

Bell Microsystems Limited

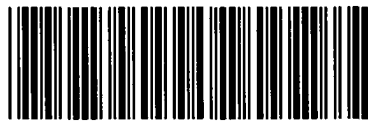
Annual Report and Financial Statements

Year Ended

31 March 2023

Company Number 03102360

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Bell Microsystems Limited

Company Information

Directors	A M Bell M K Gill N W Petheram
Company secretary	A M Bell
Registered number	03102360
Registered office	New Hampshire Court St Pauls Road Southsea Hampshire PO5 4AQ
Independent auditor	BDO LLP 55 Baker Street London W1U 7EU

Bell Microsystems Limited

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Bell Microsystems Limited

Group Strategic Report For the Year Ended 31 March 2023

The directors present their strategic report together with the audited financial statements for the year ended 31 March 2023.

Review of the business

The group continued its strong organic growth with revenues increasing from £580,575,459 to £873,671,746 an increase of 50%, benefitting from its mature propositions focusing on driving digital transformation. During the year the group continued to invest in both India and the US leading to several new customer wins.

As well as winning new logos the group also expanded its offerings within the existing customer base, focusing on its strategic customers and partners. During the year the group secured its Ecovadis silver medal status.

Administration expenses have increased from £36,040,856 to £40,005,686. The increase in part is due to performance-related payments as well as investments in international locations, back-office teams and systems to support the growth.

Earnings before interest, taxation, depreciation and amortization increased to £11,041,930 (2022 - £7,667,901). Operating profit increased from £2,969,007 to £6,020,974.

The company's earnings before interest, taxation, depreciation, and amortisation increased to profit - £5,408,840 (2022 – loss £729,045).

The group continues to secure new contracts to provide information technology equipment and services to an international business process outsourcing and professional services. These contracts are expected to contribute material additional revenues in the future.

Principal risks and uncertainties

Overview

The group uses various financial instruments. These include cash, trade debtors and trade creditors that arise directly from its operations. The existence of these financial instruments exposes the group to a number of financial risks which are described in more detail below.

Financial risk management

The group's operations expose it to a variety of financial risks that include the effects of a change in credit risk, liquidity risk and interest rate risk. The group has in place a risk management programme that seeks to limit the adverse effects on the financial performance of the group by monitoring appropriate levels of working capital required to meet the ongoing needs of the business and related finance costs thereof.

Liquidity risk

The group actively maintains an appropriate level of liquidity through a suitable amount of cash in hand or through its invoice finance facility. Bank balances are monitored on a daily basis by the group's finance function.

Interest rate cash flow risk

The group has interest bearing assets. Interest bearing assets relate only to cash balances, all of which earn interest at a variable rate. The group is exposed to interest rate risk on borrowings.

Bell Microsystems Limited

Group Strategic Report (continued) For the Year Ended 31 March 2023

Principal risks and uncertainties (continued)

Credit risk

The group's principal financial assets are deposits, cash and trade debtors. The credit risk associated with the deposits and cash is limited as the counter parties have high credit ratings assigned by international credit rating agencies and are regularly reviewed. The principal credit risk arises therefore from the group's trade debtors. In order to manage credit risk the directors set limits for customers based on a combination of payment history and third party credit references. Credit limits are reviewed by the finance function on a regular basis in conjunction with debt ageing and collection history.

The group manages its cash and borrowing requirements to maximise income and minimise interest expense, whilst ensuring that the group has sufficient liquid resources to meet the operating needs of the business. The group's principal foreign currency exposures arise from trading with overseas companies. group policy permits but does not demand that these exposures may be hedged in order to fix the cost in sterling. Sales in foreign currency are often matched with purchases in the same currency, providing a natural hedge to the currency exposure.

Although many of the group's customers are overseas, they are long standing and hence the credit risk is considerably reduced.

Going concern

The financial statements have been prepared on the going concern basis as the directors have prepared detailed budgets for a period of at least 12 months from the date of signing the accounts which show that the group is able to meet all its liabilities as they fall due. The group acknowledges the current inflationary pressures in the UK economy and business has considered this impact across its customer base. The directors have produced a detailed going concern assessment for Bell group for which further detail is given within note 2.4 to the financial statements. Having completed this the directors are confident of being able to trade for a period of at least 12 months from the date of approval of the financial statements.

Financial key performance indicators

	2023	2022
	£	£
Sales	873,671,746	580,575,459
Gross margin	45,929,242	39,009,863
Operating profit	<u>6,020,974</u>	<u>2,969,007</u>

The directors use the above key performance indicators to assess the performance of the group. The increase in revenue is attributable to the encouraging growth in sales to key accounts. The fall in gross margin percentage is due to a change in sales mix.

Future developments

Bell group will continue to support organisations with their move to modern IT services. From assessing and advising on IT strategy to architecting and implementing transformative projects, such as software defined IT and data centre optimisation to consulting on concerns, such as compliance, green IT and risk management.

Bell Microsystems Limited

Group Strategic Report (continued)
For the Year Ended 31 March 2023

Future developments (continued)

Bell group will ensure its customers can always make the best IT decisions. Bell group's ability to provide managed services or onsite resources as needed and manage the entire lifecycle of IT services and infrastructure from purchase to disposal, means businesses can get the very best value from their IT investments.

Bell group continues to develop a number of solutions to support customers in a fast-developing environment. Continued growth in revenues from our Technology Services offerings as well as our Procurement Management Offering demonstrate the value of providing innovative propositions that help customers improve the return on capital employed and to streamline operations

The group is also exploring new revenue streams to support its continued focus on growth and customer acquisition. Bell group's strategy is simple using our proven approach and methodology, group gives pragmatic, real world advice that allows businesses to develop the workspace that suits their needs.

This report was approved by the board on 23 November 2023 and signed on its behalf

DocuSigned by:

Maupret Gill

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M K Gill

Director

Bell Microsystems Limited

Directors' Report For the Year Ended 31 March 2023

The directors present their report together with the audited financial statements for the year ended 31 March 2023.

Results and dividends

The profit for the year, after taxation, amounted to £5,049,903 (2022 - £2,067,836).

During the year, a dividend of £800,000 was declared and paid (2022 - £Nil).

Going concern

The financial statements have been prepared on the going concern basis as the directors have prepared detailed budgets for a period of at least 12 months from the date of signing the accounts which show that the group is able to meet all its liabilities as they fall due. The group acknowledges the current inflationary pressures in the UK economy and business has considered this impact across its customer base. The directors have produced a detailed going concern assessment for Bell group for which further detail is given within note 2.4 to the financial statements. Having completed this the directors are confident of being able to trade for a period of at least 12 months from the date of approval of the financial statements.

Directors

The directors who served during the year were:

A M Bell
M K Gill
N W Petheram

Section 172 Statement

From 1 January 2019 legislation was introduced requiring companies to include a statement pursuant to section 172 of the Companies Act 2006.

The board recognises the importance of the group's wider stakeholders when performing their duties under Section 172(1) of the Companies Act and their duties to act 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, and in doing so have regard (amongst other matters) to:

- a) the likely consequences of any decision in the long term;
- b) the interests of the company's employees;
- c) the need to foster the company's business relationships with suppliers, customers and others;
- d) the impact of the company's operations on the community and the environment;
- e) the desirability of the company maintaining a reputation for high standards of business conduct; and
- f) the need to act fairly as between members of the company.

The board considers that all their decisions are taken with the long-term in mind, understanding that these decisions need to regard the interests of the company's employees, its relationships with suppliers, customers, the communities and the environment in which it operates.

For the purpose of this statement detailed descriptions of the decisions taken are limited to those of strategic importance. The board believes that three decisions taken during the year fall into this category and were made with full consideration of both internal and external stakeholders.

Bell Microsystems Limited

Directors' Report (continued) For the Year Ended 31 March 2023

Section 172 Statement (continued)

- Separate Business Units

During the year we changed the business operational structure to support its three pillars of delivery, Technology Services, Professional Services and Managed Services. By creating these business units, we gained greater clarity and understanding of our organisation. During the next few months, we will be further reviewing the structure with a view to move to a practice based model.

