract tendering and ongoing contract profitability.

Strategic Report (continued)

Statement on risks relating to the Group's business (continued)

Key clients

There can be no guarantee that the Group's key clients will not change suppliers. While each of the Group's businesses has many longstanding relationships with a number of key customers, the failure to satisfy the needs of these customers could harm the Group's business. Furthermore, these customers may be facing challenges within their own businesses. Providing a quality service to the Group's customers is at the heart of what we do, and we seek regular customer feedback to ensure that our standards meet their needs.

Dependence on personnel

The Group continues to be dependent on the continued services of its senior management, and we aim to retain our key people via fair remuneration with incentives to be entrepreneurial and grow their companies over time. Retaining qualified personnel, consultants and advisors is important to the continued successful operation of the Group's business. There can be no assurance that the Group will be able to recruit or retain its personnel in the future, which could have an adverse effect upon the Group's business and financial position. The loss of any of the Group's senior personnel could impede the achievement of its objectives.

Health & Safety performance

Our employees are key to our business and their welfare and safety is critical to the Group and its stakeholders and at the forefront of every decision we make. Health & Safety is managed

by our in-house safety business, Northern Bear Safety Limited, which ensures compliance with relevant standards and monitor performance on an ongoing basis. Any failures in this area would have an adverse impact on the Group's business.

Contract risk

The majority of the Group's businesses operate via an appropriate contract/order for our various building services. In order to generate trading profits the businesses are required to submit tenders at appropriate prices, manage operational contract delivery, and agree any variations to the contract with the customer. Should any of these fail to be managed effectively then it could possibly impact on the Group's profitability.

Insurance cover

The Group maintains a prudent level of insurance cover and regularly reviews all policies in conjunction with our brokers. Any failure to maintain adequate insurance cover could expose the Group to uninsured losses. The Group has an acceptable claims history for major insurances but in the event that this changes it could impact on annual insurance premiums.

Underperformance of acquired businesses

The Board has a detailed process for the evaluation of potential acquisitions, which includes financial, tax, and legal due diligence processes as required. Acquisitions are also typically structured to make an element of consideration dependent on post-acquisition performance. Notwithstanding this, should any acquired businesses significantly underperform against expectations then it could have an adverse impact on shareholder returns.

Financial instruments

The Group has exposure to risks from its use of financial instruments which include credit risk, liquidity risk and market risk. A full discussion of these risks and how they are managed is included in note 23 to the financial statements.

Macro-economic environment and impact on supply chain

There has been significant uncertainty in the UK macro-economic environment for some time following the UK decision to exit membership of the European Union, and exacerbated by the more recent COVID-19 pandemic. The Directors consider that the principal risk arising from this uncertainty relates to the Group's supply chain. Although principal suppliers are UK based, a number of products are ultimately sourced from overseas and hence any difficulties with the import process, or a weakening of the pound against relevant foreign currencies, could cause pressures on the Group's supply chain. Further, the Directors note more recent issues with construction materials availability and price increases as reported in the media. To date, the Group's companies have been able to work with key suppliers and customers to manage this situation, but should it persist it could impact on future results.



Haltwhistle Primary School near Hexham, Northumberland – Northern Bear Building Services Ltd



Moto Services Rugby – H Peel & Sons Ltd

Strategic Report (continued)

Statement on risks relating to the Group's business (continued)

COVID-19 and impact on building services industry

The COVID-19 pandemic had a major impact on the Group's trading performance in April and May 2020 when the majority of construction sites were temporarily closed down. As discussed in the Chairman's Statement, we have seen a sustained improvement in activity levels since late May 2020 with sites re-opening in line with Government guidance once required safety procedures were in place. Although it is possible that there will be further closures should cases of the virus increase either nationally or locally, the Directors are hopeful that there would be less impact on the construction industry due to the revised safety procedures now in place.

Carbon reporting

The Directors have taken the option to exclude energy and carbon information from the annual report which relates to a subsidiary that would not be obliged to report in its own right under the Streamlined Energy and Carbon Reporting framework. Neither the parent company nor any of its subsidiaries are obliged to report and hence no disclosure has been included.

Section 172 (1) Statement

The Directors of the Company consider that they have acted in the way they consider, in good faith, would be most likely to promote the success of the Company for the benefit of its members as a whole, having regard to Section 172 (a)-(f) of the Companies Act 2006. Further

information on how the Company interacts with its stakeholders and the wider community is included in the Corporate Governance Report.

The following disclosures form the Directors' statement required under section 414CZA(1) of the Companies Act 2006.

Stakeholder engagement

Our success relies upon good relations with a range of different stakeholder groups, both internal (employees) and external (including customers, suppliers, and shareholders), all of whom have an interest in our business and may be impacted by the decisions we take. The manner of our engagement with them is described below, and we comment further on stakeholder responsibilities in the Corporate Governance report.

Employees

The Board has always highlighted that the Group's loyal, dedicated and skilled workforce is a key part of our success. Continuing to invest in our workforce, ensuring their safety, and regular engagement with them is a key part of our management approach.

The Group has a relatively flat management structure with the MD of each business reporting directly to the Executive Directors of the Company. Keith Soulsby, our Operations Director, also splits his time between our Group companies and has regular contact with the wider employee base. We have an open-door style of management across the Group and our employees have an opportunity to share their views as needed. In addition, regular information sharing and safety updates are provided to the workforce.

Customers

Providing a quality service to the Group's customers is at the heart of what we do, and we seek regular customer feedback to ensure that our standards meet their needs. Our companies engage continually with their customers to build strong working relationships for the long term.

Suppliers

Our relationships with our supply chain, in particular our building materials suppliers, are an important part of our ability to deliver outstanding service to the Group's customer base. We engage with our suppliers as part of day-to-day operations to ensure they maintain the quality and availability of supplies.

Shareholders

The Board engages with our shareholders through a number of channels including the Annual Report, Interim Report, the Annual General Meeting, and regular informal communication including one-on-one meetings, telephone conversations, and emails. The Company lists contact details on both its website and all RNS announcements should shareholders wish to contact the Board and we will always endeavour to respond promptly to such queries.

Strategic Report (continued)

Section 172 (1) Statement (continued)

Communities and environment

The Directors are aware of the Group's responsibilities to the communities in which it operates and take this very seriously. As a significant employer in our communities we support local employment and apprenticeship schemes, and seek to operate safely and ethically while monitoring our environmental impact.

The principal charity that the Group supports is St Oswald's Hospice, and regular events, including an annual golf day, have been held to raise funds. Our subsidiaries also have discretion to support charities and community

organisations in their local areas and regularly do so.

Principal decisions taken during the year

Dividend

For every dividend decision the Board will take into account the Group's relative performance, available cash resources and distributable reserves, along with working capital requirements, corporate opportunities, debt obligations, and the macro-economic environment at the relevant time. Discussions concerning dividend levels are a regular part of our engagement with shareholders, and the Board also takes their views into considerations.

The Company did not pay a final ordinary or special dividend in respect of the year ended 31 March 2021. This decision to not

return capital to shareholders via a dividend was taken in the light of having received significant sums from the Government's Coronavirus Job Retention Scheme, as well as having asked non-furloughed staff to take temporary pay reductions across the Group, during the year.

Outlook

The future outlook for the business is included in the Chairman's Statement.

Steve Roberts

Executive Chairman 28 July 2021



Whitley Bay Promenade, North Tyneside Council – MGM Ltd

Directors' Report

The Directors present their Annual Report and Financial Statements for the year ended 31 March 2021.

Principal activities

The principal activity of the Group is to operate businesses in the North of England active in the support services sector. Furthermore, these businesses can be augmented with bolt on acquisitions or by the creation of new ventures.

The Group comprises the Company and a number of subsidiaries which operate in three main operating segments, being Roofing activities, Materials Handling activities, and Construction activities. In addition, the Company and certain intermediate holding companies provide corporate and other non-trading services, and this is classified as a separate operating segment for management information purposes.

Future outlook

The future outlook for the business is included in the Chairman's Statement.

Going concern

For the purposes of their assessment of the appropriateness of the preparation of the Group's accounts on a going concern basis, the Directors have considered the current cash position and forecasts of future trading including working capital and investment requirements.

During the year the Group met its day to day working capital requirements through an existing £1 million bank overdraft and a £3.5 million revolving credit facility. At 31 March 2021 the Group had net cash of £2.1 million and nothing was drawn on these bank facilities. The overdraft

facility was last renewed on 8 June 2021 for the period to 31 May 2022. The Group's revolving credit facility was most recently renewed on 19 March 2020 and is committed to 31 May 2023. The Directors have a reasonable expectation of successful renewal for both the overdraft and revolving credit facilities.

The Group's forecasts and projections, taking account of reasonable possible changes in trading performance, show that the Group and Parent Company should have sufficient cash resources to meet its requirements for at least the next 12 months from the date of signing this Report. Accordingly, the adoption of the going concern basis in preparing the financial statements remains appropriate.

Strategic Report

As permitted by paragraph 1A of Schedule 7 to the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 certain matters which are required to be disclosed in the Directors' Report have been omitted as they are included in the Strategic Report. These matters relate to financial risk management objectives and policies and exposure to price risk, credit risk, liquidity risk and cash flow risk.

Dividend

The Directors have not proposed a final ordinary or final special dividend in respect of the financial year ended 31 March 2021. No dividend was paid in respect of the financial year ended 31 March 2020.

Directors

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

SM Roberts

K Soulsby

TE Hayes

IT McLean
(deceased 16 February 2021)

HB Gold
(resigned 1 August 2020)

JM Baryshnik

JC Holroyd
(appointed 4 January 2021)

Directors' Report *(continued)*

The Directors who held office at the end of the financial year had the following interests, including family interests, in the ordinary shares of the Company and share options according to the register of Directors' interests:

	31 March 2021	31 March 2021	31 March 2020	31 March 2020
	Shares	Options	Shares	Options
JM Baryshnik	4,736,717	-	4,736,717	-
SM Roberts	813,300	-	813,300	-
K Soulsby	497,820	62,500	497,820	62,500
IT McLean	-	-	150,000	-
TE Hayes	80,000	-	80,000	-
HB Gold	-	-	70,000	-
JC Holroyd	-	-	-	-

In total the Directors' interests in the ordinary shares of the Company totalled 6,127,837 shares (2020: 6,347,837), representing 32.2% (2020: 33.4%) of allotted shares at the year end.

All the Directors benefited from qualifying third party indemnity provisions up to and including the date of this report.

Significant shareholdings

At 30 June 2021, the Company had been notified or was aware of the following shareholders with 3% or more of the issued share capital of the Company:

Shareholder	Number of ordinary shares in which interested	% of issued share capital
JM Baryshnik	4,736,717	25.4%
N Beaumont-Dark	2,401,568	12.9%
SM Roberts	813,300	4.4%

Political and charitable contributions

Neither the Company nor any of its subsidiaries made any political contributions during the year (2020: £nil). Charitable donations amounted to £10,600 (2020: £16,213).

Employees

The Group provides equal opportunities to all staff and employees and recruits the most suitably qualified person for each position. Full and fair consideration is given to applications for employment from disabled persons. All necessary assistance with initial training courses is given. Once employed, a career plan is developed so as to ensure suitable opportunities for each disabled person. Where an existing employee becomes disabled, the Group's policy is to provide continuing employment under normal terms and conditions wherever possible.

The Directors recognise the importance of good communications and inform and consult with employees' representatives on all matters likely to affect them.

The Group operates a range of schemes to involve employees in the financial performance of the business including profit related and other cash bonus arrangements and share option schemes.

Further information on engagement with the Group's employees is provided in the Corporate Governance Report.

Directors' Report (continued)

Statement of Directors' Responsibilities

The Directors are responsible for preparing the Strategic Report, Directors' Report, Corporate Governance Report and the Group and Parent Company financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare Group and Parent Company financial statements for each financial year. As required by the AIM rules of the London Stock Exchange they are required to prepare the Group financial statements in accordance with IFRS in conformity with the Companies Act 2006 and applicable law and have elected to prepare the Parent Company financial statements on the same basis.

Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and Parent Company and of their profit or loss for that period.

In preparing each of the Group and Parent Company financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether IFRS as adopted by the UK have been followed subject to any material departures disclosed and explained in the financial statements;

- provide additional disclosures when compliance with specific requirements in IFRS is 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
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group and Parent Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Parent Company's transactions and disclose with reasonable accuracy at any time the financial position of the Parent Company and enable them to ensure that its financial statements comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

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

Annual general meeting

The business of the AGM is set out in the accompanying circular to shareholders. The AGM is to be held on 24 August 2021 at the Company's registered office, A1 Grainger, Prestwick Park, Prestwick, Newcastle upon Tyne, NE20 9SJ.

Disclosure of information to auditor

The Directors who held office at the date of approval of this Directors' Report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware; and each director 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.

Auditor

Saffery Champness LLP were appointed as auditor to the company and in accordance with section 485 of the Companies Act 2006, a resolution proposing that they be re-appointed will be put at the AGM.

By order of the board

T E Hayes
Finance Director

A1 Grainger
Prestwick Park
Prestwick
Newcastle upon Tyne
NE20 9SJ

28 July 2021

Corporate Governance Report

The Directors of Northern Bear plc (the “Company” or “Northern Bear”) recognise the importance of good corporate governance and have adopted the Corporate Governance Code produced by the Quoted Companies Alliance (the “Code”). Insofar as it is practicable given Northern Bear’s size and the constitution of its Board, the Directors of Northern Bear (the “Directors” and together the “Board”) seek to comply with all provisions of the Code.

The Code contains ten broad principles for corporate governance and asks companies to provide disclosures in their Annual Report and Financial Statements, and on their website, as to how they are meeting the principles and any areas where they have chosen to depart from them. Full details of the Company’s application of the ten principles can be viewed on the Company’s website at <http://northernbearplc.com/investor-relations/corporate-governance/>. An extract of relevant disclosures for the Annual Report and Financial Statements, as identified in the Code, is provided below.

Chair’s corporate governance statement

This statement sets out how the Company and its subsidiaries (together the “Group”) comply with the ten principles of the Code.

My primary responsibility as Chair is to lead the Board effectively and to oversee the adoption, delivery and communication of the Company’s corporate governance model.

As Executive Chairman, my role is focused on strategic matters and hence this provides adequate

separation from the day to day business to be able to make independent decisions.

In my view, the Board promotes a corporate culture that is based on sound ethical values and behaviours and this supports us in delivering the Company’s objectives and strategy, in particular in delivering the continued success of the Group’s existing operations. This is supported by the application of the Quoted Companies Alliance (“QCA”) Corporate Governance Code.

The Group has a relatively flat management structure with the Managing Director (“MD”) of each business reporting directly to the Company’s Executive Directors, Keith Soulsby, Tom Hayes and Steve Roberts. The Executive Directors have regular contact with MDs via monthly operational updates, as well as regular contact with the employee base and external stakeholders. This allows them to monitor corporate culture across the Group to ensure that it meets our shared values.

