Minerva Equity Limited (formerly DMWSL 881 Limited)

Annual report and financial statements for the period 27 March 2018 to 31 March 2019

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Group information

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Company secretary	I V Cusden
Registered office	Abel Smith House Gunnels Wood Road Stevenage Hertfordshire SG1 2ST
Registered number	11279452
Independent auditors	PricewaterhouseCoopers LLP Chartered Accountants and Statutory Auditors 10 Bricket Road St Albans Hertfordshire AL1 3JX
Bankers	National Westminster Bank PLC 1 Princes Street London EC2R 8PA

Minerva Equity Limited (formerly DMWSL 881 Limited)

Chief Executive's review

Introduction

I am pleased to present the first report for Minerva Equity Limited (formerly DMWSL 881 Limited), the ultimate holding company of the M Group Services Limited Group ("M Group Services"), a leading services group of companies which provides repair and maintenance, refurbishment, enhancement and data services to blue-chip clients in the essential infrastructure sectors in the UK.

The Group is organised to report in divisions that reflect the business segments in which it operates which are Utilities, Telecoms, Transport and Data.

The ultimate holding company of Minerva Equity Limited (formerly DMWSL 881 Limited) is majority owned by PAI Partners, a leading pan-European private equity firm with a strong track record of investment in UK and Europe. Its backing provides the financial strength and expertise to allow the Group to continue to grow both organically and through further strategic acquisitions that will support us in delivering services to our clients and achieve our vision to be the leading service provider to essential infrastructure in the UK and Ireland.

Strategic Development

The company was formed on 27 March 2018 and acts as the holding company of Minerva Holdco Limited and its subsidiaries which it acquired on 30 July 2018.

During the period the Group's businesses have operated well and in line with the board's expectations.

The strategy of seeking accretive bolt-on acquisitions to augment existing organic opportunities has continued during the period, with two further strategic acquisitions made, enabling us to continue to broaden the markets in which we operate, and diversify our service offering. Industrial Water Jetting Systems Group Limited ("IWJS") and Avonline Network Services Holdings Limited ("Avonline Networks") were acquired in March 2019.

IWJS is a leading provider of wastewater network services to the water, transport and environmental sectors. The acquisition provides us with wastewater network services expertise which we can now offer to clients across the Group.

Avonline Networks is a specialist provider of telecom network build and installation services on behalf of network providers, alternative network operators and local authorities. This is an exciting acquisition, further enhances the specialist expertise within our telecom division and brings a number of new clients.

Subsequent to the year end the Group acquired two further strategic acquisitions, The Tomato Plant Company Limited ("TPC") and Antagrade Electrical Limited ("Antagrade").

TPC is a specialist wastewater service provider to the aviation, utility and industrial sectors. It sits alongside IWJS in the utilities division.

Antagrade is one of the UK's leading providers of specialist railway electrification infrastructure services and becomes part of the transport division.

Financial performance

The financial review on pages 9 to 12 summarises our financial performance.

Turnover for the period was £805.3 million and EBITDA (earnings before interest, tax, depreciation and amortisation excluding exceptional items) was £46.1 million. On a proforma basis (i.e. assuming the M Group Services, IWJS and Avonline Networks had been acquired for the full year ended 31 March 2019), turnover was £1,224.5 million and EBITDA was £70.8 million. Cash flow is a key measure for the Group, and this has been in line with our expectations, reflecting a focus on working capital management throughout the Group. We operate a lean overhead model which means our structure is fit for purpose, especially in a competitive environment, and provides an ideal platform for us to benefit from market opportunities.

Chief Executive's review (continued)

Operational performance

The group's businesses typically operate under long term framework contracts secured in regulated markets for major asset owners and operators such as Thames Water, Cadent, Network Rail, Heathrow Airport, e.on, British Gas and BT Openreach. We take pride in having very long-term relationships with our clients and aim to ensure that we invest in our contracts and client relationships to deliver an excellent service to our client and our client's customers. The group has a secured order book of c. £3.1 billion including extensions at 31 March 2019, providing good visibility of future revenues and activity.

Health and Safety

We are fully committed to the safety, health and well-being of all our employees and all those who come into contact with our business. We stand firmly behind the statement that: 'Nothing that we do is so important that we cannot find the time to do it safely'. This ethos runs through the heart of our businesses and we continue to strive to improve health and safety performance across all operational areas. Continued safety performance benchmarking against competitors and clients demonstrate that we are continuing to move in the right direction.