- Investments

Bell has continued to expand its international footprint which has led to several new customer wins resulting in investment in its back-office teams to support its growth. In addition to this we are reviewing the systems and tools used throughout the business with a view to simplify and increase automation throughout the business.

- People

Bell's future success is dependent on our ability to attract, grow and retain the best talent. During the year the company launched several employee initiatives from the four workstreams launched the previous year, Employee Journey, Diversity and Inclusion, Health and wellbeing and Flexible and Hybrid working. We also invested in an Internal communications Manager and Talent and Engagement manager.

Simplified Energy and Carbon Reporting

Environment

The group is aware of its environmental responsibilities arising from its activities and recognises that some of its activities affect the environment. Our Health, Safety and Environment Officer has received formal training in environmental management and is appropriately experienced in this field. Our policy is to promote and operate processes and procedures which, so far as is reasonably practicable, avoid or minimise the contamination of water, air or the ground.

Licences are obtained from the relevant authorities, where required, to operate certain elements of the group's business. Waste is disposed of by authorised contractors and is recycled where possible. Through the management of these activities, we seek to minimise any adverse effects of its activities on the environment.

Mandatory carbon reporting

This section includes our mandatory reporting of greenhouse gas emissions for the period 1 April 2022 to 31 March 2023, the latest annual period for which data is available, and is pursuant to the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013. We report our emissions data using an operational control approach taking data for which we deem ourselves responsible, including both energy consumption and vehicle usage for business use. In the 2023 financial year, our businesses emitted 417.4 (2022 - 386.0) tonnes of carbon dioxide ("CO₂").

Bell Microsystems Limited

Directors' Report (continued) For the Year Ended 31 March 2023

Mandatory carbon reporting (continued)

Our emissions are principally of CO₂ and are from the following sources:

Greenhouse gas emissions data	Tonnes of CO ₂ 2023	Tonnes of CO ₂ 2022
Scope 1		
Gas consumption	16.8	20.0
Owned transport	237.0	190.0
Scope 2		
Purchased electricity	97.5	122.0
Scope 3		
Employee-owned transport (business)	66.1	54.0
Statutory total	417.4	386.0
Scope 3		
Emissions from employee business travel which the company does not own or control and where not responsible for purchasing the fuel	211	32.0
Emissions from employees commuting to and from work for which the company does not own or control	53.5	102.0
Emissions from employees working from home	211	181.0
Emissions from disposal of waste generated in operations for which the company does not own or control	1.5	1.3
Total gross Scope 3 emissions	477	316.3

We have selected emissions £million of revenues per tonne as our intensity ratio as this, in our view, provides the best comparative measure over time.

2023 intensity ratio: 0.55 tonnes of CO₂ per £million of revenue.

2022 intensity ratio: 0.66 tonnes of CO₂ per £million of revenue.

The company's total energy consumption for the period 1 April 2022 to 31 March 2023 was 1.77 million kWh (2022 - 1.66 million kWh). The methodology for calculating this annual energy consumption figure was the same as that outlined above for producing the estimate of the company greenhouse gas emissions.

Bell Microsystems Limited

Directors' Report (continued) For the Year Ended 31 March 2023

Methodology

This report and its supporting data have been compiled in accordance with the guidance contained in the Greenhouse Gas Protocol Corporate Standard (revised 2015).

The data used in these calculations have been collected from several different sources including direct meter readings, servicing reports, fleet fuel billing, employee fuel expense claims, flight booking data, and other business travel bookings (including hotel stays).

Employee commuting data is based upon a recent (2023) survey of the workforce. The survey response rate was 35% of the total workforce (down from 52% in FY 21-22). A significant number of employees are now under a fully remote or hybrid working contract. It is acknowledged that the calculated carbon figure for employee commuting is significantly lower than for the previous reporting year, however it has been included within the report for completeness.

We have again chosen to include the carbon impact of having a significant number of employees working from home during this reporting period. This has been based on the methodology and data outlined in the EcoAct Homeworking Whitepaper (2021).

Intensity ratios are derived from the official financial accounts for the relevant year (sales turnover), and Human Resources records for full time equivalent employees.

The following recognised calculation tools have been used in the conversion of the data into relevant units:

- UK Government GHG Conversion Factors for Company Reporting (2020);
- Hotel Footprinting Tool (www.hotelfootprints.org/footprinting); and
- EcoAct Homeworking Whitepaper (2021).

Reducing carbon and waste

During this 12month reporting period we saw the return of staff to the workplace. We did continue our hybrid and fully remote working model covering a large proportion of the workforce. This increase in return to the office as well as increased global business travel impacted our carbon footprint which has increased from prior years.

We are however continuing to invest in our energy efficiency commitments by ensuring we review the use of electric vehicles as well as ensure we have energy efficient lighting across our building estate. We are also reviewing our waste across our warehouses and working with suppliers to reduce the packaging contained within our deliveries.

Disclosure of information to auditor

Each of the persons who are directors at the time when this directors' report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the company and the group's auditor is unaware; and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company and the group's auditor is aware of that information.

Post statement of financial position events

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

Bell Microsystems Limited

Directors' Report (continued) For the Year Ended 31 March 2023

Auditor

The auditor, BDO LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 23 November 2023 and signed on its behalf

DocuSigned by:
Manpreet Gill
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M K Gill
Director

Bell Microsystems Limited

Directors' Responsibilities Statement For the Year Ended 31 March 2023

The directors are responsible for preparing the strategic report, the directors' report and the financial statements in accordance with applicable law and regulations.

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

In preparing these financial statements, the directors are required to:

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

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

Bell Microsystems Limited

Independent Auditor's Report to the Members of Bell Microsystems Limited

Opinion on the financial statements

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 31 March 2023 and of the Group's profit for the year then ended;
- the financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of Bell Microsystems Limited ("the Parent Company") and its subsidiaries ("the Group") for the year ended 31 March 2023 which comprise Consolidated Statement of Comprehensive Income, Consolidated Statement of Financial Position, Company Statement of Financial Position, Consolidated Statement of Changes in Equity, Company Statement of changes in equity, Consolidated Statement Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

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, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group or 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.

Bell Microsystems Limited

Independent Auditor's Report to the Members of Bell Microsystems Limited (continued)

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 course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Other Companies Act 2006 reporting

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

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

In the light of the knowledge and understanding of the Group and 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.

Responsibilities of directors

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

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

Bell Microsystems Limited

Independent Auditor's Report to the Members of Bell Microsystems Limited (continued)

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.

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

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

Non-compliance with laws and regulations is detailed below:

- Our understanding of the Group and Parent company and the industry in which it operates;
- Discussion with management and those charged with governance; and
- Obtaining and understanding of the Group and Parent company policies and procedures regarding compliance with laws and regulations;

We considered the significant laws and regulations to be the Companies Act 2006, Corporate and VAT legislation.

The Group and Parent company is also subject to laws and regulations where the consequence of non-compliance could have a material effect on the amount or disclosures in the financial statements, for example through the imposition of fines or litigations. We identified such laws and regulations to be Employment Taxes, Health and Safety and the Bribery Act 2010.

Our procedures in respect of the above included:

- Review of minutes of meeting of those charged with governance for any instances of non-compliance with laws and regulations;
- Review of financial statement disclosures and agreeing to supporting documentation; and
- Obtaining an understanding of the legal and regulatory framework in which the Company operates. The key laws considered are accounting standards and the Companies Act 2006.

Fraud

We assessed the susceptibility of the financial statements to material misstatement, including fraud. Our risk assessment procedures included:

- Enquiry with management and those charged with governance regarding any known or suspected instances of fraud;
- Obtaining an understanding of the Group and Parent company policies and procedures relating to:
 - Detecting and responding to the risks of fraud; and
 - Internal controls established to mitigate risks related to fraud.
- Review of minutes of meeting of those charged with governance for any known or suspected instances of fraud;
- Discussion amongst the engagement team as to how and where fraud might occur in the financial statements;
- Performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud; and
- Considering remuneration incentive schemes and performance targets and the related financial statement areas impacted by these;

Based on our risk assessment, we considered the area's most susceptible to fraud to be Management override of controls.