There are no major areas where our governance structure and practices differ from the expectations set by the Code, other than that given the size and nature of the Group we do not consider it necessary to have a formal Board performance evaluation process in place as suggested by principle seven, or to include formal Audit Committee and Remuneration Committee reports in the Annual Report and Accounts as suggested by principle ten.

There are no key governance related matters that have occurred during the year and there were no significant changes in governance arrangements.

Establish a strategy and business model which promote long-term value for shareholders

Having established the Group via an acquisition strategy and subsequently restructured

operations during the economic downturn from 2009 to 2011 through the disposal of non-core businesses, the Group now has an established portfolio of mature businesses wholly focused on the support services sector.

There are three main operating segments within the Group, being Roofing activities, Materials Handling activities, and Construction activities.

The Company intends to deliver shareholder value in the medium to long term through:

- The continued success of its existing operations, all of which are well established businesses with strong reputations in their markets;
- Providing new services where possible to the existing, long established customer base. Examples of businesses developed within the Group include Northern Bear Building Services, Northern Bear Safety, and Survey Drones. Any new ventures are unlikely to be capital intensive and hence would have limited downside in the event that they do not meet expectations; and
- Further bolt-on acquisitions where appropriate, taking into account the Company’s acquisition criteria of being a well-established, consistently profitable and cash generative building services business with a strong management team committed to remaining in place. Acquisitions would also need to predictably enhance earnings and provide an attractive return on investment.

The Board meets on a regular basis to discuss the strategic direction of the Company and any significant change in strategy will be highlighted promptly.



Cliffe House, Huddersfield – Jennings Roofing Ltd

Corporate Governance Report

(continued)

Embed effective risk management, considering both opportunities and threats, throughout the organisation

The Board recognises the need to maintain a suitable risk management framework to identify, assess and manage all relevant risks to the Group's business.

The Strategic Report provides a detailed statement of risks relating to the Group's business and, where possible, any actions taken to mitigate them. The key risks discussed are:

- Sector demand;
- Competition;
- Key clients;
- Dependence on personnel;
- Health and safety performance;
- Contract risk;
- Insurance cover;
- Underperformance of acquired businesses;
- Financial instruments, including credit risk, liquidity risk, and market risk;
- Macro-economic environment and impact on supply chain; and
- COVID-19 and impact on Building Services industry.

With the exception of the last two items, the Board considers the remainder of the list to be inherent to the Group's businesses.

The Group's strategy is regularly reviewed along with the key risks impacting it as part of the Board's annual business planning and budgeting process, where detailed operational budgets are prepared for each subsidiary and approved by the Board. The Group's performance against its strategy and the associated risks is also

monitored through preparation and review of monthly management accounts and associated Key Performance Indicator reports.

The Group's risk processes have been strengthened recently with the appointment of Simon Anderson as the Group's Risk and Legal Consultant. Simon has extensive experience in the construction sector and was previously a partner in a construction law firm at one of the North's leading firms. Simon's role will be to work closely with the individual businesses on general and specific risk issues and oversee the contractual legal requirements of the Group.

Accepting that no systems of control can provide absolute assurance against material misstatement or loss, the Directors believe that the established systems for internal control within the Group are appropriate to the business.

Maintain the Board as a well-functioning, balanced team led by the Chair

Board structure and independence

The Board comprises five Directors, being the Chair (Steve Roberts), the Finance Director (Tom Hayes), the Operations Director (Keith Soulsby), and two Non-Executive Directors (John Holroyd and Jeff Baryshnik).

The Code notes that independence is a Board judgement. We note that the circumstances which may be relevant to this decision can include the size of Directors' shareholdings, and as the largest shareholder in the Company Jeff is deemed not to be independent for corporate governance purposes.

Following John Holroyd's appointment in January 2021 the Board had two independent Non-Executive Directors. Sadly Ian McLean passed away in February 2021 following a short illness, and the Board is currently reviewing its

composition and any changes needed.

Time commitment required

- Group Operations Director – full time role.
- Executive Chairman and Finance Director – variable with time commitment dependent on both the Group's strategic and operational activities.
- Non-Executive Directors – attendance at Board meetings, Annual General Meeting, Audit and Remuneration Committee meetings, and ad-hoc support as required.

Board and other meetings

Board meetings are held circa every two months, and in the past 12 months a total of five meetings were held.

The attendance record of each Director over the past 12 months was:

	Total meetings	Attended
Steve Roberts	5	5
Tom Hayes	5	5
Keith Soulsby	5	5
Jeff Baryshnik	5	5
John Holroyd	3	3

The Group is managed operationally via regular informal Executive Directors' meetings, as well as monthly Managing Directors meetings for all subsidiary Managing Directors chaired by Keith Soulsby.

The Board considers that this structure of meetings provides an appropriate balance between operational and strategic management and that it allows Board meetings to focus on the latter.

Corporate Governance Report

(continued)

Maintain the Board as a well-functioning, balanced team led by the Chair (continued)

Committees

The Board is supported by an Audit Committee and a Remuneration Committee.

Audit committee

The Group's Audit Committee typically meets three times per year, being at the audit planning stage, prior to finalisation of the Group's Annual Report and Financial Statements, and prior to release of the interim report and financial statements. In the last 12 months there were three Audit Committee meetings as above, one attended by Ian McLean, and two of which were attended by John Holroyd and Steve Roberts as explained below.

Remuneration committee

The Remuneration Committee meets at least annually and usually following the financial year end and prior to the agreement of annual bonus payments. Other meetings are held as required, for example to approve any issue of share options. In the last 12 months there was one Remuneration Committee meeting which was attended by Ian McLean.

Following Ian McLean's passing in February 2021 the Board is reviewing the composition of the Audit committee and Remuneration committee. Pending this review, Steve Roberts will attend audit and remuneration committee meetings to support John Holroyd in his role as an independent Non-Executive Director.

Ensure that between them the Directors have the necessary up-to-date experience, skills and capabilities

Details of the current Directors, their roles and backgrounds are set out on the Company's website in the Investor Relations section.

The Board considers that the Directors have, collectively, an appropriate mixture of strategic, operational, financial, public markets, and legal experience for a business of this size and nature in order to deliver the Group's strategy for the benefit of shareholders.

The Directors keep their skill sets up to date through a mixture of commercial and operational experience and technical updates as required. Steve Roberts, Tom Hayes and John Holroyd are chartered accountants and are also required to comply with the ICAEW's continuing professional development policy.

The Company Secretary, Wendy Edgell, assists the Chair and the Board in preparing for and running effective Board meetings, including the timely dissemination of appropriate information. Wendy also keeps up to date with relevant legal, statutory and regulatory requirements and advises the Board accordingly.

Evaluate Board performance based on clear and relevant objectives, seeking continuous improvement

The Board undertakes regular internal monitoring of collective and individual performance using agreed key performance indicators and detailed financial reports.

The key performance indicators used include financial measures such as revenues, gross margins, operating profit, and cash flow from operations. The primary non-financial key performance indicators relate to three Health & Safety areas which are site activities, documentation, and environmental.

Given the size and nature of the Group, we do not consider it necessary to have a formal Board performance evaluation process in place as suggested by principle seven of the Code.

Succession planning is an important part of our business and we regularly engage with all Group and subsidiary Directors as to their plans for the medium to long term in order to plan effectively for any departures. The Board regularly considers the need for the periodic refreshing of its membership. Recent examples of management transitions in the Company's subsidiaries include Springs Roofing Limited, Jennings Roofing Limited, Wensley Roofing Limited, and A1 Industrial Trucks Limited.

Promote a corporate culture that is based on ethical values and behaviours

The Board aims to promote a corporate culture across all aspects of our business that is based on sound ethical values and behaviours, and believes that this is critical to our continued success.

Our businesses are all well established in their respective markets and sustaining this is dependent on how they interact with all stakeholders, including customers, suppliers, employees and regulators. Any unethical behaviour would have an adverse impact on the future success of our companies.

As previously mentioned, the Group has a relatively flat management structure and the Company's Executive Directors are closely involved with our subsidiary companies and stakeholders. This allows them to monitor corporate culture across the Group to ensure that it meets our shared values.

Corporate Governance Report

(continued)

Communicate how the company is governed and is performing by maintaining a dialogue with shareholders and other relevant stakeholders

Committees

The Audit Committee and Remuneration Committee operate as set out in commentary above.

Annual general meeting ("AGM")

In light of the COVID-19 pandemic and the United Kingdom Government's measures to restrict public gatherings, it was, regrettably, not possible to hold the 2020 Annual General Meeting in its usual format and, in particular, physical attendance in person by Shareholders of the Company was not possible. Shareholders were therefore requested to submit their votes by proxy and all votes were duly passed.

At the previous last five AGMs, votes were conducted via a show of hands from those present, and all resolutions were unanimously passed with the exception of the meeting on 20th August 2018. At that meeting all votes were unanimously in favour with the exception of resolution seven "To authorise the Directors to declare and pay a special dividend for the year ended 31st March 2018" where there were five votes in favour and one abstention.

Proxy votes were available if required and a large majority of proxy votes were in favour of all resolutions. There has not been a single resolution over the past five AGMs where a significant proportion of votes (20% or more of independent votes) has been cast against.

Historical annual reports and governance-related material

Copies of historical annual reports, notices of AGM, and proxy forms are available on the Company's website covering at least the past five years.

Omitted disclosures

Given the size and nature of the Group, we do not consider it necessary to have a formal Board performance evaluation process in place as suggested by principle seven of the Code. Accordingly, we have not published any disclosure information in respect of this.

We have not included formal Audit Committee and Remuneration Committee reports in the Annual Report and Financial Statements, as suggested by principle ten of the Code, as the Board considers that information available in these and previous financial statements together with the corporate website provide sufficient information with regard to the reporting of the Audit Committee and Remuneration Committee activity. The Board will continue to review the disclosure of the Audit and Remuneration Committee.

Steve Roberts

Executive Chairman 28 July 2021







Independent Auditor's Report to the Members of Northern Bear plc

Opinion

We have audited the financial statements of Northern Bear plc (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 March 2021 which comprise the Consolidated Statement of Comprehensive Income, Consolidated and Company Balance Sheets, Consolidated and Company Statements of Changes in Equity, Consolidated and Company Statements of Cash Flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and international accounting standards (IAS) in conformity with the requirements of the Companies Act 2006.

In our opinion the financial statements:

- give a true and fair view of the state of affairs of the group and of the parent company as at 31 March 2021 and of the group's loss for the year then ended;
- have been properly prepared in accordance with IAS in conformity with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group and the parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, as applied to listed entities 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. Our evaluation of the directors' assessment of the group and the parent company's ability to continue to adopt the going concern basis of accounting included:

- Obtaining the formal going concern assessment of management, confirming that it covers an appropriate period, checking its arithmetical accuracy and agreeing information within to supporting documentation
- Reviewing the appropriateness of the underlying assumptions in management's model based upon available evidence and the sensitivity of the outcome of the forecast to those assumptions.

- Assessing the appropriateness of the discount rate used within the model
- Performing sensitivity analysis on the model to confirm that the group has sufficient resilience to withstand reasonably possible events or a downturn in trading.
- Reviewing compliance with loan covenants in the year and expected future compliance.
- Reconciling the opening forecast position to the latest management accounts.
- Considering how the ongoing impact of the Coronavirus pandemic has been factored into the forecasts including mitigating actions taken to reduce the impact and the timing of such measures, and assessing the likelihood that management would be able to successfully implement the mitigating actions.
- Review and discussion of post balance sheet events to assess their impact on the going concern assumption.
- Assessing the disclosures in the financial statements including the accounting policy which describes the going concern basis of accounting to ensure that it is an accurate reflection of the basis for which the Group is a going concern.

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 or 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.

Independent Auditor's Report to the Members of Northern Bear plc *(continued)*

Our approach to the audit

We tailored the scope of our audit to ensure that we obtained sufficient evidence to support our opinion on the financial statements as a whole, taking into account the structure of the Group and the parent Company, the accounting processes and controls, and the industry in which they operate.

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements. In particular, we looked at where the Directors made subjective judgements, for example in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain.

The risks of material misstatement that had the greatest effect on our audit, including the allocation of our resources and effort, are discussed under "Key audit matters" within this report.

The Group consists of the parent Company and its thirteen subsidiaries, all of which are based in the UK. Audit work has been carried out by the parent auditor, no work was undertaken by component auditors.

Our group audit scope included an audit of the group and parent financial statements of Northern Bear plc. Based on our risk assessment, all entities within the group were subject to full scope audit and was performed by the group audit team. The extent of our audit work on the components was based on our assessment of the risk of material misstatement

and of the materiality of that component. The components within the scope of our audit work therefore covered 100% of group revenue, group profit before tax and group net assets.

At the parent level we also tested the consolidation process to confirm our conclusion that there were no significant risks of material misstatement of the aggregated financial information.

Independent Auditor’s Report to the Members of Northern Bear plc *(continued)*

Key audit matters

Key Audit Matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) we identified, including those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Area of focus	How addressed
<p>Revenue recognition</p> <p>The group earns revenue from contracts with customers across a number of operating segments. Revenue is recognised in different segments in different ways - over time or at a point in time.</p> <p>Due to the long-term nature of contracts for building and roofing services there is a risk of cut off errors at the year-end, particularly where work is yet uncertified. There may also be uncertainty over the value of work for contracts subject to ongoing negotiations.</p> <p>In addition, there is a risk that contracts may be or have become loss making and should be provided for in the financial statements.</p> <p>Due to the significance of revenue to the financial statements and the high level of subjectivity and judgement in its recognition we consider this to be a key audit matter.</p>	<p>We reviewed the consistency of application and appropriateness of disclosure of revenue recognition policies and application of IFRS 15 in the year. We performed walkthrough testing across the group and all material revenue streams to ensure that there were adequate processes and controls in place for the recognition of revenue.</p> <p>We have performed procedures including:</p> <ul style="list-style-type: none"> • Tested the recognition of contract revenue on contracts substantively by critically analysing the stage of completion calculations and agreeing revenue to underlying contracts and third-party surveyor reports where available. • Reviewed the performance of contracts that were outstanding at the start of the period in order to assess the judgements made by management in the prior year in relation to revenue recognition. • Reviewed low margin and loss-making contracts during the year, establishing the issues encountered as well as considering the potential for future losses that may impact amounts of revenue recognised. • Reviewed after-date performance of contracts in order to support the value of revenue recognised at the reporting date. • Reviewed a sample of contracts with customers to ensure that contract terms are considered when determining the appropriate recognition criteria of revenue in line with IFRS 15. • Reviewed orders/contracts around the year end to ensure they are recorded in the correct accounting period and that revenue is complete and accurate at the year end. <p>Key observations: Based on our audit procedures performed we have concluded that revenue is appropriately recognised, and that there was no evidence of material misstatement.</p>