As at 31 March 2019, the Accident Frequency Rate (AFR) across the Group for the preceding 12 months was 0.06 and across the divisions was as follows:

M Group Services Safety Performance – 2018/19					
	Number of Accidents	**Utilities**	**Telecoms**	**Transport**	**Data**
Accident Frequency Rate (AFR)	**18**	0.02	0.02	0.15	0.13

With regard to Health & Wellbeing, during the last year the Group provided regular Health & Wellbeing Initiatives at site level and across the organisation. A number of employee engagement events have been arranged and we have increased the utilisation of our social media platforms in order to reach as many of our people as possible. Topics covered included mental health issues, cancer awareness and improving physical fitness.

Environment

Our people work in every environment from the busiest towns and cities through to the remotest areas. Minimising our environmental impact is a priority. It is our responsibility to share good environmental practice while continuing to develop sustainable processes and behaviours across our business and to our clients' and supply chain. Within the utilities division In 2018/19 MUS achieved a reduction in excavated waste to landfill as a percentage of total waste generated to 11.68% (5 year rolling average) against a benchmark of 15.24% set in 2014/15. We intend to target a reduction on environmental metrics of 0.5%.

Chief Executive's review (continued)

Business development and innovation

Each division has made good progress in developing new business for the Group during the period. This has enabled a robust order book to be maintained, equivalent to nearly three years turnover. The key developments are summarised below.

Utilities

We established wastewater network services expertise with the acquisition in March 2019 of Industrial Water Jetting Systems Limited ("IWJS"), one of the leading providers of wastewater network services to the water, transport and environmental sectors. IWJS's service offering includes sewer and drainage maintenance and rehabilitation, lining and patch repair, jetting and cleansing and CCTV investigation. IWJS has retained its brand identity and operates as a standalone specialist services business within the Utilities division.

Morrison Utility Services Limited ("MUS") was awarded a new four-year water network alliance contract with Dŵr Cymru Welsh Water. The scope of work includes the repair and maintenance of clean water network assets, metering and mains renewal. The enlarged contract commenced in November 2018 and covers the entire Dwr Cymru Welsh Water operational footprint.

MUS also secured two new long-term frameworks for an initial six-year period for United Utilities ("UU"). Both contracts commenced on 1 April 2019 and include an option to extend to 11 years. MUS is responsible for the repair and maintenance of clean water network assets across UU's north region, together with mains renewal, design and minor capital projects across UU's entire supply region.

Working on behalf of Wales and West Utilities, the Western Gas Alliance ("WGA") has replaced over 395km per annum of old metal gas pipes with new plastic ones across Wales and the south west of England. During the period our partnership with Wales and West Utilities was strengthened when MUS secured additional work by taking on the activities of an existing contractor in the WGA, MUS now delivers all the outsourced work under the Alliance.

As part of a long-term framework with Yorkshire Water, MUS delivered a groundbreaking 'smart' water network project in Leeds city centre to provide Yorkshire Water with new levels of intelligence and understanding of the city's water pipe network operations and rising water usage.

During the last year, Thames Water engaged MUS to deploy 26,000 permanent acoustic loggers to support its leakage detection efforts. The acoustic logging estate in Thames Water is the largest estate of loggers in the world and have been introduced to support conventional leakage detection processes, strengthen the leakage data available for analysis and support Thames Water's strategic 'Smart Networks' goal. The deployment covers over 300 District Metered Areas - 18% of the Thames network.

Telecoms

As part of the continued development of our service offering, a new Telecom business, Morrison Telecom Services Limited ("MTS"), was launched. The creation of MTS, from the telecom's activity previously in MUS, supports the growing division focussing solely on the telecoms market.

The acquisition of Avonline Networks was completed in March 2019. Avonline Networks is a specialist provider of telecom network build and installation services on behalf of network providers, alternative network operators and local authorities. Its service offering includes network survey and design, fibre optic duct and cable installation, splicing and testing together with consumer and business connections.

MTS, Magdalene Limited ("Magdalene") and Avonline Networks form the M Group Services' Telecom division, enabling the Group to offer a complete end-to-end telecom network build and services portfolio across the UK and Ireland.

Chief Executive's review (continued)

Business development and innovation (continued)

Telecoms (continued)

The year has seen the delivery of a nationwide Gfast project on the Openreach network. Work is being undertaken to upgrade the network to superfast broadband, at its peak workload 200 sites have been upgraded each week.

CityFibre became a new client with the start of a project to provide a fibre connection to the premises ("FTTP") network in Peterborough. Covering approximately 60,000 homes, more cities are set to follow during 2019/20.