Bell Microsystems Limited

Independent Auditor's Report to the Members of Bell Microsystems Limited (continued)

Our procedures in respect of the above included:

- Testing a sample of journal entries throughout the year, which met a defined risk criteria, by agreeing to supporting documentation;
- Assessing significant estimates made by management for bias which included Revenue stage of completion for consulting and managed services. As these revenues are recognised over a period based on time/materials or milestones which required estimation, and Impairment of investments held in subsidiaries. As the Parent Company holds a number of investments in subsidiaries management are required periodically to assess for impairment, which would involve making a number of estimations and judgements around forecasting and creating a discounted cash flow to assess for impairment.

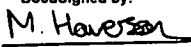
We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members who were all deemed to have appropriate competence and capabilities and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

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

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/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.

DocuSigned by:

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Matthew Haverson (Senior Statutory Auditor)
For and on behalf of BDO LLP, Statutory Auditor
London, UK
23 November 2023

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Bell Microsystems Limited

Consolidated Statement of Comprehensive Income For the Year Ended 31 March 2023

	Note	2023 £	2022 £
Turnover	4	873,671,746	580,575,459
Cost of sales		<u>(827,742,504)</u>	<u>(541,565,596)</u>
Gross profit		45,929,242	39,009,863
Administrative expenses		(40,005,686)	(36,040,856)
Other operating income	5	97,418	-
Earnings before interest, taxation, depreciation and amortisation		11,041,930	7,667,901
Depreciation and amortisation		(5,020,956)	(4,698,894)
Operating profit	6	6,020,974	2,969,007
Interest receivable and similar income	9	13,684	2,567
Interest payable and similar expenses	10	(971,206)	(1,002,168)
Profit before taxation		5,063,452	1,969,406
Tax (charge)/credit on profit	11	(13,549)	98,430
Profit for the financial year		<u>5,049,903</u>	<u>2,067,836</u>
Other comprehensive income		-	-
Total comprehensive income for the year		<u>5,049,903</u>	<u>2,067,836</u>

The notes on pages 23 to 48 form part of these financial statements.

Bell Microsystems Limited

Registered number: 03102360

Consolidated Statement of Financial Position As at 31 March 2023

	Note	2023 £	2023 £	2022 £	2022 £
Fixed assets					
Intangible assets	12		8,073,027		9,294,616
Tangible assets	13		5,360,521		5,542,775
			<u>13,433,548</u>		<u>14,837,391</u>
Current assets					
Debtors: amounts falling due within one year	15	401,764,775		223,914,139	
Cash at bank and in hand	16	25,612,603		1,734,816	
		<u>427,377,378</u>		<u>225,648,955</u>	
Creditors: amounts falling due within one year	17	(452,515,312)		(256,226,148)	
Net current liabilities			<u>(25,137,934)</u>		<u>(30,577,193)</u>
Total assets less current liabilities			<u>(11,704,386)</u>		<u>(15,739,802)</u>
Creditors: amounts falling due after more than one year	18		-		(104,499)
Provisions for liabilities					
Deferred tax asset	21		275,753		165,765
Net liabilities			<u>(11,428,633)</u>		<u>(15,678,536)</u>
Capital and reserves					
Called up share capital	22		7,967		7,967
Share premium account	23		356,320		356,320
Capital redemption reserve	23		1,000,000		1,000,000
Profit and loss account	23		(12,792,920)		(17,042,823)
Shareholders' deficit			<u>(11,428,633)</u>		<u>(15,678,536)</u>

Bell Microsystems Limited
Registered number: 03102360

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 23 November 2023

DocuSigned by:

Margaret Gill

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M K Gill
Director

The notes on pages 23 to 48 form part of these financial statements.

Bell Microsystems Limited

Registered number: 03102360

Company Statement of Financial Position As at 31 March 2023

	Note	2023 £	2023 £	2022 £	2022 £
Fixed assets					
Intangible assets	12		1,885,612		1,320,275
Tangible assets	13		1,145,908		1,048,474
Investments	14		2,899,516		4,734,224
			<u>5,931,036</u>		<u>7,102,973</u>
Current assets					
Debtors: amounts falling due within one year	15	345,923,074		213,931,441	
Cash at bank and in hand	16	24,770,887		1,200,244	
		<u>370,693,961</u>		<u>215,131,685</u>	
Creditors: amounts falling due within one year	17	(372,202,651)		(220,372,792)	
Net current liabilities			(1,508,690)		(5,241,107)
Total assets less current liabilities			4,422,346		1,861,866
Creditors: amounts falling due after more than one year	18		-		(104,499)
Deferred tax liability	21		(34,293)		-
Net assets			<u>4,388,053</u>		<u>1,757,367</u>
Capital and reserves					
Called up share capital	22		7,967		7,967
Share premium account	23		356,320		356,320
Capital redemption reserve	23		1,000,000		1,000,000
Profit and loss account	23		3,023,766		393,080
Shareholders' funds			<u>4,388,053</u>		<u>1,757,367</u>

Bell Microsystems Limited
Registered number: 03102360

The company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own statement of comprehensive income in these financial statements. The profit after tax of the parent company for the period was £3,430,684 (2022 -loss- £2,525,023).

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 23 November 2023

DocuSigned by:

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M K Gill
Director

The notes on pages 23 to 48 form part of these financial statements.

Bell Microsystems Limited

Consolidated Statement of Changes in Equity For the Year Ended 31 March 2023

	Called up share capital	Share premium account	Capital contribution reserve	Profit and loss account	Shareholders' deficit
	£	£	£	£	£
At 1 April 2022	7,967	356,320	1,000,000	(17,042,823)	(15,678,536)
Comprehensive income for the year					
Profit for the year	-	-	-	5,049,903	5,049,903
Total comprehensive income for the year	-	-	-	5,049,903	5,049,903
Contributions by and distributions to owners					
Dividends paid (Note 28)	-	-	-	(800,000)	(800,000)
At 31 March 2023	<u>7,967</u>	<u>356,320</u>	<u>1,000,000</u>	<u>(12,792,920)</u>	<u>(11,428,633)</u>

Consolidated Statement of Changes in Equity For the Year Ended 31 March 2022

	Called up share capital	Share premium account	Capital redemption reserve	Profit and loss account	Shareholders' deficit
	£	£	£	£	£
At 1 April 2021	7,967	356,320	1,000,000	(19,110,659)	(17,746,372)
Comprehensive income for the year					
Profit for the year	-	-	-	2,067,836	2,067,836
Total comprehensive income for the year	-	-	-	2,067,836	2,067,836
At 31 March 2022	<u>7,967</u>	<u>356,320</u>	<u>1,000,000</u>	<u>(17,042,823)</u>	<u>(15,678,536)</u>

The notes on pages 23 to 48 form part of these financial statements.

Bell Microsystems Limited

Company Statement of Changes in Equity For the Year Ended 31 March 2023

	Called up share capital	Share premium account	Capital redemption reserve	Profit and loss account	Shareholders' funds
	£	£	£	£	£
At 1 April 2022	7,967	356,320	1,000,000	393,080	1,757,367
Comprehensive income for the year					
Profit for the year	-	-	-	3,430,686	3,430,686
Total comprehensive income for the year	-	-	-	3,430,686	3,430,686
Contributions by and distributions to owners					
Dividends paid (Note 28)	-	-	-	(800,000)	(800,000)
At 31 March 2023	7,967	356,320	1,000,000	3,023,766	4,388,053

Company Statement of Changes in Equity For the Year Ended 31 March 2022

	Called up share capital	Share premium account	Capital redemption reserve	Profit and loss account	Shareholders' funds
	£	£	£	£	£
At 1 April 2021	7,967	356,320	1,000,000	2,918,103	4,282,390
Comprehensive loss for the year					
Loss for the year	-	-	-	(2,525,023)	(2,525,023)
Total comprehensive loss for the year	-	-	-	(2,525,023)	(2,525,023)
At 31 March 2022	7,967	356,320	1,000,000	393,080	1,757,367

The notes on pages 23 to 48 form part of these financial statements.