Independent Auditor's Report to the Members of Northern Bear plc *(continued)*

Area of focus	How addressed
<p>Carrying value of goodwill</p> <p>IFRS require goodwill to be tested annually for impairment by comparing its recoverable amount with its carrying amount and otherwise when there is an indication that it may be impaired. During the period, one of the group's cash generating units (CGU's) was determined to be impaired by £2,511,000.</p> <p>Management's assessment of impairment indicators and calculations of the recoverable amount are underpinned by a number of estimates including future cash flows, growth assumptions and the discount rate of the group. Key inputs are inherently judgemental, which increases the potential risk of error.</p> <p>Due to the significance of the carrying value of goodwill to the financial statements, the impairment recognised during the year and the inherent subjectivity involved in the estimates that underpin the recoverable amount, we consider it to be a key audit matter.</p>	<p>We have performed the following procedures including:</p> <ul style="list-style-type: none"> • Reviewed the basis of and verified the calculation of the impairment of goodwill and other intangibles relating to H Peel & Sons Limited. • Reviewed the impairment assessment models for each CGU to ensure they are consistent with the requirements of IAS36 and have been appropriately sensitised. • Tested the mathematical accuracy of the model. • Challenged management's assumptions and obtained support for the forecasts used in the cash flow model in particular the long-term growth rates. • Critically assessed the appropriateness of the discount rate. • Performed our own sensitivity analysis on the key assumptions. • Reviewed disclosures made regarding underlying estimates and sensitivity of the model to those estimates. <p>Key observations: Based on our audit procedures we have not identified any material misstatement arising from the carrying value of goodwill recognised in the financial statements.</p>
<p>Provisions in respect of claims arising from defective works</p> <p>The group is party to a number of large construction contracts and is thus susceptible to the risk of under-performance on a contract leading to a loss and/or legal claim.</p> <p>At the planning stage of the audit we became aware of a potential claim relating to performance on a historic contract in one of the group's subsidiaries.</p> <p>A substantial loss and/or legal claim may lead to significant impairment charges and cast doubt on the group's ability to continue as a going concern. As such, provisions in respect of claims arising from defective works is considered to be a key audit matter.</p>	<p>We have performed procedures including:</p> <ul style="list-style-type: none"> • Held discussions with local management regarding any potential contract related or other disputes with customers. • Reviewed minutes of meetings for evidence of potential claims. • Liaised with management and the internal legal team as to the status and disclosures as regards the claim relating to the historic contract. • Reviewed legal correspondence in relation to the legal claim. • Assessed the impact any claims may have on the carrying values of assets/investments in the financial statements and on the going concern assumption. • Checked that the disclosures made in the financial statements are appropriate and in line with the requirements of IAS 37. <p>Key observations: Based on our audit procedures performed we are satisfied that there is no material misstatement arising from the recognition of provisions for defective works.</p>

Independent Auditor's Report to the Members of Northern Bear plc *(continued)*

Our application of materiality

We apply the concept of materiality in planning and performing our audit, in evaluating the effect of any identified misstatements and in forming our opinion. Our overall objective as auditor is to obtain reasonable assurance that the financial statements as a whole are free from material misstatement, whether due to fraud or error. We consider a misstatement to be material where it could reasonably be expected to influence the economic decisions of the users of the financial statements.

Based on our professional judgement and taking into account the possible metrics used by investors and other readers of the accounts, we have determined an overall Group materiality of £240,000 based on 0.5% of revenue for the year ended 31 March 2021. Materiality of £240,000 was used for the parent Company based on 5% of net assets, capped to an appropriate level for group purposes.

Group performance materiality was set at £168,000 representing 70% of overall materiality. Parent company performance materiality was also set at £168,000.

We agreed with the Audit Committee to report all individual audit differences in excess of £5,000 in relation to the Group and £1,000 for the parent company, being the level below which misstatements are considered to be clearly trivial. We also agreed to report any other identified misstatements that warranted reporting on qualitative grounds.

Other information

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

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In 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 Strategic Report or the Directors' Report.

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

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

Independent Auditor's Report to the Members of Northern Bear plc (continued)

Responsibilities of Directors

As explained more fully in the directors' responsibilities statement set out on page 18, 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 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.

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

Identifying and assessing risks related to irregularities:

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

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

In addition, the group is subject to other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to its ability to operate or to avoid a material penalty. These include Health and Safety legislation such as The Work at Height Regulations 2005 and The Personal Protective Equipment Regulations 2016/425.

Independent Auditor's Report to the Members of Northern Bear plc (continued)

Auditor's responsibilities for the audit of the financial statements (continued)

Audit response to risks identified:

We considered the extent of compliance with these laws and regulations as part of our audit procedures on the related financial statement items including a review of group and parent company financial statement disclosures.

We reviewed the parent company's records of breaches of laws and regulations, minutes of meetings and correspondence with relevant authorities to identify potential material misstatements arising. We discussed the parent company's policies and procedures for compliance with laws and regulations with members of management responsible for compliance.

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

completion stage of the audit, the engagement partner's review included ensuring that the team had approached their work with appropriate professional scepticism and thus the capacity to identify non-compliance with laws and regulations and fraud.

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

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

A further description of our responsibilities 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 auditor's report.

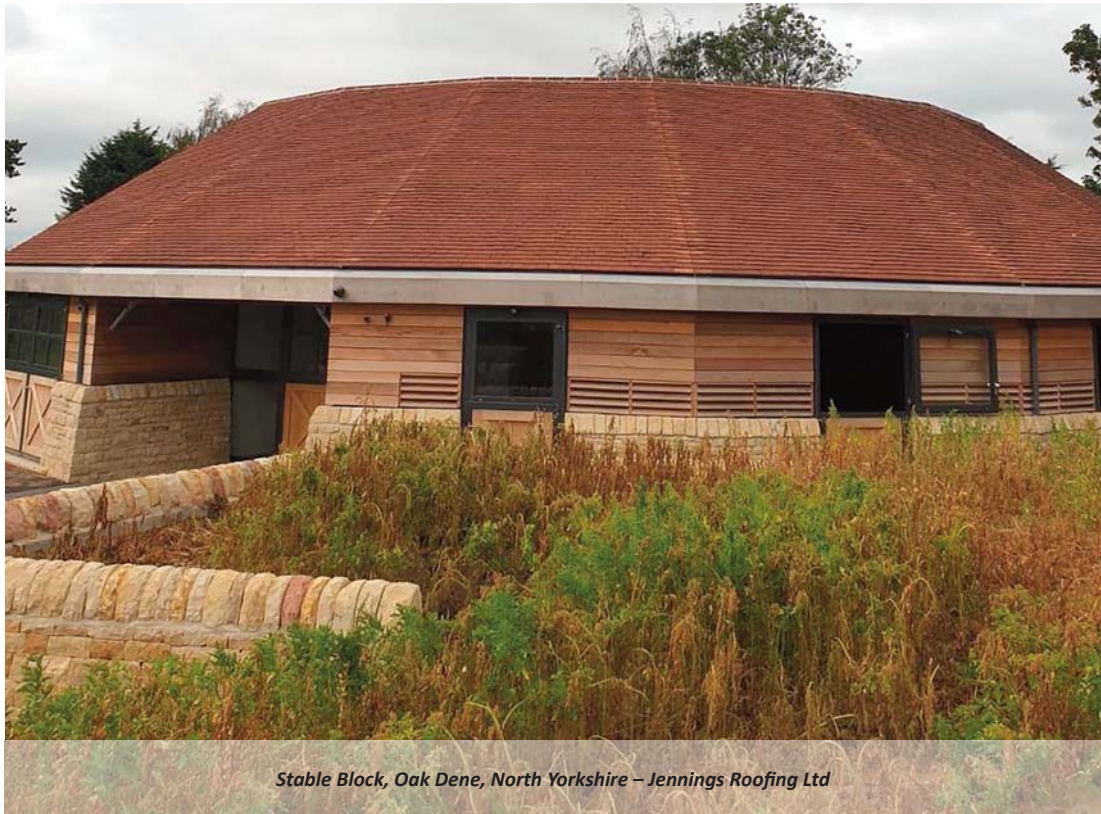
Use of our report

This report is made solely to the parent company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the parent company's members those matters we are required to state to them in an 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 parent company and the parent company's members as a body for our audit work, for this report, or for the opinions we have formed.

Martin Holden
(Senior Statutory Auditor)
for and on behalf of Saffery
Champness LLP
Chartered Accountants
Statutory Auditors

Mitre House
North Park Road
Harrogate
HG1 5RX

28 July 2021





COVID-19 Precautions

Wash your hands when
you arrive, and regularly



Only sit at marked desks
or marked spaces



Keep meetings virtual
rather than face to face,
where possible



Don't exceed meeting
room capacity, and don't
rearrange chairs



Go home if you have
symptoms, and tell your
manager



Be aware of latest
Government guidance



Consolidated Statement of Comprehensive Income

for the year ended 31 March 2021

	Note	2021 £000	2020 £000
Revenue	4	49,182	54,421
Cost of sales		(40,726)	(43,545)
Gross profit		8,456	10,876
Other operating income	5	1,549	25
Administrative expenses		(8,640)	(8,682)
Operating profit (before amortisation and other adjustments)		1,365	2,219
Transaction and one-off costs	6	-	(264)
Deferred consideration adjustments	25	-	277
Impairment charge	13	(2,807)	-
Amortisation of intangible assets arising on acquisitions	13	(13)	(155)
Operating (loss)/profit		(1,455)	2,077
Finance costs	9	(176)	(229)
(Loss)/profit before income tax		(1,631)	1,848
Income tax expense	10	(162)	(360)
(Loss)/profit for the year		(1,793)	1,488
Total comprehensive income attributable to equity holders of the parent		(1,793)	1,488
Earnings per share from continuing operations			
Basic (loss)/earnings per share	11	(9.6)p	8.0p
Diluted (loss)/earnings per share	11	(9.6)p	8.0p

Consolidated Balance Sheet

at 31 March 2021

	Note	2021 £000	2020 £000
Assets			
Property, plant and equipment	12	3,596	3,213
Right of use asset	26	1,094	1,132
Intangible assets	13	18,044	20,923
Trade and other receivables	17	872	1,063
Total non-current assets		23,606	26,331
Inventories	16	974	1,007
Trade and other receivables	17	9,843	8,218
Cash and cash equivalents	18	2,114	3,658
Total current assets		12,931	12,883
Total assets		36,537	39,214
Equity			
Share capital	22	190	190
Capital redemption reserve	22	6	6
Share premium	22	5,169	5,169
Merger reserve	22	9,703	9,703
Retained earnings		7,218	9,011
Total equity attributable to equity holders of the Company		22,286	24,079
Liabilities			
Loans and borrowings	19	-	3,500
Deferred consideration	25	-	50
Trade and other payables	20	122	88
Lease liabilities	26	1,039	1,072
Deferred tax liabilities	15	487	354
Total non-current liabilities		1,648	5,064
Loans and borrowings	19	28	31
Deferred consideration	25	50	50
Trade and other payables	20	11,936	9,103
Lease liabilities	26	533	549
Current tax payable		56	338
Total current liabilities		12,603	10,071
Total liabilities		14,251	15,135
Total equity and liabilities		36,537	39,214

These financial statements were approved by the Board of Directors on 28 July 2021 and were signed on its behalf by:

T E Hayes
Finance Director

Company registered number: 05780581

Company Balance Sheet

at 31 March 2021

	Note	2021 £000	2020 £000
Assets			
Property, plant and equipment	12	27	47
Right of use asset	26	171	236
Investments in subsidiaries	14	32,836	35,272
Deferred tax assets	15	11	11
Total non-current assets		33,045	35,566
Trade and other receivables	17	8,138	5,224
Total current assets		8,138	5,224
Total assets		41,183	40,790
Equity			
Share capital	22	190	190
Capital redemption reserve	22	6	6
Share premium	22	5,169	5,169
Merger reserve	22	9,703	9,703
Retained earnings		10,107	5,305
Total equity attributable to equity holders of the Company		25,175	20,373
Liabilities			
Loans and borrowings	19	-	3,500
Deferred consideration	25	-	50
Lease liabilities	26	106	164
Total non-current liabilities		106	3,714
Bank overdraft	18	2,285	2,016
Deferred consideration	25	50	50
Trade and other payables	20	13,502	14,565
Lease liabilities	26	65	72
Total current liabilities		15,902	16,703
Total liabilities		16,008	20,417
Total equity and liabilities		41,183	40,790

The Company made a profit for the year of £4,802,000 (2020: £3,942,000 profit).

These financial statements were approved by the Board of Directors on 28 July 2021 and were signed on its behalf by:

T E Hayes

Finance Director

Company registered number: 05780581

Consolidated Statement of Changes in Equity

for the year ended 31 March 2021

	Share capital	Capital redemption reserve	Share premium	Merger reserve	Retained earnings	Total equity
	£000	£000	£000	£000	£000	£000
At 1 April 2019	189	6	5,169	9,605	8,277	23,246
Effect of adoption of IFRS 16	-	-	-	-	(18)	(18)
At 1 April 2019 (adjusted)	189	6	5,169	9,605	8,259	23,228
Total comprehensive income for the year						
Profit for the year	-	-	-	-	1,488	1,488
Transactions with owners, recorded directly in equity						
Issue of shares	1	-	-	-	-	1
Exercise of share options	-	-	-	-	5	5
Equity dividends paid	-	-	-	-	(741)	(741)
Merger reserve arising on acquisition	-	-	-	98	-	98
At 31 March 2020	190	6	5,169	9,703	9,011	24,079
At 1 April 2020	190	6	5,169	9,703	9,011	24,079
Total comprehensive income for the year						
Loss for the year	-	-	-	-	(1,793)	(1,793)
At 31 March 2021	190	6	5,169	9,703	7,218	22,286

Company Statement of Changes in Equity

for the year ended 31 March 2021

	Share capital	Capital redemption reserve	Share premium	Merger reserve	Retained earnings	Total equity
	£000	£000	£000	£000	£000	£000
At 1 April 2019	189	6	5,169	9,605	2,099	17,068
Total comprehensive income for the year						
Profit for the year	-	-	-	-	3,942	3,942
Transactions with owners, recorded directly in equity						
Issue of shares	1	-	-	-	-	1
Exercise of share options	-	-	-	-	5	5
Equity dividends paid	-	-	-	-	(741)	(741)
Merger reserve arising on acquisition	-	-	-	98	-	98
At 31 March 2020	190	6	5,169	9,703	5,305	20,373
At 1 April 2020	190	6	5,169	9,703	5,305	20,373
Total comprehensive income for the year						
Profit for the year	-	-	-	-	4,802	4,802
At 31 March 2021	190	6	5,169	9,703	10,107	25,175

Consolidated Statement of Cash Flows

for the year ended 31 March 2021

	Note	2021 £000	2020 £000
Cash flows from operating activities			
Operating (loss)/profit for the year		(1,455)	2,077
<i>Adjustments for:</i>			
Depreciation of property, plant and equipment	12	600	570
Depreciation of lease asset	26	373	367
Amortisation	13	13	155
Impairment charge	13	2,807	-
Loss on sale of property, plant and equipment		-	1
Deferred consideration adjustments	25	-	(277)
		2,338	2,893
Change in inventories	16	33	(275)
Change in trade and other receivables	17	(1,434)	1,039
Change in trade and other payables	20	2,867	(2,215)
		3,804	1,442
Cash generated from operations			
Interest paid		(176)	(202)
Tax paid		(252)	(485)
		3,376	755
Net cash flow from operating activities			
Cash flows from investing activities			
Proceeds from sale of property, plant and equipment		420	671
Acquisition of property, plant and equipment	12	(1,200)	(1,156)
Acquisition of subsidiary (net of cash acquired)	25	(50)	(876)
		(830)	(1,361)
Net cash from investing activities			
Cash flows from financing activities			
(Repayment)/issue of borrowings		(3,503)	2,513
Repayment of lease liabilities		(587)	(551)
Proceeds from the exercise of share options		-	5
Equity dividends paid		-	(741)
		(4,090)	1,226
Net cash from financing activities			
Net (decrease)/increase in cash and cash equivalents		(1,544)	620
Cash and cash equivalents at start of year	18	3,658	3,038
Cash and cash equivalents at end of year	18	2,114	3,658