In March 2019, Magdalene was awarded the Northern Ireland Water Operational Telecom Support Contract. The contract covers all of Northern Ireland Water's transformational project works across voice, data and radio networks and will run for three years. In addition, Magdalene extended its 12-year relationship with Scottish Water after being chosen as the Operational Communication Support partner to deliver telemetry services via a new partnership with Atos. The contract will run for the next five years.

Transport

Dyer & Butler Limited ("Dyer & Butler") continues to focus on the three key transport sectors of aviation, rail and highways. In all three sectors, the focus is to deliver works through long-term framework arrangements and, where appropriate, to augment this work with discrete standalone projects in the regulated transport market.

With an airport as busy as Heathrow, overcoming congestion and maintaining a smooth traffic flow is essential to avoid delays. Working under its framework agreement with Heathrow, Dyer & Butler was awarded the contract to undertake engineering work required to improve traffic flow and the safety aspects of the roadway around the Airport's North Cargo Tunnel which carries a large volume of airport traffic and contractors' vehicles.

Heathrow is also in the process of increasing the number of airside charging points to support a key part of its sustainability strategy, to make all of its cars and small vans electric or plug-in hybrids by 2020. As part of this plan, a joint project to install electric vehicle charging points at various buildings in the Airport's engineering compound was undertaken by Dyer & Butler and Dyer & Butler Electrical Limited ("Dyer & Butler Electrical").

Heathrow's annual 'winter resilience' programme ensures that it is fully prepared to manage all weather extremes such as heavy snow and ice and, for over six years, Dyer & Butler has provided experienced labour to operate Heathrow's vehicles and the hand workers who assist in clearing snow from the airfield. To undertake this essential work, Dyer & Butler maintains a call-up crew of upwards of 1,500 workers and machine operators, all of whom are available within hours of a snow alert.

London City Airport is currently undergoing an £85m development programme to facilitate the anticipated increase of over 100,000 annual scheduled aircraft movements and the accompanying six million passenger journeys. Dyer & Butler were awarded contracts, covering enabling, drainage works and electrical services relating to the development. Birmingham Airport a new client for the division is undergoing major development as part of its 2018 Master Plant, which will include the addition of a new taxiway, parallel to the runway, to allow for increased flight activity. As part of the maintenance programme, Dyer & Butler was awarded the contract to undertake a major joint sealing and taxiway slab project.

In April 2018, Dyer & Butler commenced its four-year frameworks to maintain and enhance the railway for Network Rail. These included three reactive and minor works contracts in Sussex, Wessex and South-Wales, and a project framework in Wessex. The three reactive frameworks involve 24/7 on-call response services, delivering inspections, maintenance and repairs. The project framework focuses on planned project works on the existing Network Rail infrastructure.

Chief Executive's review (continued)

Business development and innovation (continued)

Transport (continued)

Dyer & Butler was also awarded a contract by Network Rail Infrastructure Projects (IP) Wales & Western for platform extensions and associated work at seven main line stations along the Cotswold Line which runs between Oxford and Hereford. The project forms part of Network Rail's IP Railway Upgrade Plan and is being undertaken to accommodate the introduction of Great Western Railway's ("GWR") new 26-metre-long InterCity Express Trains that will provide increased passenger capacity. The work was completed in early 2019.

Data

Morrison Data Services Limited ("MDS") has secured further share in the data collection market with contract wins across the energy and water markets.

MDS has supported the smart installation programme fitting around 150,000 meters in the 12-month period. It has also renewed a meter reading contract with long-term client ESB, reading over 1 million meters per annum across a number of regions in Ireland.

Protect My Property Services Limited successfully renewed the national British Gas Locksmith contract demonstrating the range of complimentary services offered across the utilities market by the business within the Data Division.

The MDS Universal Supplier Service ("USS") offering has attracted new clients during the year including GOTO Energy and Northumbria Energy, strengthening the existing USS client portfolio which includes Bulb Energy, People's Energy, RWE, TOTO, Marble Power and Limejump. The USS started in 2013 supporting new entrants into the complex and competitive UK Energy market and now covers in excess of 2 million metering points across the entire service. Data Management within MDS offer a comprehensive range of supplier data flow management services across the whole energy retail market.

Service excellence

The group continues to proactively invest in innovations, technologies and process improvements to enhance the services provided to its clients and to deliver efficiencies.

Within the utilities division we have deployed the most up-to-date technology in the industry for our important new contracts with Dwr Cymru Welsh Water and United Utilities, and we continue to deliver efficiency improvements for our existing contracts across the UK.