Bell Microsystems Limited

Consolidated Statement of Cash Flows For the Year Ended 31 March 2023

	2023 £	2022 £
Cash flows from operating activities		
Profit for the financial year	5,049,903	2,067,836
Adjustments for:		
Amortisation of intangible assets	3,026,627	2,734,760
Depreciation of tangible assets	1,994,389	1,964,134
Net interest payable	968,639	999,601
Taxation charge	13,549	(98,430)
(Increase) in debtors	(178,490,636)	(99,408,210)
Increase in creditors	202,510,671	67,198,015
Interest paid	(971,206)	(1,002,168)
Taxation (credit)/expense	(49,431)	333,103
Net cash generated from/(used in) operating activities	34,052,505	(25,211,359)
Cash flows from investing activities		
Purchase of intangible fixed assets	(1,805,036)	(908,366)
Purchase of tangible fixed assets	(3,960,614)	(4,864,630)
Sale of tangible fixed assets	2,148,479	2,357,097
Interest received	2,565	2,567
Net cash used in investing activities	(3,614,606)	(3,413,332)

Bell Microsystems Limited

Consolidated Statement of Cash Flows For the Year Ended 31 March 2023(continued)

Cash flows from financing activities

Repayment of loans	(5,186,286)	(5,996,906)
Repayment of/new finance leases	(1,213,826)	(1,120,439)
Dividends paid	(160,000)	-
Net cash used in financing activities	(6,560,112)	(7,117,345)
Net increase/(decrease) in cash and cash equivalents	23,877,787	(35,742,036)

Cash and cash equivalents at beginning of year	1,734,816	37,476,851
Cash and cash equivalents at the end of year	<u>25,612,603</u>	<u>1,734,816</u>

Cash and cash equivalents at the end of year comprise:

Cash at bank and in hand	<u>25,612,603</u>	<u>1,734,816</u>
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The notes on pages 23 to 48 form part of these financial statements.

Bell Microsystems Limited

Notes to the Financial Statements For the Year Ended 31 March 2023

1. General information

Bell Microsystems Limited is a private company limited by shares and incorporated in England and Wales under the Companies Act 2006. The address of the registered office is given on the company information page and the nature of the company's operations and its principal activities are set out in the strategic report.

2. Accounting policies

2.1 Basis of preparation of financial statements

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

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

The presentational and functional currency of these financial statements is GBP. Values are rounded to the nearest pound.

The following principal accounting policies have been applied:

2.2 Basis of consolidation

The consolidated financial statements present the results of the company and its own subsidiaries ("the group") as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the statement of financial position, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the consolidated statement of comprehensive income from the date on which control is obtained. They are deconsolidated from the date control ceases.

2.3 Parent company exemptions

In preparing the separate financial statements of the parent company, advantage has been taken of the following disclosure exemptions available in FRS 102:

- No cash flow statement has been presented for the parent company;
- Disclosures in respect of the parent company's financial instruments have not been presented as equivalent disclosures have been provided in respect of the group as a whole; and
- No disclosure has been given for the aggregate remuneration of the key management personnel of the parent company as their remuneration is included in the totals for the group as a whole.

Bell Microsystems Limited

Notes to the Financial Statements For the Year Ended 31 March 2023

2. Accounting policies (continued)

2.4 Going concern

The financial statements have been prepared on the going concern basis as the directors have prepared detailed budgets for a period of at least 12 months from the date of signing the accounts which show that the group is expected to be able to meet all its liabilities as they fall due. However, it is acknowledged that the global and UK outbreak of COVID 19 has had a profound impact on the global and UK economy and businesses.

At year end the group reported a profit after tax of £5.0m and net cash reserves of £25.6m. The group's unaudited trading results in the period to 30 September 2023 are profitable and the cash position of the company at that date totals £24.8m. The group is financed through its current cash reserves.

The directors have produced a detailed going concern assessment for the group. The conclusion of the directors' assessment for Bell Microsystems Limited is that the business will be able to meet all its liabilities as they fall due. The group has only seen a minimal impact of COVID-19 and the management accounts for the period post yearend report a strong level of profits.

The directors have prepared forecasts to 31 March 2025 which show continued profits and cash generation. The group continues to receive the support of its bankers and the invoice discounting provider. These forecasts are therefore prepared on the assumption that this facility will be extended and thus will remain in place throughout the forecast period. Even in the considered unlikely scenario whereby this facility is not extended, the directors are satisfied the business can continue to meet its liabilities as they fall due.

The forecasts prepared included reverse stress testing whereby different scenarios were modelled out based on a reduction of 25%, 50% and 75% of the revenue streams and the associated impact on the overheads of the company should these scenarios occur. After considering the potential cash flow impact and the ability to reduce costs if deemed necessary the directors believe the group has sufficient resources to continue trading for the foreseeable future and it is therefore appropriate to prepare the group financial statements on a going concern basis.

The company has not received any government support in respect of grants or claims under the job retention scheme. There has been no impact to their supply chain since the balance sheet date.

Based on the trading results achieved post year end, the directors conclude that the group will be able to trade for a period of at least 12 months from the approval of the financial statements and have therefore concluded that it is appropriate for the financial statements to be prepared on the going concern basis.

Bell Microsystems Limited

Notes to the Financial Statements For the Year Ended 31 March 2023

2. Accounting policies (continued)

2.5 Turnover

Turnover comprises of revenues from third parties in respect of charges for IT services and consulting, exclusive of sales taxes.

Turnover is generated from the provision of consulting services, technology sales, managed services and lifecycle management, which is recognised for each turnover stream as follows:

- Consulting and other services - on fixed price contracts, turnover is measured with reference to the stage of completion of the contract. The stage of completion is determined by the level of services performed to date as a percentage of total services expected to be performed. On time and materials contracts, turnover is measured with reference to the amounts earned in respect of performance and recognised on delivery of the service.
- Technology sales - turnover relates to the re-sale of hardware and software licenses to third parties. Turnover is measured with reference to the total value of goods and services provided to the customer, as the group is acting as principal in the arrangement. In such transactions the group acts as principal on the basis of its ability to determine the selling price, the value provided by the group to the customer and the fact that the group bears the credit risk. Turnover is recognised on delivery.
- Long term technology sales - turnover relates to the re-sale of software licenses to third parties. Turnover is measured with reference to the total value of the margin on the sale, as the group is acting as agent in the arrangement. In such transactions the group acts as agent on the basis of the fact that the group does not bear the credit risk in these transactions. Turnover is recognised on delivery. Turnover from product sales is recognised on delivery of the equipment.
- Turnover from equipment rental, software support and hardware maintenance is recognized over the term of the agreement on a straight line basis. Any unrecognised revenue element is shown separately in the statement of financial position notes as deferred income. For certain rental equipment arrangements, the company receives a discount against the purchase of products from the suppliers of this rental equipment. For these arrangements, turnover is recognised net of the discount received by the group which is recognised over the term of the rental agreement.
- Managed and maintenance services - turnover is measured on a straight line basis over the length of the contract.
- IT lifecycle management - turnover is measured with reference to the amounts earned in respect of performance and recognised on delivery of the service.
- Commission income - the group recognises the revenue to the extent of its commission in a transaction where group acts as an agent. The amounts collected on behalf of the principal are not recognised as revenue.

Where agreements involve multiple elements, the entire fee from such arrangements is allocated to each of the individual elements based on each element's fair value. The turnover in respect of each element is recognised in accordance with the above policies.

Where the company is contractually committed to future revenues from a third party, turnover will be accrued in accordance with the terms of the agreement.

Bell Microsystems Limited

Notes to the Financial Statements For the Year Ended 31 March 2023

2. Accounting policies (continued)

2.6 Intangible assets

Goodwill

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of the group's share of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight-line basis to the consolidated statement of comprehensive income over its useful economic life.

Other intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

2.7 Tangible fixed assets

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

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

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives.