Company Statement of Cash Flows

for the year ended 31 March 2021

	Note	2021 £000	2020 £000
Cash flows from operating activities			
Operating loss for the year		(3,223)	(1,183)
<i>Adjustments for:</i>			
Impairment charge	14	2,436	-
Depreciation of property, plant and equipment	12	13	8
Depreciation of lease asset	26	62	64
		(712)	(1,111)
Change in trade and other receivables	17	5,186	(435)
Change in trade and other payables	20	(1,063)	1,281
Cash generated from operations		3,411	(265)
Interest paid		(76)	(128)
Tax paid		1	(1)
Net cash flow from operating activities		3,336	(394)
Cash flows from investing activities			
Proceeds from sale of property, plant and equipment		10	-
Acquisition of property, plant and equipment	12	(3)	(21)
Acquisition of subsidiary		(50)	(820)
Net cash from investing activities		(43)	(841)
Cash flows from financing activities			
(Repayment)/issue of borrowings	24	(3,500)	2,500
Repayment of lease liabilities		(62)	(64)
Proceeds from the exercise of share options		-	5
Equity dividends paid		-	(741)
Net cash from financing activities		(3,562)	1,700
Net (decrease)/increase in cash and cash equivalents		(269)	465
Cash and cash equivalents at start of year	18	(2,016)	(2,481)
Cash and cash equivalents at end of year	18	(2,285)	(2,016)

Notes to the Financial Statements

for the year ended 31 March 2021

1 Reporting entity

Northern Bear plc (the “Company” or the “Parent Company”) is a company incorporated in England and Wales, with its registered office at A1 Grainger, Prestwick Park, Prestwick, Newcastle upon Tyne, NE20 9SJ.

The Parent Company’s shares are quoted and publicly traded on the London Stock Exchange AIM market. Details of significant shareholders are provided in the Directors’ Report. There is no other ultimate controlling party.

The Group financial statements consolidate those of the Company and its subsidiaries (together referred to as the “Group”). The Parent Company financial statements present information about the Company as a separate entity and not about its Group.

2 Basis of preparation

Statement of compliance

Both the Parent Company financial statements and the Group financial statements have been prepared and approved by the Directors in accordance with International Financial Reporting Standards in conformity with the Companies Act 2006.

On publishing the Parent Company financial statements here, together with the Group financial statements, the Company is taking advantage of the exemption in s408 of the Companies Act 2006 not to present its individual statement of comprehensive income and related notes that form a part of these approved financial statements.

Standards and interpretations applied for the first time

In these financial statements the following standards, amendments and interpretations, which became effective for the first time, were adopted by the Group:

- Conceptual Framework (Revised) and amendments to related references in IFRS Standards – effective date on or after 1 January 2020;
- IFRS 9 Financial Instruments, IAS 39 Financial Instruments: Recognition and Measurement and IFRS 7 Financial Instruments: Disclosures (Amendments): Interest Rate Benchmark Reform (effective date for periods starting on or after 1 January 2020); and
- IFRS 3 Business Combinations (Amendment): Definition of a Business (effective date for periods starting on or after 1 January 2020).
- Amendments to IAS 1 and IAS 8: Definition of Material

The adoption of the above standards and interpretations has not had a significant impact on the Group’s results for the year or equity.

Standards, amendments and interpretations in issue but not yet effective

The following mentioned standards, amendments and interpretations have been issued but have not been applied by the Group in these financial statements. Their adoption in future financial periods is not expected to have a material effect on the financial statements for the Group and the Company unless otherwise indicated:

- Interest Rate Benchmark Reform – Phase 2 (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16) – effective date on or after 1 January 2021
- Covid 19-Related Rent Concessions Beyond 30 June 2021 (Amendment to IFRS 16 Leases) – effective date on or after 1 April 2021
- Updating a Reference to the Conceptual Framework (Amendments to IFRS 3 Business Combinations) – effective date on or after 1 January 2022
- Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16) – effective date on or after 1 January 2022

Notes to the Financial Statements

for the year ended 31 March 2021 (continued)

2 Basis of preparation (continued)

- Onerous Contracts – Cost of Fulfilling a Contract (Amendments to IAS 37 Provisions, Contingent Liabilities and Contingent Assets) – effective date on or after 1 January 2022
- Annual improvements 2018-2020 cycle – effective date on or after 1 January 2022
- Classification of Liabilities as Current or Non-Current: amendments to IAS 1 – effective date on or after 1 January 2023
- IFRS 17 - Insurance Contracts – effective date on or after 1 January 2023
- Amendments to IFRS 17 - Insurance Contracts; and Extension of the Temporary Exemption from Applying IFRS 9 (Amendments to IFRS 4 Insurance Contracts) – effective date on or after 1 January 2023
- Disclosure of Accounting Policies (Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2 Making Materiality Judgements) – effective date on or after 1 January 2023
- Definition of Accounting Estimates (Amendments to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors) – effective date on or after 1 January 2023
- Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12 Income Taxes) – effective date on or after 1 January 2023

Basis of measurement

The financial statements are prepared on the historical cost basis.

Functional and presentation currency

These financial statements are presented in sterling, which is the Group's functional currency.

Use of estimates and judgements

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

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised and in any future years affected.

Judgements and estimates made by management in the application of Adopted IFRSs that have a significant impact on the consolidated financial statements with a significant risk of material adjustment in the next year are described in note 28.

Going concern

The Group's business activities, together with the factors likely to affect its future development, performance and position are set out in the Strategic Report. The financial position of the Group, its cash flows and liquidity position are described in the Chairman's Statement. In addition, note 23 to the financial statements includes the Group's objectives, policies and processes for managing its capital; its financial risk management objectives; details of its financial instruments and its exposures to credit risk and liquidity risk.

The Group meets its day to day working capital requirements through a £1 million bank overdraft and a £3.5 million revolving credit facility. At 31 March 2021 the Group had net cash of £2.1 million and nothing was drawn on these bank facilities. The overdraft element of the facilities was last renewed on 8 June 2021 and is committed to 31 May 2022. The Group's revolving credit facility was most recently renewed on 19 March 2020 and is committed to 31 May 2023. The Directors have a reasonable expectation of successful renewal for both the overdraft and revolving credit facilities.

The Group's forecasts and projections, taking account of reasonably possible changes in trading performance (including consideration of the impact of COVID-19 on the Group's results), show that the Group should be able to operate within the level of its current facilities for at least the next 12 months from the date of signing the financial statements. The Parent Company's net current liabilities are additionally driven by amounts owed to subsidiary undertakings that are repayable on demand; on a periodic basis subsidiary undertakings will declare dividends to the Parent Company to settle these liabilities.

Notes to the Financial Statements

for the year ended 31 March 2021 (continued)

2 Basis of preparation (continued)

Taking into account all of the above, the Directors have a reasonable expectation that the Group and Parent Company have adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

3 Significant accounting policies

The accounting policies set out below have, unless otherwise stated, been applied consistently to all years presented in these consolidated financial statements.

Basis of consolidation

Control exists where the Group has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. Subsidiaries are entities controlled by the Company. The financial statements of subsidiaries are included in the consolidated financial information from the date that control commences until the date that control ceases.

Intercompany balances, and any unrealised gains and losses or income and expenses arising from intragroup transactions, are eliminated when preparing the consolidated financial information.

Classification of financial instruments issued by the Group

Financial instruments issued by the Group are treated as equity only to the extent that they meet the following two conditions:

- (a) they include no contractual obligations upon the Company (or Group as the case may be) to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the Company (or Group); and
- (b) where the instrument will or may be settled in the Company's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the Company's own equity instruments or is a derivative that will be settled by the Company exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability. Where the instrument so classified takes the legal form of the Company's own shares, the amounts presented in these financial statements for called up share capital and share premium account exclude amounts in relation to those shares.

Non-derivative financial instruments

Non-derivative financial instruments comprise investments in equity, trade and other receivables, cash and cash equivalents, loans and borrowings, and trade and other payables.

Trade and other receivables

Trade and other receivables are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses.

Trade and other payables

Trade and other payables are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method.

Interest-bearing borrowings

Interest-bearing borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method, less any impairment losses.

Intangible assets and goodwill

All business combinations are accounted for by applying the purchase method. Goodwill represents amounts arising on acquisition of subsidiaries. Goodwill represents the difference between the cost of the acquisition and the net fair value of the identifiable assets, liabilities and contingent liabilities acquired. Identifiable intangibles are those which can be sold separately or which arise from legal rights regardless of whether those rights are separable.

Notes to the Financial Statements

for the year ended 31 March 2021 (continued)

3 Significant accounting policies (continued)

Goodwill is stated at cost less any accumulated impairment losses. Goodwill is allocated to cash-generating units and is not amortised but is tested annually for impairment. On disposal of a subsidiary the attributable amount of goodwill is included in the determination of the gain or loss on disposal.

Other intangible assets are measured initially at cost and are amortised on a straight-line basis over their estimated useful lives. The carrying amount is reduced by any provision for impairment where necessary.

On a business combination, as well as recording separate intangible assets already recognised in the balance sheet of the acquired entity at their fair value, identifiable intangible assets that are separable or arise from contractual or other legal rights are also included in the acquisition balance sheet at fair value.

Amortisation is charged within administrative expenses in the consolidated statement of comprehensive income so as to write off the cost or valuation of assets over their useful economic lives, on the following basis:

Customer relationships	20% of fair value at acquisition
Acquired brands	20% of fair value of acquisition

External costs incurred in relation to acquisitions are recognised as an expense in the year in which the costs are incurred.

Property, plant and equipment

Property, plant and equipment ("PPE") are stated at cost less accumulated depreciation and impairment losses. Where parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment.

Leased assets within PPE are stated at an amount equal to the lower of their fair value and the present value of the minimum lease payments at inception of the lease, less accumulated depreciation and less accumulated impairment losses. Lease payments are accounted for as described below.

Depreciation is charged to the Consolidated Statement of Comprehensive Income on either a straight line or diminishing balance basis as appropriate over the estimated useful economic lives of each part of an item of property, plant and equipment. The depreciation rates are as follows:

Leasehold, buildings and improvements	life of lease straight line
Plant and equipment	10-15% diminishing balance
Materials handling equipment	8% straight line
Motor vehicles	25% diminishing balance
Fixtures and fittings (including computer equipment)	15-33% diminishing balance

The residual value, and useful economic life, is reassessed annually.

Investments in subsidiaries

Investments in subsidiaries are carried at cost less impairment in the Parent Company financial statements.

Inventories

Inventories are stated at the lower of cost and net realisable value. The cost of inventories is based on the first-in first-out principle and includes expenditure incurred in acquiring the inventories and other costs incurred in bringing them to their existing location and condition. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

Impairment

The carrying amounts of the Group's assets, other than inventories and deferred tax assets, are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, then the assets recoverable amount is estimated. For goodwill which has an indefinite life the recoverable amount is estimated at each reporting date.

Notes to the Financial Statements

for the year ended 31 March 2021 (continued)

3 Significant accounting policies (continued)

The recoverable amount of an asset or cash generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the “cash generating unit”). The goodwill acquired in a business combination, for the purpose of impairment testing, is allocated to cash generating units that are expected to benefit from the synergies of the combination.

An impairment loss is recognised if the carrying amount of an asset or its cash generating unit exceeds its estimated recoverable amount. Impairment losses are recognised in the Consolidated Statement of Comprehensive Income. Impairment losses recognised in respect of cash generating units are allocated first to reduce the carrying amount of any goodwill allocated to cash generating units and then to reduce the carrying amount of other assets within the unit on a pro-rata basis.

Employee benefits

Defined contribution pension plans

Obligations for contributions to defined contribution pension plans are recognised as an expense in the Consolidated Statement of Comprehensive Income as service is provided.

Share-based payment transactions

The share option programme allows Group and Company employees to acquire shares of the Company. The fair value of share options granted is recognised as an employee expense with a corresponding increase in equity. The fair value is measured at grant date, using an appropriate model taking into account the terms and conditions upon which the share options were granted, and is spread over the period during which the employees become unconditionally entitled to the options. The amount recognised as an expense is adjusted to reflect the actual number of share options that vest except where forfeiture is only due to market conditions.

Revenue

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of discounts, VAT and other sales related taxes.

In relation to key revenue streams this policy is applied as follows:

- Roofing activities – revenue is recognised over time based on allocation of the customer contract price to distinct performance obligations and recognising revenue when those performance obligations (based on valuations by surveyors) are satisfied;
- Building services activities - revenue is recognised over time based on allocation of the customer contract price to distinct performance obligations and recognising revenue when those performance obligations (based on valuations by surveyors) are satisfied;
- Materials handling activities
 - o Product sales – revenue is recognised at the point in time of delivery to the customer, as this is when the performance obligations are satisfied;
 - o Assets leased to customers – revenue is recognised on a straight line basis over the lease term in line with the performance obligations.

Other operating income

Other operating income includes government grants (see below) and the rental of premises and advertising space. As these income streams are not part of the Group’s principal trading activities they have been classified separately. Other operating income is recognised in the Consolidated Statement of Comprehensive Income as it is accrued.

Notes to the Financial Statements

for the year ended 31 March 2021 (continued)

3 Significant accounting policies (continued)

Expenses

- (i) Leases
Minimum lease payments are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.
- (ii) Finance income
Finance income comprises interest receivable on funds invested. Interest income is recognised in the Consolidated Statement of Comprehensive Income as it accrues using the effective interest method.
- (iii) Finance expenses
Finance expenses comprise interest payable on borrowings. All borrowing costs are recognised in the Consolidated Statement of Comprehensive Income using the effective interest method.
- (iv) Exceptional expenses
Exceptional items are defined as items of expenditure which are required to be presented when such presentation is relevant to an understanding of financial performance.

Income tax

Income tax on the profit or loss for the year comprises both current and deferred tax. Income tax is recognised in the statement of comprehensive income except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the following temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profits nor differences relating to investments in subsidiaries to the extent that it is probable that they will not reverse in the foreseeable future. In addition, deferred tax is not recognised for taxable temporary differences arising on the initial recognition of goodwill. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that a related tax benefit will be realised.

Segment reporting

Segmental information is provided based on internal reports regularly reviewed by the Chief Operating Decision Maker, which is deemed to be the Board of Directors.