We've been looking at how we can maximise the value of the data we collect, picking up the award for Data Project of the Year at the Network Awards along the way. We are also delighted to have won the Street Works UK Future Award for our application of Robotic Process Automation ("RPA") with Wales & West Utilities and the Water Industry Award for the Most Innovative Data & Software Solution of the Year for our Streetworks Planning solution.

RPA is the use of cutting edge 'robot' technology to automate manual processes and tasks currently undertaken by humans. By retrieving asset location information and handling high volume repeatable tasks with increased quality and consistency, RPA 'bots' are being deployed by the Intelligent Solution team to optimise operations, reduce costs and increase flexibility on behalf of clients.

A fresh look at how we develop our work management solutions has led to a new approach to testing and this had resulted in quality improvements now achieving a '100% right-first-time' system deployment rate.

Chief Executive's review (continued)

Community Engagement

Giving back to the communities we work in through local employment and community engagement is important to us. We create relationships with our clients, local councils, community groups, schools and colleges to deliver long-term benefits.

Encouraging an interest in STEM (science, technology, engineering and maths) subjects among school students helps us to raise awareness of careers in our sector. Across the Group we have 35 STEM Ambassadors who in the last year visited over 130 schools across the UK to provide education on working within the sectors in which we operate. Their work in schools is critical to bringing the world of work to life. Through our workshops many students get a taste of the challenges our staff face and an understanding of the practical application of STEM subjects. Our Ambassadors will have engaged with over 13,000 students this academic year and held 33 days of STEM workshops delivered in primary and secondary schools.

Our aim is to increase the number of school workshops that are delivered and reach a larger audience of students through our STEM Ambassadors.

As a Group our people have also supported over 66 charities with various endeavours and have raised over £170,000 for charitable causes.

Developing our People

M Group Services is a trusted employer to approximately 8,700 skilled specialists, working from over 100 locations across the UK and Ireland.

As a Group we recognise that engaging and empowering our people to deliver and grow is pivotal to driving our business and achieving continued success. We are committed to creating an environment in which our people feel valued, supported and fulfilled. We endeavour to listen to our people, to provide feedback and keep them engaged and informed.

Across each of our operating businesses, a broad range of recognition and reward schemes are designed to highlight the achievements and successes of our people and to thank them for their hard work and dedication.

Equally important is the development of a resilient and sustainable workforce that is equipped to deliver on our promise to clients. Attracting, developing and retaining the next generation of highly skilled, forward-thinking, customer-focused and technically competent people who can help us to continually develop the scope of our core capabilities is imperative.

Despite significant challenges in the attraction and retention of people in our sector, we continue to develop strategies which support exceptional career and training opportunities across the Group, and which facilitate our long-term growth. Innovative and targeted recruitment solutions create opportunities for individuals to join our business and make our business an inclusive and exciting place to develop careers. Apprenticeships and graduate programmes offer a targeted and tailored way to do this. In the last year alone, we recruited 61 new apprentices and nine new graduates.

At the 2019 Network Awards Nathan Calder from our SGN contract received the prestigious Apprentice of the Year Award.

Keely King, an Area Manager on the Cadent contract, became the first MUS employee to be featured on The Telegraph's 'Top 50 Women in Engineering' list. Keely entered the gas industry 10 years ago and progressed through various customer service and performance management roles before securing her current Area Manager role, in which she is responsible for delivering the East London replacement programme on behalf of client.

Chief Executive's review (continued)

Developing our People (continued)

We continue to expand our apprentice and graduate intake as well as creating new programmes for the long-term unemployed, service leavers and ex-offenders. Our intention is to continue to build our sustainable and resilient workforce and help to address the skills shortage across the UK.

In September 2018, MUS was delighted to receive the silver award from the Armed Forces Covenant Employer Recognition Scheme ("ERS"). The ERS recognises commitment and support from UK employers for current and former defence personnel and has been developed by the Ministry of Defence. Awards are given to employer organisations that pledge, demonstrate or advocate support to the defence and Armed Forces community.

It is key that we continue to engage and listen to all feedback to harness the talent that we already have within the Group and also ensure there exists a working environment that allows people to flourish. A key part of this will be increasing engagement with our people through an enlarged Group wide People Opinion Survey following the inaugural survey that was conducted in 2018.

Equality and Diversity

The Group recognises that harnessing diversity and applying experiences, abilities and unique qualities of all our people will enhance our business. We are committed to promoting equal opportunities and diversity as part of creating an inclusive working environment that attracts develops and retains the best people.

The following table sets out our Group gender diversity position at 31 March 2019.