Depreciation is provided on the following bases:

Motor vehicles	- 20.0% on cost
Fixtures, fittings and computer equipment	- 10.0 - 50.0% on reducing balance
Leasehold improvements	- 20.0% on reducing balance
Rental equipment - other	- 33.3% straight line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the consolidated statement of comprehensive income.

2.8 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

Bell Microsystems Limited

Notes to the Financial Statements For the Year Ended 31 March 2023

2. Accounting policies (continued)

2.9 Impairment of fixed assets and goodwill

Assets that are subject to depreciation or amortisation are assessed at each reporting date to determine whether there is any indication that the assets are impaired. Where there is any indication that an asset may be impaired, the carrying value of the asset (or cash-generating unit to which the asset has been allocated) is tested for impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's (or CGU's) fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (CGUs). Non-financial assets that have been previously impaired are reviewed at each reporting date to assess whether there is any indication that the impairment losses recognised in prior periods may no longer exist or may have decreased.

2.10 Debtors

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

2.11 Long term debtors

Long term debtors relate to amounts owed to the company by group undertakings. Long term debtors are measured at transaction price, less any impairment.

2.12 Cash and cash equivalents

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

In the consolidated statement of cash flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the group's cash management.

2.13 Creditors

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

2.14 Financial instruments

The group only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

Bell Microsystems Limited

Notes to the Financial Statements For the Year Ended 31 March 2023

2. Accounting policies (continued)

2.14 Financial instruments (continued)

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the consolidated statement of comprehensive income.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the group would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

2.15 Foreign currency translation

Transactions and balances

Foreign currency transactions of individual companies are translated at the rates ruling when they occurred. Foreign currency monetary assets and liabilities are translated at the rate of exchange ruling as the statement of financial position date. Any differences are taken to the statement of comprehensive income. The results of overseas operations are translated at the average rates of exchange during the year and the statement of financial position translated into sterling at the rates of exchange ruling on the statement of financial position date. Exchange differences which arise from translation of the opening net assets and results of foreign subsidiary undertakings are taken to reserves.

2.16 Finance costs

Finance costs are charged to the consolidated statement of comprehensive income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.17 Borrowing costs

All borrowing costs are recognised in the statement of comprehensive income in the year in which they are incurred.

Bell Microsystems Limited

Notes to the Financial Statements For the Year Ended 31 March 2023

2. Accounting policies (continued)

2.18 Research and development

In the research phase of an internal project it is not possible to demonstrate that the project will generate future economic benefits and hence all expenditure on research shall be recognised as an expense when it is incurred. Intangible assets are recognised from the development phase of a project if and only if certain specific criteria are met in order to demonstrate the asset will generate probable future economic benefits and that its cost can be reliably measured. The capitalised development costs are subsequently amortised on a straight-line basis over their useful economic lives, which range from 3 to 6 years.

If it is not possible to distinguish between the research phase and the development phase of an internal project, the expenditure is treated as if it were all incurred in the research phase only.

2.19 Dividends

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

2.20 Pensions

Defined contribution pension plan

The group operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the group pays fixed contributions into a separate entity. Once the contributions have been paid the group has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the statement of financial position. The assets of the plan are held separately from the group in independently administered funds.

2.21 Hire purchase and leasing commitments

Assets held under finance leases and hire purchase contracts are recognised in the statement of financial position as assets at the lower of the fair value of the assets and the present value of the minimum lease payments, which is determined at the inception of the lease term. Any initial direct costs of the lease are added to the amount recognised as an asset.

Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. Lease payments are apportioned between the finance charges and reduction of the outstanding lease liability using the effective interest method. Finance charges are allocated to each period so as to produce a constant rate of interest on the remaining balance of the liability.

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

2.22 Interest income

Interest income is recognised in the consolidated statement of comprehensive income using the effective interest method.

Bell Microsystems Limited

Notes to the Financial Statements For the Year Ended 31 March 2023

2. Accounting policies (continued)

2.23 Provisions for liabilities

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

Provisions are charged as an expense to the consolidated statement of comprehensive income in the year that the group becomes aware of the obligation, and are measured at the best estimate at the reporting date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the statement of financial position.

2.24 Current and deferred taxation

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

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company and the group operate and generate income.

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

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the group can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

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

Bell Microsystems Limited

Notes to the Financial Statements For the Year Ended 31 March 2023

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

In preparing these financial statements, the directors have had to make the following judgements:

- should be treated on a principal or agency basis. Certain transactions are treated on agency basis where the group is just providing a pass-through service for specific suppliers to end customers. Other customers are provided specific solutions which are considered to be principal in nature. Changes in the circumstances can change the recognition basis of such transactions resulting in a change to both revenue and cost of sales. The net margin would be unchanged.
- Determining whether leases entered into by the group and company either as a lessor or a lessee are operating or finance leases. These decisions depend on an assessment of whether the risks and rewards of ownership have been transferred from the lessor to the lessee on a lease by lease basis.
- Determining whether there are indicators of impairment of the company's investments in subsidiaries and the company's intercompany receivables. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the subsidiary.

4. Turnover

The whole of the turnover is attributable to the principal activity of the company.

Analysis of turnover by country of destination:

	2023 £	2022 £
United Kingdom	834,834,717	519,183,201
Rest of Europe	27,437,646	57,186,149
Rest of the world	11,399,383	4,206,109
	<u>873,671,746</u>	<u>580,575,459</u>

5. Other operating income

	2023 £	2022 £
Other operating income	<u>97,418</u>	<u>-</u>

Bell Microsystems Limited

Notes to the Financial Statements For the Year Ended 31 March 2023

6. Operating profit

The operating profit is stated after charging:

	2023 £	2022 £
Depreciation of tangible fixed assets	1,994,388	1,964,134
Amortisation of intangible fixed assets	3,003,522	2,734,760
Exchange differences	1,195,705	954,544
Operating leases - land and buildings	611,924	1,264,659
Fees payable to the group's auditor for the audit of the group's annual financial statements	398,000	225,000
Fees payable to the group's auditor in respect of other services	<u>46,598</u>	<u>72,000</u>

7. Employees

Staff costs, including directors' remuneration, were as follows:

	Group 2023 £	Group 2022 £
Wages and salaries	37,860,468	32,501,504
Social security costs	3,920,000	3,463,624
Cost of defined contribution scheme	615,873	1,134,838
	<u>42,396,341</u>	<u>37,099,966</u>

The average monthly number of employees, including the directors, during the year was as follows:

	Group 2023 No.	Group 2022 No.	Company 2023 No.	Company 2022 No.
Management	17	16	9	9
Administration, sales and chargeable resource	596	532	451	408
	<u>613</u>	<u>548</u>	<u>460</u>	<u>417</u>

Bell Microsystems Limited

Notes to the Financial Statements For the Year Ended 31 March 2023

8. Directors' remuneration

	2023 £	2022 £
Directors' emoluments	1,551,747	1,535,276
Group contributions to defined contribution pension schemes	50,286	41,087
	<u>1,602,033</u>	<u>1,576,363</u>

The highest paid director received remuneration of £816,148 (2022 - £637,550).

9. Interest receivable and similar income

	2023 £	2022 £
Other interest receivable	<u>13,684</u>	<u>2,567</u>

10. Interest payable and similar charges

	2023 £	2022 £
Bank interest payable	907,544	915,425
Finance leases and hire purchase contracts	63,662	86,743
	<u>971,206</u>	<u>1,002,168</u>

11. Taxation

	2023 £	2022 £
Foreign tax		
Adjustments in respect of previous periods	123,538	11,558
Total current tax	<u>123,538</u>	<u>11,558</u>
Deferred tax		
Origination and reversal of timing differences	(109,988)	(109,988)
Total deferred tax	<u>(109,988)</u>	<u>(109,988)</u>
Taxation on profit on ordinary activities	<u>13,549</u>	<u>(98,430)</u>

Bell Microsystems Limited

Notes to the Financial Statements For the Year Ended 31 March 2023

11. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is higher than the standard rate of corporation tax in the UK of 19% (2022 -19%). The differences are explained below:

	2023 £	2022 £
Profit on ordinary activities before tax	<u>5,063,452</u>	<u>1,969,406</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2022 - 19%)	962,056	374,187
Effects of:		
Expenses not deductible for tax purposes	33,729	(22,989)
Capital allowances for year in excess of depreciation	183,764	341,967
Research and development tax credit received	-	(142,435)
Other tax adjustments	285,981	56,245
Unutilised losses carried forward	-	103,430
Deferred tax adjustment	(109,988)	(109,988)
Utilisation of losses b/fwd	(1,465,530)	(710,405)
Foreign tax provision	123,537	11,558
Total tax charge for the year	<u>13,549</u>	<u>(98,430)</u>

Factors that may affect future tax charges

Deferred tax rate changes rise because UK corporation tax rates increased from 19% to 25% from 1 April 2023 and movements in forecast timings of reversals impact the tax rate applied.