Segment results, assets and liabilities include items directly attributable to a segment as well as those that are allocated on a reasonable basis. Segment capital expenditure is the total cost incurred during the year to acquire segment assets that are not expected to be used for more than one segment.

Dividends

Dividends are recognised as a liability in the year in which they are declared.

Notes to the Financial Statements

for the year ended 31 March 2021 (continued)

3 Significant accounting policies (continued)

Derecognition of financial instruments

Financial assets are derecognised if the Group's contractual rights to the cash flows from the financial assets expire, or if the Group transfers the financial assets to another party without retaining control or substantially all risks and rewards of the asset.

Financial liabilities are derecognised if the Group's obligations specified in the contract expire or are discharged or cancelled.

Leases

The Group as a lessee

Assets held under leases are recorded in the balance sheet as the lower of fair value and the present value of the minimum lease payments at the inception of the leases. Lease payments are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge is allocated to periods during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

The Group recognises a right of use asset and a lease liability at the commencement date of the contract for all leases conveying the right to control the use of an identified asset for a period time, with the exception of short term leases and leases for which the underlying asset is of low value. The right of use asset is initially measured at cost, and subsequently at cost less any accumulated depreciation and any accumulated impairment losses and adjusted for any re-measurement of the lease liability.

If the lease transfers ownership of the underlying asset to the Group by the end of the lease term or if the cost of the right of use asset reflects that the Group will exercise a purchase option, the Group depreciates the right of use asset from the commencement date to the end of the useful life of the underlying asset on a straight line basis. Otherwise, the Group depreciates the right of use asset from the commencement date to the earlier of the end of the useful life of the right of use asset or the end of the lease term on a straight line basis.

The lease liability is initially measured at the present value of the lease payments not paid at that date. Lease payments are discounted using the Group's incremental borrowing rate or the rate implicit in the lease contract. The lease liability is subsequently remeasured to reflect lease payments made.

Short term leases for which the total term is less than 12 months and low values leases for which the underlying asset is less than £5,000 are expensed to the income statement on a straight line basis.

The Group as a lessor

Rentals receivable under leases are recognised in the Consolidated Statement of Comprehensive Income over the term of the lease on a straight line basis.

Financial assets

A financial asset is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount, and the present value of the estimated future cash flows discounted at the original effective interest rate.

Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics.

An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognised. For financial assets measured at amortised cost the reversal is recognised in the Consolidated Statement of Comprehensive Income.

Notes to the Financial Statements

for the year ended 31 March 2021 (continued)

3 Significant accounting policies (continued)

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, demand deposits with banks and other short-term highly liquid investments with original maturities of three months or less and bank overdrafts. In the statement of financial position, bank overdrafts are shown within borrowings or current liabilities.

For the purpose of the cash flow statement, bank overdrafts which are repayable on demand and form an integral part of the Company's cash management are included as a component of cash and cash equivalents.

Share capital

Ordinary Shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects.

Government grants

During 2021 some employees were placed on furlough under the Coronavirus Jobs Retention Scheme. The Group has adopted IAS 20 in accounting for this government income. The grant has been included within Other Operating Income and its recognition is matched with the associated payroll costs over the same period.

Notes to the Financial Statements

for the year ended 31 March 2021 (continued)

4 Segmental analysis

The analysis by segments below is presented on the basis of those segments whose operating results are regularly reviewed by the Board of Directors (the Chief Operating Decision Maker) to assess performance and allocate resources.

- Roofing activities – companies providing a comprehensive range of roofing services including slating, tiling, leadwork, felting, refurbishment and maintenance for domestic, commercial and public sector properties;
- Materials handling activities – supply, service and maintenance of forklift trucks and warehouse equipment both on hire and for sale;
- Construction activities – aggregation of other specialist construction and building services companies providing services including building maintenance, refurbishment, electrical contracting, fire protection and sound insulation; and
- Corporate and other activities - the provision of head office activity and consolidation items.

2021	Roofing activities £000	Materials handling activities £000	Construction activities £000	Corporate and other activities £000	Total £000
Revenue					
Total segment revenue	26,128	2,072	21,747	-	49,947
Inter-segment revenue	(62)	(10)	(693)	-	(765)
External revenue	26,066	2,062	21,054	-	49,182
Operating loss	1,497	42	534	(3,528)	(1,455)
Net finance expense	(12)	(5)	(3)	(156)	(176)
Income tax expense	28	(202)	49	(37)	(162)
Loss for the financial year	1,513	(165)	580	(3,721)	(1,793)
Segment assets	19,807	5,134	11,596	-	36,537
Segment liabilities	6,283	1,022	4,957	1,989	14,251
Depreciation charge on PPE	194	316	77	13	600
Depreciation charge on right of use assets	90	43	177	63	373
Amortisation charge	-	-	-	13	13
Impairment charge	-	-	-	2,807	2,807
Capital expenditure	253	989	158	3	1,403

Notes to the Financial Statements

for the year ended 31 March 2021 (continued)

4 Segmental analysis (continued)

2020	Roofing activities £000	Materials handling activities £000	Construction activities £000	Corporate and other activities £000	Total £000
Revenue					
Total segment revenue	28,533	2,751	23,834	-	55,118
Inter-segment revenue	(100)	(7)	(590)	-	(697)
External revenue	28,433	2,744	23,244	-	54,421
Operating profit	1,810	287	997	(1,017)	2,077
Net finance expense	(13)	(6)	(8)	(202)	(229)
Income tax expense	(148)	(73)	(207)	68	(360)
Profit for the financial year	1,649	208	782	(1,151)	1,488
Segment assets	22,330	5,419	11,465	-	39,214
Segment liabilities	5,359	747	3,793	5,236	15,135
Depreciation charge on PPE	202	298	62	8	570
Depreciation charge on right of use assets	99	43	161	64	367
Amortisation charge	-	-	-	155	155
Capital expenditure	206	1,055	78	22	1,361

All revenue is derived from the UK, with no single customer contributing 10% or more of the Group's revenue. Aside from materials handling product sales of £789,000 (2020: £1,390,000), substantially the whole of revenue comprises rendering of services.

5 Other operating income

	2021 £000	2020 £000
Coronavirus Job Retention Scheme receipts	1,460	-
Grants received	65	-
Rental income	24	25
	1,549	25

Other operating income relates to receipts from the Coronavirus Job Retention Scheme ("CJRS"), grants received, and the rental of premises and advertising space. As these income streams are not part of the Group's principal trading activities they have been classified separately. Additional disclosures on accounting policies have not been provided in note 3, other than for CJRS receipts, due to materiality.

Notes to the Financial Statements

for the year ended 31 March 2021 (continued)

6 Expenses

Auditor's remuneration:

	2021 £000	2020 £000
Audit of these financial statements	21	20
Amounts receivable by auditor and their associates in respect of:		
Audit of financial statements of subsidiaries pursuant to legislation	68	66
Non-audit services provided to the Group:		
Corporation tax compliance services	-	14
Other services	-	4

Amounts paid to the Company's auditor and their associates in respect of services to the Company, other than the audit of the Company's financial statements, have not been disclosed as the information is required instead to be disclosed on a consolidated basis.

Depreciation charge:

The depreciation charge for property, plant and equipment recognised as an expense in the year was £600,000 (2020: £570,000), with a further £373,000 (2020: £367,000) for right of use assets capitalised on the balance sheet under IFRS 16. The amortisation charge recognised as an expense in the year was £13,000 (2020: £155,000).

Transaction and other one-off costs

Transaction and other one-off costs in the prior year include costs related to both the acquisition of Lister Holdings (York) Limited and the tender offer in September 2019, payments to departing employees, and all associated professional costs.

7 Staff numbers and costs

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

	Number of employees	
	2021	2020
Directors	5	6
Administration	90	86
Production	288	288
	383	380
The aggregate payroll costs of these persons were as follows:		
	2021 £000	2020 £000
Wages and salaries	12,332	12,402
Social security costs	1,252	1,270
Contributions to defined contribution plans	279	329
	13,863	14,001

The aggregate payroll costs above include redundancy costs of £5,000 (2020: £63,000), where relevant, as required by IAS 1 "Presentation of Financial Statements".

Notes to the Financial Statements

for the year ended 31 March 2021 (continued)

8 Directors' remuneration

The table below sets out details of the emoluments in respect of qualifying services and compensation of each person who served as a Director during the year or for the period served as Director if less than the full year (excluding pension contributions, details of which are set out separately below):

Directors' emoluments	Salary/fees £000	Annual bonus £000	Estimated value of benefits £000	Total 2021 £000	Total 2020 £000
SM Roberts	81	-	-	81	98
GR Jennings	-	-	-	-	183
K Soulsby	104	-	14	118	124
TE Hayes	69	-	-	69	84
IT McLean	22	-	-	22	25
HB Gold	-	-	-	-	-
JM Baryshnik	-	-	-	-	-
JC Holroyd	6	-	-	6	-
	<u>282</u>	<u>-</u>	<u>14</u>	<u>296</u>	<u>514</u>
Pension contributions				2021 £000	2020 £000
K Soulsby				<u>-</u>	<u>8</u>
				Number of Directors 2021	2020
Retirement benefits are accruing to the following number of Directors under:					
Money purchase schemes				<u>-</u>	<u>1</u>

Additionally, in the prior year a provision of £189,000 was made in respect of payments to departing directors including related employer's national insurance contributions.

9 Finance costs

	2021 £000	2020 £000
On bank loans and overdrafts	97	114
Finance charges on lease liabilities	79	87
Unwinding of discount on deferred consideration liabilities	-	28
Total finance costs	<u>176</u>	<u>229</u>

Notes to the Financial Statements

for the year ended 31 March 2021 (continued)

10 Income tax expense

Recognised in the Consolidated Statement of Comprehensive Income

	2021 £000	2020 £000
<i>Current tax (credit)/expense:</i>		
Current year	200	348
Adjustment in respect of prior years	(234)	(1)
Current tax (credit)/expense	(34)	347
<i>Deferred tax expense:</i>		
Origination and reversal of temporary differences	100	(12)
Adjustments in respect of prior periods	96	25
Deferred tax expense	196	13
Total tax expense	162	360

Reconciliation of effective tax rate

	2021 £000	2020 £000
(Loss)/profit before tax	(1,631)	1,848
Tax using the UK corporation tax rate of 19% (2020: 19%)	(310)	351
Expenses not deductible for tax purposes	337	14
Adjustment in respect of prior years	138	(1)
Other differences	(3)	(4)
Total tax expense	162	360

Factors that may affect future tax expenses

The UK Government announced in the 2021 budget that from 1 April 2023 the rate of corporation tax in the United Kingdom will increase from 19% to 25%. Companies with profits of £50,000 or less will continue to pay at 19% even after 1 April 2023. Those with profits between £50,000 and £250,000 will pay tax at the main 25% rate reduced by a marginal relief providing a gradual increase in the effective corporation tax rate. These limits are divided by the number of associated worldwide companies.

As the above rate changes were not substantively enacted at the balance sheet date, the deferred tax balance at 31 March 2021 is based upon a 19% corporation tax rate.

Notes to the Financial Statements

for the year ended 31 March 2021 (continued)

11 Earnings per share

Basic earnings per share is the profit or loss for the year divided by the weighted average number of ordinary shares outstanding, excluding those in treasury, calculated as follows:

	2021	2020
(Loss)/profit for the year (£000)	(1,793)	1,488
Weighted average number of ordinary shares excluding shares held in treasury for the proportion of the year held in treasury (note 22) ('000)	18,665	18,548
Basic (loss)/earnings per share	(9.6p)	8.0p

The calculation of diluted earnings per share is the profit or loss for the year divided by the weighted average number of ordinary shares outstanding, after adjustment for the effects of all potential dilutive ordinary shares, excluding those in treasury, calculated as follows:

	2021	2020
(Loss)/profit for the year (£000)	(1,793)	1,488
Weighted average number of ordinary shares excluding shares held in treasury for the proportion of the year held in treasury (note 22) ('000)	18,665	18,548
Effect of potential dilutive ordinary shares ('000)	43	57
Diluted weighted average number of ordinary shares excluding shares held in treasury for the proportion of the year held in treasury ('000)	18,708	18,605
Diluted (loss)/earnings per share	(9.6p)	8.0p

The following additional earnings per share figures are presented as the Directors believe they provide a better understanding of the trading performance of the Group.

Adjusted basic and diluted earnings per share is the profit or loss for the year, adjusted for impairment charges, acquisition related items, and transaction and other one-off costs, divided by the weighted average number of ordinary shares outstanding as presented above.

Adjusted earnings per share is calculated as follows:

	2021	2020
(Loss)/profit for the year (£000)	(1,793)	1,488
Impairment charge	2,807	-
Transaction and other one-off costs	-	264
Deferred consideration adjustments	-	(277)
Amortisation of intangible assets arising on acquisitions	13	155
Unwinding of discount on deferred consideration liabilities	-	28
Corporation tax effect of above items	-	(50)
Adjusted profit for the year (£000)	1,027	1,608
Weighted average number of ordinary shares excluding shares held in treasury for the proportion of the year held in treasury (note 22) ('000)	18,665	18,548
Adjusted basic earnings per share	5.5p	8.7p
Adjusted diluted earnings per share	5.5p	8.6p

Notes to the Financial Statements

for the year ended 31 March 2021 (continued)

12 Property, plant and equipment

Group	Leasehold buildings and improvements £000	Plant and equipment £000	Fixtures and fittings £000	Motor vehicles £000	Total £000
Cost					
Balance at 1 April 2019	171	3,494	445	1,726	5,836
Transfers from stock	-	1,039	-	-	1,039
Other acquisitions	-	8	28	286	322
Acquired with subsidiary	-	18	37	144	199
Materials handling disposals	-	(714)	-	-	(714)
Other disposals	-	(11)	(11)	(221)	(243)
Balance at 31 March 2020	171	3,834	499	1,935	6,439
Balance at 1 April 2020	171	3,834	499	1,935	6,439
Transfers from stock	-	915	-	-	915
Other acquisitions	60	28	42	358	488
Materials handling disposals	-	(405)	-	-	(405)
Other disposals	-	(142)	(55)	(291)	(488)
Balance at 31 March 2021	231	4,230	486	2,002	6,949
Depreciation and impairment					
Balance at 1 April 2019	149	1,597	349	708	2,803
Depreciation charge for the year	4	256	29	281	570
Acquired with subsidiary	-	14	27	97	138
Materials handling disposals	-	(121)	-	-	(121)
Other disposals	-	(9)	(10)	(145)	(164)
Balance at 31 March 2020	153	1,737	395	941	3,226
Balance at 1 April 2020	153	1,737	395	941	3,226
Depreciation charge for the year	5	283	41	271	600
Materials handling disposals	-	(91)	-	-	(91)
Other disposals	-	(122)	(39)	(221)	(382)
Balance at 31 March 2021	158	1,807	397	991	3,353
Net book value					
At 1 April 2019	22	1,897	96	1,018	3,033
At 31 March 2020	18	2,097	104	994	3,213
At 31 March 2021	73	2,423	89	1,011	3,596

Security

Leased equipment secures lease obligations.