	2019		
At 31 March	Female	Male	**Total**
Directors	3	76	**79**
Senior Managers	65	419	**484**
Employees	1,013	6,053	**7,066**
Total	**1,081**	**6,548**	**7,629**

Outlook

Our strong long-term order book provides a sound platform to further develop the group and deliver continued growth. The strategy of seeking accretive bolt-on acquisitions to augment existing organic opportunities has been continued this year which provides multiple sources of opportunity for future development. We remain focused on delivering quality services for our clients that also drives profitable growth for our shareholders whilst ensuring we maintain our ethos which has safety, service delivery and customers at the heart of our business.

J M Arnold
Chief Executive Officer
2 August 2019

Minerva Equity Limited (formerly DMWSL 881 Limited)

Financial review

Introduction

The period to 31 March 2019 has been a successful one for the Group, with existing businesses continuing to trade well. At the end of March 2019, the Group acquired Industrial Water Jetting Systems Group Limited ("IWJS") and Avonline Network Services Holdings Limited ("Avonline Networks"). Subsequent to the year end the Group acquired two further strategic acquisitions. The Tomato Plant Company Limited ("TPC") and Antagrade Electrical Limited ("Antagrade").

The Group trading results for the period, set out below, are encouraging and operating cash generation has been good.

The future for the Group is exciting. Opportunities for growth, both organically and through acquisition, continue to be achieved and the Group is well placed to continue this trend with the backing of our private equity sponsor and through the utilisation of banking facilities.

Financing

The Group is financed by equity and bank debt. Drawn bank debt at 31 March 2019 amounted to £355 million. In addition, the Group had undrawn revolving facilities of c. £40 million, which together with cash at the period-end of £56.3 million, provides liquidity and plenty of financial capacity to support future growth

Trading performance

The Group acquired its trading subsidiary businesses on 30 July 2018. Consequently, the results for the period represent trading for the eight months ended 31 March 2019.

The trading performance for the period is summarised in the table below.

Consolidated profit and loss account for the period from 27 March 2018 to 31 March 2019	**Period ended 31 March 2019**
	£ million
Turnover	**805.3**
Cost of sales & other operating expenses	(759.2)
EBITDA	**46.1**
Depreciation & amortisation of software	(5.7)
Operating profit (before exceptional items, goodwill and other intangible amortisation)	**40.4**
Exceptional items	(1.5)
Amortisation of other intangible assets and goodwill arising on consolidation	(26.3)
Operating profit	**12.6**
EBITDA margin	**5.7%**

Turnover for the period is £805.3 million. Proforma financial information for the full year to 31 March 2019 is provided below to enable clearer analysis. The segmental reporting note (note 6) also shows the sectors in which turnover was generated.

Financial review (continued)

Trading performance (continued)

The EBITDA margin of 5.7% is testament to the robustness and focus of the businesses within the Group. The margin should be considered in the context of the proforma information set out below and reflects the mix of margin from the businesses in the Group.

As discussed in the Chief Executive's report, the Group has a strong order book, standing at £3.1 billion (including extensions) at 31 March 2019, which is equivalent to c. 3 years' turnover.

Exceptional costs reflect one-off transaction costs and also costs incurred in the integration of the acquired businesses into the Group.

Proforma financial information

Proforma Profit and loss account for the period ended 31 March (unaudited)	**2019** £ million
Turnover	**1,224.5**
EBITDA	**70.8**
EBITDA margin	**5.8%**

The table above has been prepared as if all the companies in the Group at the period end had been in ownership for a full year.

On 4 April 2019 additional senior loan was drawn amounting to £35 million in order to fund the acquisitions of Industrial Water Jetting Systems Group Limited, Avonline Network Services Holdings Limited, The Tomato Plant Company Limited and Antagrade Electrical Limited.

Bank financing and interest

The Group is financed by bank finance (senior debt). The financial covenants associated with the senior debt is monitored closely to ensure there is adequate covenant headroom over the life of the facilities. Interest on the senior debt is settled in cash.

The total bank loans at the period-end were £355 million. Combined with the cash at bank at 31 March 2019 of £56.3 million and finance leases of £20.3 million gave net third party debt (ie gross debt less cash) at £319.0 million, or c. 4.5 times proforma EBITDA.

The net interest cost in the period amounted to £31.2 million of which £14.3 million relates to senior debt interest. Interest cover, that is the number of times the senior debt interest can be paid from proforma EBITDA, was c. 5.0 times.