The group has recognised a deferred tax asset of £750,000 representing the group's best estimate of the amount of available tax losses that will unwind against taxable profits that are expected to arise in Hamilton Rentals Limited over the next 3 years.

Furthermore, the company has estimated losses of £22,609,479 (2022 - £30,322,798) available for carry forward against future trading profits.

A deferred tax asset of £5,652,370 (2022 - £7,580,700) in relation to the carry forward losses has not been recognised due to the uncertainty surrounding the timing of them unwinding.

Bell Microsystems Limited

Notes to the Financial Statements For the Year Ended 31 March 2023

12. Intangible assets

Group

	Customer list £	Development costs £	Goodwill £	Total £
Cost				
At 1 April 2022	3,879,265	9,950,727	7,680,234	21,510,226
Additions	-	1,481,933	300,000	1,781,933
At 31 March 2023	<u>3,879,265</u>	<u>11,432,660</u>	<u>7,980,234</u>	<u>23,292,159</u>
Amortisation				
At 1 April 2022	1,662,002	6,293,333	4,260,275	12,215,610
Charge for the year	327,417	1,960,874	715,231	3,003,522
At 31 March 2023	<u>1,989,419</u>	<u>8,254,207</u>	<u>4,975,506</u>	<u>15,219,132</u>
Net book value				
At 31 March 2023	<u>1,889,846</u>	<u>3,178,453</u>	<u>3,004,728</u>	<u>8,073,027</u>
At 31 March 2022	<u>2,217,263</u>	<u>3,657,394</u>	<u>3,419,959</u>	<u>9,294,616</u>

Bell Microsystems Limited

Notes to the Financial Statements For the Year Ended 31 March 2023

12. Intangible assets (continued)

Company

	Development costs £	Goodwill £	Total £
Cost			
At 1 April 2022	4,484,623	668,825	5,153,448
Additions	1,505,489	-	1,505,489
At 31 March 2023	<u>5,990,112</u>	<u>668,825</u>	<u>6,658,937</u>
Amortisation			
At 1 April 2022	3,336,851	496,322	3,833,173
Charge for the year	912,095	28,057	940,152
At 31 March 2023	<u>4,248,946</u>	<u>524,379</u>	<u>4,773,325</u>
Net book value			
At 31 March 2023	<u>1,741,166</u>	<u>144,446</u>	<u>1,885,612</u>
At 31 March 2022	<u>1,147,772</u>	<u>172,503</u>	<u>1,320,275</u>

Bell Microsystems Limited

Notes to the Financial Statements For the Year Ended 31 March 2023

13. Tangible fixed assets

Group

	Motor vehicles £	Furniture, fittings and computer equipment £	Leasehold improvements £	Rental equipment £	Total £
Cost or valuation					
At 1 April 2022	389,833	1,634,416	375,589	5,390,422	7,790,260
Additions	49,000	468,423	58,024	3,385,167	3,960,614
Disposals	(10,608)	-	-	(3,500,035)	(3,510,643)
At 31 March 2023	<u>428,225</u>	<u>2,102,839</u>	<u>433,613</u>	<u>5,275,554</u>	<u>8,240,231</u>
Depreciation					
At 1 April 2022	266,602	918,464	85,077	977,342	2,247,485
Charge for the year	57,450	315,773	72,027	1,549,138	1,994,388
Disposals	-	-	-	(1,362,163)	(1,362,163)
At 31 March 2023	<u>324,052</u>	<u>1,234,237</u>	<u>157,104</u>	<u>1,164,317</u>	<u>2,879,710</u>
Net book value					
At 31 March 2023	<u>104,173</u>	<u>868,602</u>	<u>276,509</u>	<u>4,111,237</u>	<u>5,360,521</u>
At 31 March 2022	<u>123,231</u>	<u>715,952</u>	<u>290,512</u>	<u>4,413,080</u>	<u>5,542,775</u>

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

	2023 £	2022 £
Rental equipment	<u>4,111,238</u>	<u>4,413,080</u>

Bell Microsystems Limited

Notes to the Financial Statements For the Year Ended 31 March 2023

13. Tangible fixed assets (continued)

Company

	Motor vehicles £	Furniture, fittings and computer equipment £	Leasehold improvement s £	Rental equipment £	Total £
Cost or valuation					
At 1 April 2022	389,833	1,657,352	375,589	2,557,899	4,980,673
Additions	49,000	447,492	58,024	-	554,516
Disposals	(10,608)	-	-	-	(10,608)
At 31 March 2023	<u>428,225</u>	<u>2,104,844</u>	<u>433,613</u>	<u>2,557,899</u>	<u>5,524,581</u>
Depreciation					
At 1 April 2022	266,602	1,035,413	85,077	2,545,107	3,932,199
Charge for the year	57,450	304,205	72,027	12,792	446,474
At 31 March 2023	<u>324,052</u>	<u>1,339,618</u>	<u>157,104</u>	<u>2,557,899</u>	<u>4,378,673</u>
Net book value					
At 31 March 2023	<u>104,173</u>	<u>765,226</u>	<u>276,509</u>	<u>-</u>	<u>1,145,908</u>
At 31 March 2022	<u>123,231</u>	<u>621,939</u>	<u>290,512</u>	<u>12,792</u>	<u>1,048,474</u>

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

	2023 £	2022 £
Rental equipment	<u>792</u>	<u>12</u>

Bell Microsystems Limited

Notes to the Financial Statements
For the Year Ended 31 March 2023

14. Investments

Company

	Investments in subsidiary companies £
Cost or valuation	
At 1 April 2022	5,025,970
Additions	4,096,344
At 31 March 2023	<u>9,122,314</u>
Impairment	
At 1 April 2022	291,746
Charge for the period	5,931,052
At 31 March 2023	<u>6,222,798</u>
Net book value	
At 31 March 2023	<u><u>2,899,516</u></u>
At 31 March 2022	<u><u>4,734,224</u></u>