Materials handling equipment

Materials handling equipment is leased out under contracts that are broadly evenly split between short-term hires of less than one year and longer-term hires. The net book value of materials handling equipment at 31 March 2021 included within plant and equipment was £2,271,000 (2020: £1,926,000). Sale of materials handling equipment is included within revenue, with the net book value at the date of sale included within cost of sales.

Notes to the Financial Statements

for the year ended 31 March 2021 (continued)

12 Property, plant and equipment (continued)

Company	Fixtures and fittings £000	Motor vehicles £000	Total £000
Cost			
Balance at 1 April 2019	100	21	121
Additions	21	-	21
	<hr/>	<hr/>	<hr/>
Balance at 31 March 2020	121	21	142
	<hr/>	<hr/>	<hr/>
Balance at 1 April 2020	121	21	142
Additions	3	-	3
Disposals	(2)	(21)	(23)
	<hr/>	<hr/>	<hr/>
Balance at 31 March 2021	122	-	122
	<hr/>	<hr/>	<hr/>
Depreciation and impairment			
Balance at 1 April 2019	86	1	87
Depreciation charge for the year	3	5	8
	<hr/>	<hr/>	<hr/>
Balance at 31 March 2020	89	6	95
	<hr/>	<hr/>	<hr/>
Balance at 1 April 2020	89	6	95
Depreciation charge for the year	11	2	13
Disposals	(5)	(8)	(13)
	<hr/>	<hr/>	<hr/>
Balance at 31 March 2021	95	-	95
	<hr/>	<hr/>	<hr/>
Net book value			
At 1 April 2019	14	20	34
	<hr/>	<hr/>	<hr/>
At 31 March 2020	32	15	47
	<hr/>	<hr/>	<hr/>
At 31 March 2021	27	-	27
	<hr/>	<hr/>	<hr/>

Notes to the Financial Statements

for the year ended 31 March 2021 (continued)

13 Intangible assets

Group	Goodwill	Brands	Customer	Total
Cost	£000	£000	relationships	£000
	£000	£000	£000	£000
Balance at 1 April 2029	19,968	11	762	20,741
Arising on acquisitions	539	-	63	602
Balance at 31 March 2020	20,507	11	825	21,343
Balance at 1 April 2020 and 31 March 2021	20,507	11	825	21,343
Amortisation and impairment				
Balance at 1 April 2019	-	11	254	265
Amortisation	-	-	155	155
Balance at 31 March 2020	-	11	409	420
Balance at 1 April 2020	-	11	409	420
Amortisation	-	-	13	13
Impairment	2,511	-	355	2,866
Balance at 31 March 2021	2,511	11	777	3,299
Net book value				
At 1 April 2019	19,968	-	508	20,476
At 31 March 2020	20,507	-	416	20,923
At 31 March 2021	17,996	-	48	18,044

Intangible assets arising on acquisitions relate to customer relationships and are being amortised over an estimated useful economic life of five years from the acquisition date.

Brands comprise the Matthew Charlton Slaters brand acquired in the year to 31 March 2013, which was amortised on a straight line basis over a period of five years.

Goodwill and intangible assets related to H Peel & Sons (Holdings) Limited were written down via an impairment charge of £2,511,000 and £355,000 respectively in the year ended 31 March 2021, which is shown in the income statement net of a £59,000 deferred tax credit relating thereto. H Peel has seen a major impact on its core hospitality and leisure markets due to COVID-19 restrictions and has experienced very challenging trading conditions for some time. As there is no certainty over how quickly the sector and, therefore, H Peel's trading will recover an impairment charge has been recorded.

Notes to the Financial Statements

for the year ended 31 March 2021 (continued)

13 Intangible assets (continued)

Goodwill is allocated to the Group's cash generating units ("CGUs"), which have been identified on a company basis. A summary of the carrying value presented at CGU basis is shown below:

	2021 £000	2020 £000
Isoler Limited	1,526	1,526
Wensley Roofing Limited	3,126	3,126
Springs Roofing Limited	4,507	4,507
MGM Limited	1,599	1,599
Jennings Properties Limited	4,087	4,087
A1 Industrial Trucks Limited	2,612	2,612
H Peel & Sons (Holdings) Limited	-	2,511
Lister Holdings (York) Limited	539	539
	17,996	20,507

Impairment testing

Goodwill is tested annually for impairment, or more frequently if there are indications the goodwill may be impaired. All recoverable amounts are based on value in use and the key assumptions applied in the value in use calculations are as follows:

- Cash flow projections – cash flow projections cover a five year period based on detailed approved budget forecasts for the next year, Directors' projections of profits for years two to five and a terminal value thereafter. The rationale for this is that all of the Group's companies experience ups and downs and hence it is important to take a long term view of profitability levels when considering potential impairments to goodwill. This approach has been validated by the recovery in profit levels at several Group companies as the building services industry emerged from recession in the early years of the prior decade.
- Growth rate – taking into account the current economic climate, management have made an assumption that the long term growth rate in each of the CGUs from year five onwards will be 2% per annum when extrapolating future cash flows as part of the terminal value calculation.
- Discount rate – management have applied a discount rate of 11.1% (2020: 11.1%) to the cash flow forecasts, which represents their best estimate of the Group's weighted average cost of capital. The calculation is based on the split of equity and debt funding at the balance sheet date and estimated current long term costs for debt and equity. Management believe the market risk associated with each CGU is similar and has applied the average rate across the business. The discount rate reflects the continued difficult trading conditions and economic environment, and is comparable to rates used by other groups operating in similar segments.

These impairment tests include consideration of the impact of COVID-19 on trading and the cash flow projections as above, with an impact assumed on both the approved budgets for the year ending 31 March 2022 and the profit projections for the year ending 31 March 2023.

For A1 Industrial Trucks Limited there is currently relatively limited headroom when comparing the recoverable amount to the carrying value of goodwill at the balance sheet date before any sensitivity analysis. The Directors note that their profit projections for A1 Industrial Trucks Limited require a substantial improvement from trading performance in the year ended 31 March 2021 based upon a turnaround and growth strategy currently being implemented. Should trading performance not improve in line with the Directors' strategy for this business then it is likely that a goodwill impairment would need to be recognised in future years.

Sensitivity analysis

The key sensitivities in assessing the value in use of goodwill are forecast cash flows and the discount rate applied:

- 1% reduction in growth rate in forecast cash flows would have no impact on carrying values; and
- 1% increase in the discount rate applied would have no impact on carrying values.

Notes to the Financial Statements

for the year ended 31 March 2021 (continued)

14 Investments in subsidiaries (continued)

Company	Shares in group undertakings £000
Cost	
Balance at 1 April 2019	34,315
Acquisition of subsidiary	957
	<hr/>
Balance at 31 March 2020 and 31 March 2021	35,272
	<hr/>
Impairment	
Balance at 1 April 2019 and 31 March 2020	-
Balance at 1 April 2020	-
Impairment charge	2,436
	<hr/>
Balance at 31 March 2021	2,436
	<hr/>
Net book value	
At 1 April 2019	34,315
	<hr/> <hr/>
At 31 March 2020	35,272
	<hr/> <hr/>
At 31 March 2021	32,836
	<hr/> <hr/>

Investments related to H Peel & Sons (Holdings) Limited were written down via an impairment charge of £2,436,000 in the year ended 31 March 2021. H Peel has seen a major impact on its core hospitality and leisure markets due to COVID-19 restrictions and has experienced very challenging trading conditions for some time. As there is no certainty over how quickly the sector and, therefore, H Peel's trading will recover an impairment charge has been recorded.

Notes to the Financial Statements

for the year ended 31 March 2021 (continued)

14 Investments in subsidiaries (continued)

The Company has the following investments in subsidiaries:

Company	Country of Incorporation	Class of shares held	Ownership	
			2021	2020
Isoler Limited	England and Wales	Ordinary	100%	100%
		A Ordinary	100%	100%
Springs Roofing Limited	England and Wales	Ordinary	100%	100%
		A Ordinary	100%	100%
		B Ordinary	100%	100%
		C Ordinary	100%	100%
		D Ordinary	100%	100%
Wensley Roofing Limited	England and Wales	Ordinary	100%	100%
		A Ordinary	100%	100%
MGM Limited	England and Wales	Ordinary	100%	100%
		A Ordinary	100%	100%
Jennings Properties Limited	England and Wales	Ordinary	100%	100%
		A Ordinary	100%	100%
		B Ordinary	100%	100%
Jennings Roofing Limited	England and Wales	Ordinary	100%*	100%*
A1 Industrial Trucks Limited	England and Wales	Ordinary	100%	100%
Northern Bear Safety Limited	England and Wales	Ordinary	100%	100%
Northern Bear Building Services Limited	England and Wales	Ordinary	100%	100%
H Peel & Sons (Holdings) Limited	England and Wales	Ordinary	100%	100%
H Peel & Sons Limited	England and Wales	Ordinary	100%*	100%*
Lister Holdings (York) Limited	England and Wales	Ordinary	100%	100%
J Lister Electrical Limited	England and Wales	Ordinary	100%*	100%*

*held indirectly.

Notes to the Financial Statements

for the year ended 31 March 2021 (continued)

14 Investments in subsidiaries (continued)

The Company's subsidiaries during the year had the following registered offices:

Company	Registered office
Isoler Limited	333 Dukesway Court, Team Valley Trading Estate, Gateshead, Tyne and Wear, NE11 0BH
Springs Roofing Limited	Kimbleworth Industrial Estate, Kimbleworth, Chester Le Street, County Durham, DH2 3QT
Wensley Roofing Limited	Station House, Station Road, Chester-Le-Street, County Durham, DH3 3DU
MGM Limited	Unit 333 Dukesway Court, Team Valley Trading Estate, Gateshead, Tyne and Wear, NE11 0BH
Jennings Properties Limited	Unit 4 Emmanuel Trading Estate, Springwell Road, Leeds, LS12 1AT
Jennings Roofing Limited	Unit 4 Emmanuel Trading Estate, Springwell Road, Leeds, LS12 1AT
A1 Industrial Trucks Limited	Riverside Works, Shelly Road, Newburn Industrial Estate, Newcastle Upon Tyne, NE16 9RT
Northern Bear Safety Limited	Unit 333 Dukesway Court, Team Valley Trading Estate, Gateshead, Tyne and Wear, NE11 0BH
Northern Bear Building Services Limited	Unit 333 Dukesway Court, Team Valley Trading Estate, Gateshead, Tyne and Wear, NE11 0BH
H Peel & Sons (Holdings) Limited	Dewlon House, Cannon Way, Mill Street West, Dewsbury, West Yorkshire, WF13 1XL
H Peel & Sons Limited	Dewlon House, Cannon Way, Mill Street West, Dewsbury, West Yorkshire, WF13 1XL
Lister Holdings (York) Limited	Unit 2 Osbaldwick Link Road, York, England, YO19 5JA
J Lister Electrical Limited	Unit 2 Osbaldwick Link Road, York, England, YO19 5JA

Notes to the Financial Statements

for the year ended 31 March 2021 (continued)

15 Deferred tax assets and liabilities

Group

Recognised deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

	2021 £000	2020 £000
Property, plant and equipment	(473)	(276)
Intangible assets	(14)	(78)
Net tax liability	(487)	(354)

Movement in deferred tax during the year

	1 April 2020 £000	Impairment charge £000	Recognised in income £000	31 March 2021 £000
Property, plant and equipment	(276)	-	(197)	(473)
Intangible assets	(78)	60	4	(14)
	(354)	60	(193)	(487)

Movement in deferred tax during the prior year

	1 April 2019 £000	Arising on acquisition £000	Recognised in income £000	31 March 2020 £000
Property, plant and equipment	(208)	(11)	(57)	(276)
Intangible assets	(87)	(18)	27	(78)
	(295)	(29)	(30)	(354)

Company

Deferred tax assets in the Company of £11,000 (2020: £11,000) represent temporary differences on property, plant and equipment and provisions. The movement in the year of £nil (2020: £2,000) represents amounts recognised in income.

16 Inventories

	Group		Company	
	2021 £000	2020 £000	2021 £000	2020 £000
Raw materials and consumables	974	1,007	-	-

All inventory is expected to be recovered in less than 12 months. There were no write downs in the year.

The amount of inventories recognised as an expense in the year was £429,000 (2020: £424,000).

Notes to the Financial Statements

for the year ended 31 March 2021 (continued)

17 Trade and other receivables

	Group		Company	
	2021 £000	2020 £000	2021 £000	2020 £000
Non-current assets				
Contract retentions	872	1,063	-	-
Current assets				
Trade receivables	7,333	6,041	-	-
Contract asset work in progress	1,001	788	-	-
Contract retentions	1,135	956	-	-
Other trade receivables	2	7	1	162
Amounts owed by group undertakings	-	-	8,056	4,920
Prepayments	372	426	81	142
	9,843	8,218	8,138	5,224

The reason for the increase in trade receivables and contract asset work in progress is the timing of invoicing on certain contracts.

Amounts owed by group undertakings have been included in current trade and other receivables as these balances are repayable on demand. The movement in the year includes intra-group dividends receivable of £8,100,000.

18 Cash and cash equivalents

	Group		Company	
	2021 £000	2020 £000	2021 £000	2020 £000
Cash and cash equivalents per balance sheet	2,114	3,658	-	-
Bank overdraft	-	-	(2,285)	(2,016)
Cash and cash equivalents per cash flow statements	2,114	3,658	(2,285)	(2,016)

Under the Group's overdraft facility agreement with Yorkshire Bank it has the right of set off for positive and overdrawn bank balances in order to comply with the net overdraft limit of £1 million. At the balance sheet date total positive balances were £4.4 million and total overdrawn balances were £2.3 million, giving a net cash balance of £2.1 million.

Notes to the Financial Statements

for the year ended 31 March 2021 (continued)

19 Loans and borrowings

This note provides information about the contractual terms of the Group and Company's interest-bearing loans and borrowings, which are measured at amortised cost. For more information about the Group and Company's exposure to interest rate risk, see note 23.

	Group		Company	
	2021 £000	2020 £000	2021 £000	2020 £000
Non-current liabilities				
Secured bank loans	-	3,500	-	3,500
	-	3,500	-	3,500
Current liabilities				
Other loans	28	31	-	-
	28	31	-	-

Terms and debt repayment schedule

	Currency	Nominal interest rate	Year of maturity	Fair value 2021 £000	Carrying amount 2021 £000	Fair value 2020 £000	Carrying amount 2020 £000
Yorkshire Bank revolving credit facility	GBP	Libor + 3.00%	2023	-	-	3,500	3,500
Other loans	GBP	n/a	n/a	28	28	31	31

The Group retains a £3.5 million revolving credit facility and a £1.0 million overdraft facility, both with Yorkshire Bank, for working capital purposes.

As at 31 March 2021 a total of £nil (2020: £3.5 million) was drawn down on this facility, which is committed until 31 May 2023, providing a net cash figure at 31 March 2020 of £2.1 million (2020: £0.2 million net cash) after offsetting cash and cash equivalents of £2.1 million (2020: £3.7 million).

The revolving credit facility was last renewed on 19 March 2020 and is committed until 31 May 2023. The overdraft facility was most recently renewed on 8 June 2021 and is next due for routine review and renewal on 31 May 2022.