Financial instruments

The Group is exposed to interest rates based on LIBOR. Interest on approximately 60% of the outstanding bank debt is fixed via interest rate swap agreements that fix LIBOR at c. 1.081% to 26 July 2021. The fair value of these swaps at the period-end amounted to approximately (£0.9) million.

Taxation

The tax charge is £0.9 million on loss on ordinary activities before taxation of £18.6 million. The analysis of the tax charge and tax reconciliation is set out in note 11 to the financial statements.

Financial review (continued)

Cash flows

Consolidated cash flow for the period from 27 March 2018 to 31 March 2019	Period ended 31 March 2019 £ million
Net cash inflow from operating activities (see note 25)	**85.8**
Tax paid	(3.1)
Net capital expenditure	(6.1)
Net cash flow before acquisitions and financing	**76.6**
Net interest paid	(11.2)
Net cash expended on acquisitions	(138.5)
Net cash inflow from financing activities	129.4
Net increase in cash	**56.3**
Cash at beginning of period	-
Cash at end of period	**56.3**

The group has a strong track record of converting EBITDA to operating cash flow and this has continued in the current period.

Corporation tax paid in the year totalled £3.1 million, reflecting the tax due on the Group's profits.

The purchase of acquisitions, details of which are summarised in note 31, was funded substantially from third party debt finance and by equity subscriptions from PE sponsors and management.

Company Performance

The result of the Company for the year was a loss of £1.2 million.

Pensions

The Group operates defined benefit and defined contribution schemes. The only material defined benefit scheme is operated by MUS. This defined benefit scheme ('MCARE') is closed to future accrual. The most recent triennial valuation of the MCARE scheme took place at 31 March 2017. The deficit at 31 March 2019 in relation to the MCARE scheme was £1.5 million net of deferred tax. Further details are provided in note 20 to the financial statements.

Going concern

Based on the Group's financial projections and the current expectations of the directors about the prospects of the Group, the financial statements have been prepared on the going concern basis. Based on these projections, the directors consider that the company and the Group can meet its obligations as they fall due for a period of at least twelve months from the date of the directors' approval of these financial statements.

Financial review (continued)

Outlook

The Group has made good progress in the period to 31 March 2019. Its cash generation, substantial order book (providing good visibility of future revenue and earnings), growing customer base, and sound trading margins provide a robust set of financial indicators. These operating characteristics, coupled with the support of the Groups owners and its lenders, give the Group a good platform for the future.

M G Beesley
Chief Financial Officer
2 August 2019

Strategic Report
for the period ended 31 March 2019

The directors present their strategic report together with the audited financial statements on the Group for the period ended 31 March 2019.

Review of the Business

Details of the operational performance is summarised in the Chief Executive's review on pages 2-8, and the Financial review on pages 9-12 summarises our financial performance for the period ended 31 March 2019. Additional information has been provided in accordance with the Walker Guidelines, which sets out best practice disclosures for large Portfolio Companies owned by private equity investors.

Principal activities

The Group provides support services to blue-chip clients in the utilities, telecom, transport and data services sectors in the UK. Its services range from implementing planned capital investment schemes to reactive repair and maintenance. The principal activity of the Company is that of a holding company.

On 30 July 2018 Minerva Equity Limited (formerly DMWSL 881 Limited) acquired control and 100% of the share capital of Minerva Holdco Limited and its subsidiaries.

Business model

Our vision is to be the leading service provider for essential infrastructure in the UK and Ireland.

Our strategy aims to achieve this vision by providing long-term services to blue-chip, often independently regulated clients. Through these long-term relationships we will deliver reliable and stable revenue streams, margins and cash flow. We target long term profitable growth, both organically and through acquisitions that enable a broadening of the group's service offering. We will maximise the scale efficiencies of being a group by coordinating common functions, sharing best practice and implementing strong commercial and financial controls.

The group's core values are fundamental for sustainable growth:

- **Health and Safety** - putting health, wellbeing and safety of people first.
- **Service Delivery Ethos** - helping deliver our clients' business needs.
- **Invest in People** - Engaging and empowering everyone to deliver and grow.
- **Integrity** - conducting ourselves respectfully, being open, accountable and honest in all our operations.

Our differentiated business model builds on these foundations and focuses the group on safety, service delivery and quality in order that we create and maintain long-term, mutually beneficial relationships with our clients. The key components of our business model are:

Focused strategy
We are focused on essential infrastructure markets which undertake large, stable and resilient investment associated with our core business capability.

Excellent Safety Record
Our consistent and strong safety record is an essential requirement to work in our markets. Maintaining this performance is key to our continued success.