Bell Microsystems Limited

Notes to the Financial Statements For the Year Ended 31 March 2023

14. Investments (continued)

Subsidiary undertakings

Name	Country of incorporation	Holding	Nature of business
The Portal Partnership Limited*	United Kingdom	100%	Software
Choose Portal Pvt Limited	United Kingdom	100%	Software
Hamilton Management (London) Limited*	United Kingdom	100%	Rental of IT equipment and related services
Hamilton Rentals Limited*	United Kingdom	100%	Rental of IT equipment and related services
Bell Integrated India Pvt Limited*	India	99%	Sale of IT equipment and related services
Bell Integration New Zealand Limited*	New Zealand	100%	Sale of IT equipment and related services
Bell Procurement Management Limited (previously named Bell-TS Limited)*	United Kingdom	100%	Sale of IT equipment and related services
Bell TSI Limited	United Kingdom	100%	Sale of IT equipment and related services
Bell TSII Limited	United Kingdom	100%	Sale of IT equipment and related services
Bell TSIII Limited	United Kingdom	100%	Sale of IT equipment and related services
Bell Integration Inc.*	United States of America	100%	Sale of IT equipment and related services
Bell Network Systems Limited*	United Kingdom	100%	Sale of IT equipment and related services
Bell Integration Sp z.o.o.*	Poland	100%	Sale of IT equipment and related services
Bell International Group Limited *	United Kingdom	100%	Sale of IT equipment and related services
Bell Integration Hong Kong Limited*	Hong Kong	100%	Sale of IT equipment and related services
Bell Integration Switzerland GmbH*	Switzerland	100%	Sale of IT equipment and related services
Bell Group Asia Pte Limited*	Singapore	100%	Sale of IT equipment and related services
Bell-TSII Limited Merkezi Ingiltere Istanbul Merkez Subesi	Turkey	100%	Sale of IT equipment and related services
Bell TSIV Limited	United Kingdom	100%	Sale of IT equipment and related services
Bell Integration Pty Ltd	Australia	100%	Sale of IT equipment and related services
Bell Asia SI Pte Ltd*	Singapore	100%	Sale of IT equipment and related services
Bell Integration GmbH	Germany	100%	Sale of IT equipment and related services
Bell-TS Netherland B.V.	Netherlands	100%	Sale of IT equipment and related services
Bell Integracao Ltda	Brazil	100%	Sale of IT equipment and related services
Bell Integration S.A.R.L.	France	100%	Sale of IT equipment and related services
System Integration Canada Inc.	Canada	100%	Sale of IT equipment and related services

*Indicates investments directly owned by Bell Microsystems Ltd. Subsidiaries of these entities are listed below each investment.

Bell Microsystems Limited

Notes to the Financial Statements For the Year Ended 31 March 2023

14. Investments (continued)

The class of shares of the above subsidiary undertakings is ordinary.

The registered address of The Portal Partnership Limited is New Hampshire Court, St Pauls Road, Southsea, England, PO5 4AQ.

The registered address of Choose Portal Pvt Limited is No1-89/3/B/40 to 42/KSI107, SY#88, Krishe Sapphire MSR Block, 1st Floor, Madhapur, Serilingampally (M) Ranga Reddy TG 500081 India.

The registered address of Hamilton Management (London) Limited, Hamilton Rentals Limited, Bell Procurement Management Limited (previously named Bell TS Limited), Bell TSI Limited, Bell TSII Limited, Bell TSIII Limited, Bell TSIV Limited, Bell Network Systems Limited, Bell Network Systems Limited, and Bell International Group Limited is New Hampshire Court, St. Pauls Road, Southsea, Hampshire.

The registered address of Bell Integrated India Private is Office No 206, Plot No. H2, Apra North X Plaza, Netaji Subhash Place, New Delhi 110034.

The registered address of Bell Integration New Zealand Limited is do Grant Thornton New Zealand Limited, L4 152 Fanshawe Street, Auckland, 1010, NZ.

The registered address of Bell-TSII Limited Merkezi Ingiltere Istanbul Merkez Subesi is Resitpasa Mah, Eski Buyukdere Cad, Park Plaza Blok No. 14 IC, Kapi No. 24 Sariyer Istanbul.

The registered address of Bell Integration Inc. is 555 E. Loockerman Street, Suite 120, Dover, Kent, Delaware, 19901.

The registered address of Bell Integration Sp Z.o.o is Belwederska St. 9A/5, 00 - 761, Warsaw.

The registered address of Bell Integration Hong Kong Limited is Unit 2403, Tung Wai Commercial Building 109-111, Gloucester Road, Wanchai, Hong Kong.

The registered address of Bell Integration Switzerland GmbH is do Ecovis ws&p ag, Muhlebachstrasse 2, 8008 Zurich.

The registered address of Bell Group Asia Pte Limited and Bell Asia SI Pre Ltd is 109 North Bridge Road, #05-21 Funan, Singapore 179097.

The registered address of Bell Integration Pty Ltd is c/o Grant Thornton, L 17 383 Kent St, Sydney, NSW 2000.

The registered address of Bell Integration GmbH is Eindhovener StraBe 37, 41751 Viersen.

The registered address of Bell-TS Netherlands B.V. is St Jacobsstraat 123, 3511BP, Utrecht.

The registered address of Bell Integracao Ltda is 528 Rua Conselheiro Brotero, Barra Funda, Sao Paulo, SP-01154-000.

The registered address of Bell Integration S.A.R.L. is 2 Rue Barye, 75017, Paris.

The registered address of Systems Integration Canada Inc. is 0/0 GC SE LLP Chartered Professional Accountants, The Madison Centre, 4950 Younge Street, Suite 1900, Toronto, Ontario, M2N 6K1.

Bell Microsystems Limited

Notes to the Financial Statements For the Year Ended 31 March 2023

14. Investments (continued)

The following subsidiaries have been granted an exemption from audit of their individual accounts under section 479A of the Companies Act 2006 following a guarantee given by the parent entity, Bell Microsystems Limited:

Bell Procurement Management Limited (previously named Bell TS Limited) (Company number: 09989553)
 Bell-TS Limited (Company number: 13692699)
 Bell-TSI Limited (Company number: 09989646)
 Bell-TSII Limited (Company number: 09989718)
 Bell-TSIII Limited (Company number: 10812958)
 Bell Network Systems Limited (Company number: 03994603)
 Bell International Group Limited (Company number: 10002017)

15. Debtors: amounts falling due within one year

	Group 2023 £	Group 2022 £	Company 2023 £	Company 2022 £
Trade debtors	365,873,830	204,147,086	271,036,897	168,525,950
Amounts owed by group undertakings	-	-	28,317,744	27,172,381
Other debtors	1,960,225	1,573,397	1,456,685	928,687
Prepayments and accrued income	33,418,281	17,043,551	44,338,589	15,927,926
Tax recoverable	-	-	260,720	226,392
Directors' loan	512,439	1,150,105	512,439	1,150,105
	<u>401,764,775</u>	<u>223,914,139</u>	<u>345,923,074</u>	<u>213,931,441</u>

The amounts owed by group undertakings of £28,317,743 (2022 - £27,172,381) relates to amounts due from Bell TSIII Limited £Nil (2022 - £Nil), Bell Integrated India Private £22,239 (2022 - £22,239), Bell Group Asia Pte Limited £6,759,916 (2022 - £4,327,287), Hamilton Managed Services £8,250,040 (2022 - £13,523,794), Bell Switzerland £103,421 (2022 - £83,070), and Bell Inc. £Nil (2022 - £349,680), Bell Integration Sp z.o.o. £29,036 (2022 - £64,496), Bell TSI Limited £2,762,885 (2022 - £3,536,185), Bell TS Limited £9,545,222 (2022 - £4,818,121), Bell International Group Limited £Nil (2022 - £Nil), Bell TS Netherlands B.V. £159,726 (2022 - £94,567), Bell TSII Limited £Nil (2022 - £Nil), Bell New Zealand £19,764 (2022 - £12,110), Bell Integration GmbH £86,231 (2022 - £155,436), Bell TS IV Limited £149,261 (2022 - £50,500), Bell Integration Hong Kong Limited £3,754 (2022 - £2,395), Bell Integration SARL £15,107 (2022 - £11,775), Bell Integration PTY Limited £67,458 (2022 - £89,545), Bell System Integration £7,162 (2022 - £7,037), Bell TSii Turkey £336,521 (2022 - £1,611), and Bell Integration Ltd £36,609 (2022 - £19,335). These entities do not have sufficient resources to repay the balance within one year, however the directors are confident the balance will be recovered over the longer term.

The impairment loss recognised in the group profit or loss for the year in respect of bad and doubtful trade debtors was £Nil (2022 - £Nil). The impairment loss recognised in the company profit or loss for the year in respect of bad and doubtful receivables from group companies was £6,210,150 (2022 - £12,449,378).