Facilities with Yorkshire Bank are secured via fixed and floating charges covering all property and assets present and future, via a debenture created on 1 November 2007.

The Group's facilities with Yorkshire Bank bear an interest rate linked to LIBOR. LIBOR is expected to be discontinued by the end of 2021 and replaced in the UK with an alternative measure of risk free rate, currently expected to be the sterling overnight index average ("SONIA"). It is expected that discussions will be held with Yorkshire Bank in the coming months regarding a transition to SONIA or an alternative measure of a risk free rate.

Notes to the Financial Statements

for the year ended 31 March 2021 (continued)

20 Trade and other payables

	Group		Company	
	2021 £000	2020 £000	2021 £000	2020 £000
Non-current liabilities				
Contract retentions	122	88	-	-
Current liabilities				
Trade payables	7,988	6,155	90	174
Non-trade payables and accrued expenses	3,948	2,948	708	446
Amounts owed to group undertakings	-	-	12,704	13,945
	11,936	9,103	13,502	14,565

Amounts owed to group undertakings have been included in current trade and other payables as these balances are repayable on demand.

Included in non-trade payables and accrued expenses are contract liabilities in relation to deferred income of £73,000 (2020: £90,000). The amount recognised within revenue in relation to contract liabilities at the start of the year was £90,000 (2020: £333,000).

The Group expects to recognise the deferred income balance in revenue within two months (2020: two months) of the year end. The reason for the decrease in in contract liabilities in relation to deferred income is the timing of invoicing on certain contracts.

Contract retentions due to suppliers in more than one year are shown in non-current liabilities. The amounts due in more than one year are presented on an undiscounted basis as the impact of discounting is not considered to be material.

21 Employee benefits

Defined contribution plans

The Group operates a number of defined contribution pension plans.

The total expense relating to these plans in the current year was £279,000 (2020: £329,000).

Share-based payments

The Group operates Inland Revenue Approved Share Option Schemes, an Inland Revenue Unapproved Share Option Scheme, and a Company Share Option Plan.

The terms and conditions of the grants are as follows:

Grant date	Method of settlement accounting	Number of Instruments	Service conditions	Contractual life of options	Exercise price
7 March 2014	Equity	530,000	3 years of service	Mar 2017 – Mar 2024	28.5p
10 March 2015	Equity	65,000	3 years of service	Mar 2018 – Mar 2025	45.8p

Notes to the Financial Statements

for the year ended 31 March 2021 (continued)

21 Employee benefits (continued)

The number and weighted average exercise prices of share options are as follows:

	Weighted average exercise price 2021	Number of options 2021	Weighted average exercise price 2020	Number of options 2020
Outstanding at the beginning of the year	29.6p	105,000	33.0p	115,000
Granted during the year	-	-	-	-
Exercised during the year	-	-	45.6p	(10,000)
Lapsed during the year	-	-	-	-
Outstanding at the end of the year	29.6p	105,000	29.6p	105,000
Exercisable at the end of the year	29.6p	105,000	29.6p	105,000

On 24 February 2020 a total of 10,000 options awarded on 10 March 2015 were exercised by employees of the Group at an exercise price of 45.75 pence per share.

The options outstanding at the year end have an exercise price in the range of 28.5p to 45.75p and a weighted average contractual life of 3.1 years.

The fair value of services received in return for share options granted are measured by reference to the fair value of share options granted. The fair value of employee share options is measured using a Black-Scholes model.

Share options are granted under a service condition. Such conditions are not taken into account in the grant date fair value measurement of the services received.

No expense was recognised during the year or the prior year arising from share-based payments.

22 Share capital and reserves

Share capital

	2021 £000	2020 £000
<i>Authorised</i>		
50,000,000 ordinary shares of 1p each (2020: 50,000,000)	500	500
50,000 0.1% cumulative redeemable preference shares of £1 each (2020: 50,000)	50	50
	<u>550</u>	<u>550</u>
<i>Allotted, called up and fully paid</i>		
19,017,316 ordinary shares of 1p each (2020: 19,017,316)	190	190
Shares classified in shareholders' funds	<u>190</u>	<u>190</u>

The holders of ordinary shares are entitled to receive dividends from time to time and are entitled to one vote per share at meetings of the Company.

On 13 December 2012 the Company purchased 133,992 ordinary shares of one penny each in the Company ("Ordinary Shares") at a price of 11.5p per Ordinary Share from Graham Forrest, the Company's former Chief Executive. The shares were held in treasury. The cost of the share purchase was recorded in retained earnings.

615,548 1p ordinary shares with an aggregate nominal value of £6,155 were purchased as part of the disposal of The Roof Truss Company (Northern) Limited on 26 May 2011. These shares were also held in treasury. The cost of the share purchase was recorded in retained earnings.

Notes to the Financial Statements

for the year ended 31 March 2021 (continued)

22 Share capital and reserves (continued)

The Company has subsequently used treasury shares to satisfy the exercise of options over ordinary shares in the Company by employees of the Company. The balance of treasury shares held at 31 March 2021 was 352,040 ordinary shares (2020: 352,040) with an aggregate nominal value of £3,520 (2020: £3,520). During the year ended 31 March 2021, options over nil (2020: 10,000) ordinary shares of the Company were exercised by employees of the Company. To satisfy these option exercises the Company transferred nil (2020: 10,000) ordinary shares out of treasury.

Reserves

The capital redemption reserve relates to the buy back of shares in the Company as part of the disposal of D J McGough Limited on 15 September 2010.

The share premium account arose through premiums on share issues, less applicable expenses, in prior years.

The merger reserve arose where more than 90% of the shares in subsidiary undertakings were acquired and the consideration included the issue of new shares by the Company, thereby attracting merger relief under the Companies Act 1985, and, from 1 October 2009, the Companies Act 2006.

Retained earnings is the cumulative total of earnings reported by the Group.

Dividend

The Company paid no ordinary dividend during the year (2020: 3.25p per ordinary share), or special dividend (2020: 0.75p per ordinary share) with a total cost of £nil (2020: £741,000). The cost in the prior year was recorded as a distribution to owners through retained earnings.

23 Financial instruments

Overview

The Group and Company have exposure to the following risks from its use of financial instruments:

- Credit risk;
- Liquidity risk; and
- Market risk.

This applies to:

Trade and other receivables

The fair value of trade and other receivables is estimated as the present value of future cash flows, discounted at the market rate of interest at the balance sheet date if the effect is material.

Trade and other payables

The fair value of trade and other payables is estimated as the present value of future cash flows, discounted at the market rate of interest at the balance sheet date if the effect is material.

Cash and cash equivalents

The fair value of cash and cash equivalents is estimated as its carrying amount where the cash is repayable on demand. Where it is not repayable on demand then the fair value is estimated at the present value of future cash flows, discounted at the market rate of interest at the balance sheet date.

Interest-bearing borrowings

Fair value, which after initial recognition is determined for disclosure purposes only, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the balance sheet date.

This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risk, and the Company's management of capital. Further quantitative disclosures are included throughout these financial statements.

The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework.

Notes to the Financial Statements

for the year ended 31 March 2021 (continued)

23 Financial instruments (continued)

Interest-bearing borrowings (continued)

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers.

Trade and other receivables

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the Group's customer base, including the default risk of the industry and country in which customers operate, has less of an influence on credit risk. Due to the nature of sales (high volume, low value) revenue is attributable to a large number of customers. Geographically there is a concentration of credit risk in the United Kingdom.

The Group has established a credit policy under which each new customer is analysed individually for creditworthiness before the Group's standard payment and delivery terms and conditions are offered. The Group's review includes external ratings where available. Purchase limits are established for each customer; these limits are reviewed regularly.

Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

Market risk

Market risk is the risk that changes in market prices, such as interest rates, will affect the Group's income. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk.

Capital management

The Group's policy is to maintain a strong capital base with a view to ensuring that entities within the Group will be able to continue as going concerns. To achieve this objective, the Group aims to maintain a prudent mix of debt and equity financing and considers the current capital structure to be appropriate.

Equity funding comprises issued share capital, reserves and retained earnings as disclosed in note 22 to the financial statements. Debt funding comprises bank facilities as described below.

The Group's treasury policy has as its principal objective the achievement of the maximum interest rate on any cash balances whilst maintaining an acceptable level of risk.

Financial assets and liabilities

The Group's main financial assets comprise trade receivables arising from the Group's activities classified as financial assets measured at amortised cost and cash at bank.

All of the Group's financial liabilities have been classified as other financial liabilities measured at amortised cost.

Notes to the Financial Statements

for the year ended 31 March 2021 (continued)

23 Financial instruments (continued)

Fair values

The fair value of the Group's financial assets and liabilities is not materially different from their carrying values.

Consolidated Statement of Comprehensive Income

Details of finance costs are included in note 9.

Carrying amounts of financial assets

	Group		Company	
	2021 £000	2020 £000	2021 £000	2020 £000
Trade and other receivables (non-current)	872	1,063	-	-
Trade and other receivables (current assets)	9,843	8,218	8,138	5,224
Cash at bank	2,114	3,658	-	-
	12,829	12,939	8,138	5,224

Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. Therefore, the maximum exposure to credit risk at the balance sheet date for the Group was £12,829,000 (2020: £12,939,000) and for the Company was £8,138,000 (2020: £5,224,000) being the total of the carrying amount of financial assets.

Credit quality of financial assets and impairment losses

Trade and other receivables consist of the following:

	Group		Company	
	2021 £000	2020 £000	2021 £000	2020 £000
Gross trade and other receivables	10,749	9,392	8,138	5,224
Bad debt provision relating to trade receivables	(34)	(111)	-	-
Net trade and other receivables	10,715	9,281	8,138	5,224

The credit risk on financial assets is not judged to have increased significantly since initial recognition. The loss allowance for financial assets other than trade receivables and contract assets has therefore been measured at an amount equal to 12 month expected credit losses. However, as these financial assets are due within 12 months, the 12 month expected loss allowance is equal to the lifetime expected loss allowance. The movement in the allowance during the year is as follows:

	2021 £000	2020 £000
At beginning of year	111	121
Provided in year	30	109
Write offs and recoveries	(107)	(119)
At end of year	34	111

Notes to the Financial Statements

for the year ended 31 March 2021 (continued)

23 Financial instruments (continued)

	2021 £000	2020 £000
Trade receivables outstanding as at 31 March from invoice date:		
Between 61 – 90 days from invoice date	328	335
Between 91 – 120 days from invoice date	226	89
Over 120 days from invoice date	146	207
Amounts provided for	(34)	(111)
Total	666	520

The provision against trade receivables is determined by reference to past default experience. The historical default rates are adjusted to reflect current and forwarding looking macroeconomic factors affecting the customer's ability to settle the amount outstanding, although given the short period exposed to credit risk, the impact of these macroeconomic factors has not been considered significant within the reporting period. The provision is used to record impairment losses unless the Group is satisfied that no recovery of the amount owing is possible; at that point the amounts considered irrecoverable are written off against the trade receivables directly.

Management has no indication that any unimpaired amounts will be irrecoverable; unimpaired amounts relate entirely to sales in the United Kingdom.

The Group's credit risk policy is to manage its trade receivables by taking credit references and requesting payment in advance should this be considered necessary.

Customers generally pay on 30 day credit terms in respect of when the invoice is raised which is generally consistent with when the performance obligations are satisfied. There will be instances where customers do not pay within these terms which management give special consideration to when assessing the recoverability of financial assets.

Interest rate risk

In respect of income-earning financial assets and interest-bearing financial liabilities, the following table indicates their effective interest rates at the balance sheet date.

	2021 Interest rate	2020 Interest rate
Cash and cash equivalents	Nil	Nil
Bank overdraft	Libor+3.00	Libor+3.00
Revolving credit facility	Libor+3.00	Libor+3.00
Other loans	n/a	n/a

A change of 100 basis points in interest would increase or decrease profit by £16,000 (2020: £37,000).

Both cash and cash equivalents and bank overdraft pay interest on a floating rate basis. The fair value of the financial assets and liabilities is substantially the same as their carrying value.

Foreign exchange risk

The Group is not exposed to significant foreign exchange risk.

Liquidity risks

The Group's policy on liquidity risk has been to maintain sufficient cash balances and undrawn facilities to provide flexibility in the management of the Group's liquidity.

Notes to the Financial Statements

for the year ended 31 March 2021 (continued)

23 Financial instruments (continued)

The following are contractual maturities of financial liabilities, and exclude the impact of netting agreements:

31 March 2021

Non-derivative financial instruments

Group	Carrying amount £000	Contractual cash flow £000	6 months or less £000	6-12 months £000	1-2 years £000	2-5 years £000	More than 5 years £000
Trade and other payables	12,058	(12,058)	(11,936)	-	(122)	-	-
Lease liabilities	1,572	(1,762)	(294)	(272)	(364)	(544)	(288)
Bank loan	-	-	-	-	-	-	-
Other loans	28	(28)	(28)	-	-	-	-
	<u>13,658</u>	<u>(13,848)</u>	<u>(12,258)</u>	<u>(272)</u>	<u>(486)</u>	<u>(544)</u>	<u>(288)</u>
Company	Carrying amount £000	Contractual cash flow £000	6 months or less £000	6-12 months £000	1-2 years £000	2-5 years £000	More than 5 years £000
Trade and other payables	798	(798)	(798)	-	-	-	-
Lease liabilities	171	(188)	(34)	(33)	(40)	(81)	-
Amounts owed to group undertakings	12,704	(12,704)	(12,704)	-	-	-	-
Bank loan	-	-	-	-	-	-	-
	<u>13,673</u>	<u>(13,690)</u>	<u>(13,536)</u>	<u>(33)</u>	<u>(40)</u>	<u>(81)</u>	<u>-</u>

31 March 2020

Non-derivative financial instruments

Group	Carrying amount £000	Contractual cash flow £000	6 months or less £000	6-12 months £000	1-2 years £000	2-5 years £000	More than 5 years £000
Trade and other payables	9,191	(9,191)	(9,103)	-	(88)	-	-
Finance lease liabilities	1,621	(1,817)	(302)	(291)	(337)	(612)	(275)
Bank loan	3,500	(3,871)	(59)	(58)	(117)	(3,637)	-
Other loans	31	(31)	(31)	-	-	-	-
	<u>14,343</u>	<u>(14,910)</u>	<u>(9,495)</u>	<u>(349)</u>	<u>(542)</u>	<u>(4,249)</u>	<u>(275)</u>
Company	Carrying amount £000	Contractual cash flow £000	6 months or less £000	6-12 months £000	1-2 years £000	2-5 years £000	More than 5 years £000
Trade and other payables	620	(620)	(620)	-	-	-	-
Amounts owed to group undertakings	13,945	(13,945)	(13,945)	-	-	-	-
Bank loan	3,500	(3,871)	(59)	(58)	(117)	(3,637)	-
	<u>18,065</u>	<u>(18,436)</u>	<u>(14,624)</u>	<u>(58)</u>	<u>(117)</u>	<u>(3,637)</u>	<u>-</u>

Notes to the Financial Statements

for the year ended 31 March 2021 (continued)

24 Notes to the cash flow statement

Changes in liabilities arising from financing activities

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's consolidated cash flow statement as cash flows from financing activities.