Service Delivery Ethos
Each division is dedicated to its individual market and aligned to respective clients' business goals while ensuring cost effective service delivery.

Strategic Report
for the period ended 31 March 2019 (continued)

Business model (continued)

Key Account Ownership
We understand our client's needs through focused account management led by our respective Executive Directors and their management teams.

Commercial Discipline
Proven cost-effective control measures are in place to ensure effective risk management and accurate and reliable financial reporting.

Bespoke Business Solutions
Our specialist teams support the bespoke development of systems and processes to meet the specific need of each of our clients to deliver best in class solutions.

Long-term relationships
We nurture long-term relationships with our clients across multiple contracts including multi-year frameworks.

Established Management
Our Senior Management team has significant experience and expertise within our markets.

Key performance indicators (KPIs)

The Board monitors progress on the overall Group strategy and trading by reference to KPIs, the principal measures being turnover, EBITDA, Group operating profit, order book, cash flow and accident frequency rate. These measures are discussed in the Chief Executive's review and the Financial review.

Principal business risks

Economic conditions

Much of the Group's activities operate within framework agreements which do not provide guaranteed levels of turnover. Economic conditions impact our clients and our contracts. In addition, our clients rely on borrowing in the financial markets to finance their operations. There is a risk that clients will seek to reduce expenditure or extend payment terms in order to manage their cash resources. We engage in regular dialogue with our clients to continually assess these risks and adjust our resources accordingly.

Economic regulation

Many of the Group's contracts are with major blue-chip clients who operate in regulated industries. Both the funding of programmes and the political support for private involvement may be subject to change.

The regulatory risks for the Group's clients are cyclical. In the water, electricity distribution, gas distribution and rail industries, prices are set every five to eight years. There is a risk that the operating cost targets and capital investment programmes approved by Regulators will impact our turnover and profitability. However, once final determinations are announced, our clients have considerable visibility of workload. We engage in regular dialogue with our clients to continually assess these risks and adjust our resources accordingly.

Contract renewals

The Group's long-term contracts periodically come up for renewal. There is a risk that the Group may not renew its contracts with existing clients during a competitive tender process, impacting on

Strategic Report
for the period ended 31 March 2019 (continued)

Principal business risks (continued)

Contract renewals (continued)

turnover and profitability. Contract renewal risk is mitigated by delivering a quality service, a strong health and safety performance and an effective bid process.

Skills shortages

The Group operates in a market where skill shortages prevail and consequently it invests heavily in training and developing employees to their maximum potential. There is a risk that skills shortages may impact on the Group's ability to deliver its services. The Group has been very successful in recruiting from local communities in which it works and in developing and retraining staff. In order to help tackle ongoing skills shortages, the Group has been actively involved in apprentice schemes and training the long-term unemployed.

Reliance on supply chain

There is a risk that any disruption to the supply chain would impact the ability of the business to deliver services to its clients. The business mitigates this risk by establishing preferred supplier relationships (which are generally not exclusive) and always seeking to ensure that a balanced and stable supply chain is maintained, which helps to deliver best value to clients.

Health and safety

There is a risk that a significant health and safety failure would impact our ability to conduct our existing business and win new business. Health and safety considerations form a key part of the Group's operational practices and the Group promotes a culture that puts safety first. The Group operates safe and reliable working practices through a policy of honesty, trust and sharing best practices across all business operations.

New Business

The Group is targeting growth in adjacent markets using its core skills. There is a risk that the business is not as efficient or as effective as it might be as key relationships with clients and the supply chain is established. This risk is mitigated by regular strategic and operational review of new activities to ensure resources are deployed appropriately.

On behalf of the board,

M G Beesley
Director
2 August 2019

Registered Number: 11279452

Abel Smith House
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Hertfordshire
SG1 2ST

Directors' report
for the period ended 31 March 2019

The directors present their report together with the audited financial statements of the Group and Company for the period 31 March 2019.

Ownership

Minerva Equity Limited (formerly DMWSL 881 Limited) is a United Kingdom incorporated company which is owned by management and Blueprint Investments Sarl (Luxembourg). Blueprint Investments Sarl (Luxembourg) is indirectly controlled by PAI Europe VI, a private equity fund which is ultimately controlled by PAI Partners. PAI Partners is a leading pan-European private equity investment firm with over €12.6 billion of assets under management.

PAI acquire majority stakes in medium to large European companies who are leading brands in their market. PAI invest in five core sectors and are particularly focused on consolidating sectors and on markets where growth can be sustained through economic and financial market cycles. PAI aim to increase the profitability and long-term strategic value for the businesses they own in partnership with the management teams.