Bell Microsystems Limited

Notes to the Financial Statements For the Year Ended 31 March 2023

16. Cash and cash equivalents

	Group 2023 £	Group 2022 £	Company 2023 £	Company 2022 £
Cash at bank and in hand	<u>25,612,603</u>	<u>1,734,816</u>	<u>24,770,887</u>	<u>1,200,244</u>

17. Creditors: amounts falling due within one year

	Group 2023 £	Group 2022 £	Company 2023 £	Company 2022 £
Finance facility	-	5,081,787	-	5,081,787
Trade creditors	312,310,138	207,042,978	222,521,442	174,968,026
Amounts owed to group undertakings	-	-	4,818,321	2,209,314
Corporation tax	164,485	90,378	-	-
Other taxation and social security	17,583,076	4,842,554	16,801,233	4,141,976
Obligations under finance lease and hire purchase contracts	475,648	1,689,474	-	12,747
Other creditors	3,669,245	1,236,477	1,472,950	373,509
Accruals and deferred income	118,312,720	36,242,500	126,588,705	33,585,433
	<u>452,515,312</u>	<u>256,226,148</u>	<u>372,202,651</u>	<u>220,372,792</u>

The finance facility was held with Santander UK plc. Under the facility, Santander had a specific charge over all assigned trade debtors financed under the agreement.

The amounts owed to group undertakings of £4,818,321 (2022 - £2,209,314) relates to amounts due from Bell TSIII Limited £5,549 (2022 - £2,202,501), Bell TSII Limited £1,244,663 (2022 - £6,813), Bell TSI Limited £1,899,243 (2022 - £Nil), Bell Integration GmbH £220,992 (2022 - £Nil) and Bell Inc. £1,447,874 (2022 - £Nil).

18. Creditors: amounts falling due after more than one year

	Group 2023 £	Group 2022 £	Company 2023 £	Company 2022 £
Other long term contracts	<u>-</u>	<u>104,499</u>	<u>-</u>	<u>104,499</u>

Bell Microsystems Limited

Notes to the Financial Statements For the Year Ended 31 March 2023

19. Loans

Analysis of the maturity of loans is given below:

	Group 2023 £	Group 2022 £	Company 2023 £	Company 2022 £
Amounts falling due within one year				
Invoicing facility	-	5,081,787	-	5,081,787
Amounts falling due 1-2 years				
Other long term contracts	-	104,499	-	104,499
	<u>-</u>	<u>5,186,286</u>	<u>-</u>	<u>5,186,286</u>

20. Financial instruments

	Group 2023 £	Group 2022 £
Financial assets		
Financial assets that are debt instruments measured at amortised cost	<u>393,959,095</u>	<u>231,134,310</u>
Financial liabilities		
Financial liabilities measured at amortised cost	<u>(316,455,033)</u>	<u>(288,048,918)</u>

Financial assets that are debt instruments measured at amortised cost comprise cash, trade debtors, other debtors and director's loan accounts.

Financial liabilities measured at amortised cost comprise bank loans and overdrafts, trade creditors, other creditors and accruals.

21. Deferred taxation

Group

	2023 £
At beginning of year	165,765
Charged to profit or loss	109,988
At end of year	<u><u>275,753</u></u>

Bell Microsystems Limited

Notes to the Financial Statements For the Year Ended 31 March 2023

21. Deferred taxation (continued)

Company

	2023 £
At beginning of year	-
Charged to profit or loss	(34,293)
At end of year	<u>(34,293)</u>

The deferred tax balance is made up as follows:

	Group 2023 £	Group 2022 £	Company 2023 £	Company 2022 £
Accelerated depreciation	(34,293)	715,707	(34,293)	-
Business combinations	(439,954)	(549,942)	-	-
Losses	750,000	-	-	-
	<u>275,753</u>	<u>165,765</u>	<u>(34,293)</u>	<u>-</u>
Comprising:				
Liability	275,753	165,765	(34,293)	-
	<u>275,753</u>	<u>165,765</u>	<u>(34,293)</u>	<u>-</u>

Bell Microsystems Limited

Notes to the Financial Statements For the Year Ended 31 March 2023

22. Share capital

	2023 £	2022 £
Allotted, called up and fully paid		
6,550- - 'A' ordinary shares shares of £1.00 each	6,550	6,550
1,360- - 'B' ordinary shares shares of £1.00 each	1,360	1,360
5,300- - 'C' ordinary shares shares of £0.01 each	53	53
300 - - 'D2' shares shares of £0.01 each	3	3
100- - 'E' shares shares of £0.01 each	1	1
	<u>7,967</u>	<u>7,967</u>

The rights attached to each class of share is as follows:

Ordinary 'A' £1.00 each, hold voting rights and are entitled to a dividend on a pari passu basis.

Ordinary 'B' £1.00 each, hold voting rights and are not entitled to a dividend.

Ordinary 'C' £0.01 each, only have the right to vote on any resolution to remove a director appointed by the shareholder and are not entitled to a dividend.

Ordinary "D2 £0.01 each, hold no voting right and are not entitled to any dividends. Holders are entitled to any capital on a reduction of capital or winding up.

Ordinary 'E' £0.01 each, hold no voting right and are not entitled to any dividends. Holders are entitled to any capital on a winding up basis or on a reduction of capital involving the return of capital to a share of any distribution, after the repayment of any debt.

23. Reserves

The group and company's capital and reserves are as follows:

Called up share capital

Called up share capital represents the nominal value of the shares issued.

Share premium account

The share premium account includes the premium on issue of equity shares, net of any issue costs.

Capital redemption reserve

The capital redemption reserve contains the nominal value of own shares that have been acquired by the company and cancelled.

Profit and loss account

The profit and loss account represents cumulative profits and losses, net of dividends paid and other adjustments.

Bell Microsystems Limited

Notes to the Financial Statements For the Year Ended 31 March 2023

24. Analysis of net debt

	At 1 April 2022 £	Cash flows £	At 31 March 2023 £
Cash at bank and in hand	1,734,816	23,877,787	25,612,603
Invoicing facility	(5,081,787)	5,081,787	-
Finance leases	(1,689,474)	1,213,826	(475,648)
	<u>(5,036,445)</u>	<u>30,173,400</u>	<u>25,136,955</u>

25. Pension commitments

The group operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the group in an independently administered fund. The pension cost charge represents contributions payable by the group to the fund and amounted to £644,802 (2022 - £83,420). Contributions totalling £442,119 (2022 - £194,494) were payable to the fund at the statement of financial position date.

26. Commitments under operating leases

As Lessee

At 31 March 2023 the group and the company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	Group Land and buildings 2023 £	Group Land and buildings 2022 £	Company Land and buildings 2023 £	Company Land and buildings 2022 £
Not later than 1 year	808,282	974,397	603,187	814,242
Later than 1 year and not later than 5 years	777,843	1,229,652	8,737	645,629
Later than 5 years	-	358,916	-	-
	<u>1,586,125</u>	<u>2,562,965</u>	<u>611,924</u>	<u>1,459,871</u>

As Lessor

	Group 2023 £	Group 2022 £
Not later than 1 year	345,650	338,134
Later than 1 year and not later than 5 years	130,168	-
	<u>475,818</u>	<u>338,134</u>

Bell Microsystems Limited

Notes to the Financial Statements For the Year Ended 31 March 2023

27. Related party transactions

The company has taken advantage of the exemption available under FRS 102 Section 33.1A not to disclose, transactions with other members of the group where both such members are wholly owned subsidiaries.

Transactions between group entities which have been eliminated on consolidation are not disclosed within the financial statements.

The following transactions were entered into with directors of the group:

	2023 £	2022 £
A M Bell		
Balance outstanding at start of the year	1,047,994	1,247,425
Amounts advanced	2,335	32,550
Amount repaid	-	(231,981)
Amounts adjusted from dividend declared	(640,000)	-
Balance outstanding at the end of the year	<u>410,329</u>	<u>1,047,994</u>
	2023 £	2022 £
N Petheram		
Balance outstanding at start of the year	102,110	103,769
Amounts repaid	-	(1,659)
Balance outstanding at the end of the year	<u>102,110</u>	<u>102,110</u>

The amounts due from the directors is included within directors' loan accounts in note 15.

28. Dividends

	2023 £	2022 £
Dividend paid of £122.13 per share (2022 - £Nil)	800,000	-

29. Ultimate controlling party

The controlling party is A M Bell.

30. Post balance sheet events

There are no post balance sheet events.