Year to 31 March 2021

	1 April 2020 £000	Financing cash flows £000	New leases* £000	31 March 2021 £000
Secured bank loans	3,500	(3,500)	-	-
Lease liabilities recognised under IFRS 16	1,621	(587)	538	1,572
Other loans	31	(3)	-	28
Total liabilities from financing activities	5,152	(4,090)	538	1,600

Year to 31 March 2020

	1 April 2019 £000	Financing cash flows £000	New finance leases* £000	31 March 2020 £000
Secured bank loans	1,000	2,500	-	3,500
Lease liabilities recognised under IFRS 16	1,352	(551)	820	1,621
Other loans	18	13	-	31
Total liabilities from financing activities	2,370	1,962	820	5,152

The Group also reported proceeds from the issue of share options of £nil (2020: £5,000) and equity dividends paid of £nil (2020: £741,000) in cash flows from financing activities. No financial liabilities in relation to these cash flows were recorded on the Group's balance sheet at 31 March 2021 or at 31 March 2020.

* cash inflows from new finance leases are offset against cash outflows for the acquisition of property, plant and equipment included in cash flows from investing activities in the Group's consolidated cash flow statement. Lease liabilities in the year to 31 March 2020 includes both lease liabilities recognised on initial application of IFRS 16 (see note 26) at 1 April 2019 and further lease liabilities on new leases recognised during the year.

The changes in liabilities arising from financing activities in the Company include the movement on secured bank loans as presented above. The Company also reported proceeds from the issue of share options of £nil (2020: £5,000) and equity dividends paid of £nil (2020: £741,000) in cash flows from financing activities. No financial liabilities in relation to these cash flows were recorded on the Company's balance sheet at 31 March 2021 or at 31 March 2020.

Notes to the Financial Statements

for the year ended 31 March 2021 (continued)

25 Acquisitions

Lister Holdings (York) Limited

On 16 January 2020 the Group acquired the entire issued share capital of Lister Holdings (York) Limited and its wholly owned trading subsidiary J Lister Electrical Limited, an electrical contractor based in York, in line with the Group's stated acquisition criteria as set out in the Strategic Report. The amounts recognised in financial year ended 31 March 2020 in respect of the identifiable assets acquired and liabilities assumed are set out below:

	Book value £000	Fair value adjustments £000	Fair value £000
Net assets acquired:			
Intangible assets	-	63	63
Property, plant and equipment	61	-	61
Inventory	80	-	80
Trade and other receivables	607	-	607
Cash and cash equivalents	(56)	-	(56)
Trade and other payables	(309)	-	(309)
Deferred taxation	(11)	(18)	(29)
Total identifiable assets	372	45	417
Goodwill			539
Total consideration			956
Satisfied by:			
Cash			756
Equity instruments (ordinary shares)			100
Deferred and contingent consideration			100
Total consideration			956
Cash outflows arising on acquisition:			
Cash consideration			756
Cash and cash equivalents acquired			56
			812

Goodwill of £539,000 arising on acquisition relates to both expected synergies from combining operations of the acquiree and the acquirer and intangible assets that do not qualify for separate recognition.

Fair value adjustments of £45,000 relating to the separate recognition of intangible assets and a related deferred tax liability have been recorded. Details of intangible assets recorded can be found in note 13.

Under the terms of the acquisition, deferred cash consideration of £100,000 was payable in two equal annual instalments commencing twelve months from the acquisition date. Additional contingent consideration of up to £0.3 million is payable, subject to earn out agreements related to future profits, over a three year period from the acquisition date.

The first instalment of deferred cash consideration of £50,000 was paid during the year ended 31 March 2021. The deferred consideration balance of £50,000 at 31 March 2021 represents the remaining value of estimated future payments to be made. No contingent consideration is estimated to be payable as at 31 March 2021.

The fair value of the 136,054 ordinary shares in Northern Bear plc issued as part of the consideration paid (£100,000) was determined on the basis of the average closing mid-market price of the Group's ordinary shares for the five working days ended on 15 January 2020, being 73.5p.

Notes to the Financial Statements

for the year ended 31 March 2021 (continued)

25 Acquisitions (continued)

Costs related to the acquisition of £58,000 are included in 'Transaction and other one-off costs' for the year ended 31 March 2020 as presented separately on the face of the Consolidated Statement of Comprehensive Income.

J Lister contributed a total of £1.3 million revenue and £0.1 million to the Group's operating profit for the period between the date of acquisition on 16 January 2020 and the balance sheet date at 31 March 2020.

If the acquisition of J Lister had been completed on the first day of the financial year ended 31 March 2020, Group revenues for the year would have been £55.6 million and Group operating profit would have been £2.2 million.

H Peel & Sons (Holdings) Limited

On 25 July 2017 the Group acquired the entire issued share capital of H Peel & Sons (Holdings) Limited and its subsidiary H Peel & Sons Limited, an interiors and fit out business based in Dewsbury, West Yorkshire.

Under the terms of the acquisition, deferred cash consideration of £0.4 million was payable in four equal six monthly instalments commencing six months from the acquisition date. Additional contingent consideration of up to £1.4 million was payable, subject to various earn out agreements, over a three year period from the acquisition date.

During the year to 31 March 2021 a total of £nil (2020: £0.1 million) deferred and contingent consideration was paid. During the year the process of assessing contingent deferred consideration resulted in a reduction of the amounts payable of £nil (2020: £277,000). No further deferred or contingent consideration is payable in respect of the acquisition.

26 Leasing

Leased assets where the Group is a lessee:

The balance sheet includes the following amounts relating to leased assets where the Group is a lessee:

	Group		Company	
	2021 £000	2020 £000	2021 £000	2020 £000
Right of use assets				
Land and buildings	909	929	169	230
Fixtures and fittings	5	1	-	-
Motor vehicles	180	202	2	6
	1,094	1,132	171	236
Net book value of PPE held under leases				
Plant and equipment	31	40	-	-
Motor vehicles	618	611	-	-
	649	651	-	-
Lease liabilities				
Current	533	549	65	72
Non-current	1,039	1,072	106	164
	1,572	1,621	171	236

Additions to right of use assets during the year amounted to £319,000 (2020: £597,000).

Notes to the Financial Statements

for the year ended 31 March 2021 (continued)

26 Leasing (continued)

The Consolidated Statement of Comprehensive Income includes the following amounts relating to leases assets where the Group is a lessee:

	Group		Company	
	2021 £000	2020 £000	2021 £000	2020 £000
Depreciation charge on right-of-use assets				
Land and buildings	228	217	57	59
Fixtures and fittings	7	-	-	-
Motor vehicles	138	150	5	5
	<u>373</u>	<u>367</u>	<u>62</u>	<u>64</u>
Depreciation charge on PPE held under leases				
Plant and equipment	6	8	-	-
Motor vehicles	173	183	-	-
	<u>179</u>	<u>191</u>	<u>-</u>	<u>-</u>

Amounts charged for interest implicit on leases for the Group are set out in note 9.

Leases are repayable as follows:

	Minimum lease payments		Present value of minimum lease payments	
	2021 £000	2020 £000	2021 £000	2020 £000
Group				
Amounts payable under lease contracts:				
- within one year	566	593	533	549
- after one and within five years	908	949	812	851
- after five years	288	275	227	221
	<u>1,762</u>	<u>1,817</u>	<u>1,572</u>	<u>1,621</u>
Less: future finance charges	<u>(190)</u>	<u>(196)</u>		
Present value of lease obligations	<u>1,572</u>	<u>1,621</u>		

	Minimum lease payments		Present value of minimum lease payments	
	2021 £000	2020 £000	2021 £000	2020 £000
Company				
Amounts payable under lease contracts:				
- within one year	67	72	65	72
- after one and within five years	121	188	106	164
- after five years	-	-	-	-
	<u>188</u>	<u>260</u>	<u>171</u>	<u>236</u>
Less: future finance charges	<u>(17)</u>	<u>(24)</u>		
Present value of lease obligations	<u>171</u>	<u>236</u>		

Notes to the Financial Statements

for the year ended 31 March 2021 (continued)

26 Leasing (continued)

Leased assets where the Group is a lessor:

Materials handling equipment is leased out under contracts that are broadly evenly split between short-term hires of less than one year and longer-term hires. The net book value of materials handling equipment at 31 March 2021 included within plant and equipment is set out in note 12.

The Group considers that these leases do not transfer substantially all of the risks and rewards of ownership of the assets to the lessees and consequently these assets are included within plant and equipment in the Consolidated Balance Sheet.

The maturity analysis of lease receivables, including the undiscounted lease payments to be received, are as follows:

	Minimum lease payments	
	2021 £000	2020 £000
Group		
Less than one year	459	365
After one and within two years	401	320
After two and within five years	590	401
After five years	23	13
	<u>1,473</u>	<u>1,099</u>

Revenue from the Group acting as a lessor of materials handling equipment included within the Consolidated Statement of Comprehensive Income in the year was £932,000 (2020: £967,000).

Notes to the Financial Statements

for the year ended 31 March 2021 (continued)

27 Related parties

Group

Identity of related parties with which the Group has transacted

The Group is controlled by its shareholders.

The Company had a related party relationship with its subsidiaries and with its Directors and Executive Officers.

Transactions with key management personnel

Directors of the Company and their immediate relatives controlled 32.8% (2020: 34.0%) of the voting shares of the Company at the balance sheet date.

The compensation of key management personnel (including the Directors) is as follows:

	Group	
	2021	2020
	£000	£000
Key management emoluments excluding social security costs	296	514

During the year the Company paid an ordinary dividend of nil per ordinary share (2020: 3.25p) and a special dividend of nil per ordinary share (2020: 0.75p). The amount paid to key management personnel based on their holdings of the Company's ordinary shares was £nil (2020: £129,000).

Group

The following transactions were undertaken with entities in which some of the Directors have a vested interest.

	Sentio Insight LLP £000	Wensley Roofing Limited DPS £000
2021		
Balance as at beginning of year	-	-
Purchases	-	(10)
Settled	-	10
Balance as at end of year	-	-
2020		
Balance as at beginning of year	-	-
Purchases	(18)	(23)
Settled	18	23
Balance as at end of year	-	-

K Soulsby is a member of Wensley Roofing Limited DPS, a pension scheme for certain current and former Directors of Wensley Roofing Limited. Wensley Roofing Limited DPS owns land and buildings at Station House, Station Road, Chester-Le-Street, DH3 3DU leased to Wensley Roofing Limited.

Notes to the Financial Statements

for the year ended 31 March 2021 (continued)

27 Related parties (continued)

TE Hayes is a partner of Sentio Insight LLP, a firm which provides corporate finance and transaction support services, and which provided advice to the Group on its acquisition of Lister Holdings (York) Limited.

Other related party transactions in the year totalled £50,000 (2020: £63,000).

Trading transactions with subsidiaries – Parent Company

The Group manages its finances and bank facilities on a Group-wide basis and periodically receives dividend income from subsidiaries (£8.1 million in the year ended 31 March 2021, £5 million in the year ended 31 March 2020). Amounts owed by and to subsidiary undertakings of the Parent Company are disclosed in notes 17 and 20 respectively.

Share options in the Parent Company are granted to employees of subsidiary companies. Details of the share options are included in note 21 to the financial statements.

28 Accounting estimates and judgements

The key areas requiring the use of estimates and judgements which may significantly affect the financial statements are considered to be:

Measurements of the recoverable amounts of cash generating units containing goodwill

This requires the identification of appropriate cash generating units and the allocation of goodwill to these units as well as subsequent annual assessments of impairments thereof. Details of the estimation techniques used are set out in note 13 to the financial statements; these estimation techniques require assumptions in the preparation of budgets and forecasts, estimates of future growth rates and discount rates.

Measurement of the net book value of property, plant and equipment

This requires the identification of recoverable value, being the higher of value in use and fair value less costs to sell. The Directors have assessed whether there has been any indication that property, plant and equipment may be impaired and have determined that there have been no indicators of impairment. Further details are provided in Note 12 to the financial statements.

Revenue and profit recognition on contracting activities

The Group recognises revenue and profit in accordance with IFRS 15, based on the allocation of the customer contract price to distinct performance obligations and recognising when the performance obligations are satisfied. Variations during the course of contracts are taken into account but invariably are only finalised at completion. This can lead to previous estimates being amended which may have an impact on the final profit or loss to be recognised on the contract. Details of trade and other receivables are set out in Note 17 to the financial statements.

Measurement of the fair value of assets and liabilities acquired with subsidiaries

An acquisition of a subsidiary requires an assessment of the fair value of identifiable assets and liabilities acquired. This includes identifiable intangible assets regardless of whether they are already recognised in the balance sheet of the acquired entity. The valuation of customer relationships requires estimates of future revenues, profitability, and discount rates. Details of acquisitions are set out in Note 25 to the financial statements.

Measurement of the discounted present value of deferred consideration

This requires an assessment of the future amounts payable for acquired subsidiaries under earn out agreements, which includes estimates of future profitability and discount rates. Details of deferred consideration payments are set out in Note 25 to the financial statements.

Notes to the Financial Statements

for the year ended 31 March 2021 (continued)

29 Off balance sheet arrangements

There are no parties with whom the Group or Company has contractual or other arrangements that are considered material to the Group or Company's financial position other than those arrangements disclosed in the financial statements.

30 Contingent liability

One of the Group's subsidiary companies, Springs Roofing Limited, received correspondence during the year regarding a potential claim of up to £2 million on a roofing contract. The work was undertaken over a two year period from April 2009 to March 2011. The Directors of Springs Roofing have reviewed the correspondence and believe that any claim would be entirely without merit. This position of the Directors is supported by third party technical expert and legal advice taken which suggests that the customer would have great difficulty in making a successful claim. All correspondence to date has taken the form of pre action protocol and, should any formal proceedings be issued, Springs Roofing will vigorously defend the claim. Accordingly, no provision has been made in the Group's accounts for this matter.



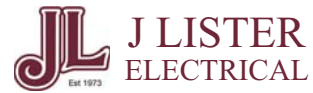
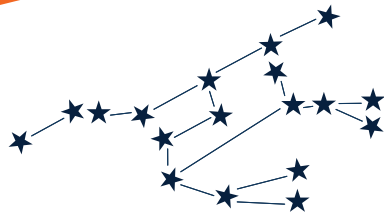
High Street, Garstang – Jennings Roofing Ltd



MOD, Cunningham Road, Catterick – Springs Roofing Ltd



*School of Management, York University – J Lister Electrical Ltd
Private House, Longhorsley, Northumberland – Wensley Roofing Ltd
Moto Services Rugby – H Peel & Sons Ltd*



Northern Bear plc, A1 Grainger, Prestwick Park, Prestwick, Newcastle upon Tyne NE20 9SJ
Tel: 01661 820369 Fax: 01661 820575 Email: info@northernbearplc.com Website: www.northernbearplc.com

Northern Bear plc
Registered in England & Wales No: 05780581