Prior to the sale to PAI Partners on 30 July 2018, M Group Services ultimate parent company Thor Topco Limited and all its subsidiaries were owned by First Reserve, a leading global private equity investment firm focused on the energy sector, and our management team.

Development of the business

The performance, development and outlook for the business is summarised in the Chief Executive's review and the Financial review on pages 2 to 12.

Financial risk

Financial risks faced by the Group include funding, interest rate and contractual risks. The Group regularly reviews these risks on an ongoing basis. Financing and financial risks are discussed in the Financial review and note 19 to the financial statements.

Dividends

No dividends were paid in the period. The directors do not recommend the payment of a dividend.

Political donations

The Group made no donations to a registered political party during the period.

Directors

The directors who served during the period and up to the date of signing the financial statements were as follows:

Chairman	I E Fraser	(appointed 21 November 2018)
Chief Executive Officer	J M Arnold	(appointed 30 July 2018)
Chief Financial Officer	M G Beesley	(appointed 30 July 2018)
Director	C M Afors	(appointed 16 May 2018)
Director	F Fouletier	(appointed 30 July 2018)
Director	M Harrington	(appointed 12 June 2018)
Director	C P O'Sullivan	(appointed 30 July 2018)
Director	P T Barron	(appointed 27 March 2018, resigned 16 May 2018)

Directors' report
for the period ended 31 March 2019 (continued)

Directors (continued)

Ian Fraser (Chairman)

Ian is a Member of the Institute of Chartered Accountants of Scotland, he qualified with Deloitte in 1981. Ian holds a Bachelor of Accounting from the University of Glasgow. Ian has held senior executive roles in Esmark, Schlumberger and ADT. Ian has served as a Director of Kwik-Fit (GB) Limited and R&R Ice Cream. Ian has held various Non-Executive Director roles including Punch Taverns PLC.

Jim Arnold (Chief Executive Officer)

Jim was appointed as Chief Executive Officer of Minerva Equity Limited on 30 July 2018 and of M Group Services in 2016. As Chief Executive of M Group Services, Jim has overall responsibility for the operation and performance of the Group and its four divisions, Utilities, Transport, Data and Telecoms. He has worked in the utility and infrastructure sector for 30 years. Jim is a Chartered Director and Fellow of the Institute of Civil Engineers.

Martin Beesley (Chief Financial Officer)

Martin was appointed Chief Financial Officer CFO of Minerva Equity Limited on 30 July 2018 and of M Group Services in 2016, having previously been Chief Financial Officer for Morrison Utility Services since 2008. Prior to 2008, Martin spent 12 years with United Utilities in a number of senior finance and strategy roles. Martin trained and qualified as a Chartered Accountant with KPMG where he worked with clients across audit, tax, corporate finance and advisory services.

Christopher Afors (Director, PAI representative)

Chris joined PAI in 2008 as a member of the UK team. He started his career at J.P.Morgan in London working in the M&A and Equity Capital Markets teams. Chris studied Economics and Politics at Bristol University.

Fabrice Fouletier (Director, PAI representative)

Fabrice joined PAI in 2001 as a member of the Retail and Distribution Sector Team. He started his career at Bankers Trust/Deutsche Bank working in the French Corporate Finance department, and then in the European Acquisition Finance Group in Paris and London. Fabrice graduated from HEC in 1998.

Maximilian Harrington (Director, PAI representative)

Maximillian joined PAI in 2016 as a member of the UK Team. He started his career at Goldman Sachs in the Consumer and Retail M&A advisory team where he spent five years. Maximilian graduated from the University of Sydney with first class Honours in Econometrics and a specialisation in Finance.

Colm O'Sullivan (Director, PAI representative)

Colm joined PAI in 2006 and heads PAI's UK Team. He started his career at Hambros Bank in London and New York working on various debt capital market and advisory transactions. He then moved to Deutsche Bank where he spent eight years in the Financial Sponsors Group working on a number of advisory and financing transactions for European Private Equity Firms. Colm graduated with a Bachelor of Science Degree (Hons) in Economics from the University of Ulster and has an MBA from the Erasmus University in Rotterdam and Wharton Business School in Philadelphia.

Directors' report
for the period ended 31 March 2019 (continued)

Third party indemnity

The Company maintains qualifying third-party indemnity insurance for all directors as required by section 234 of the Companies Act 2006. These insurances were in force throughout the period to 31 March 2019 and continue in 2019/20.

Post balance sheet event

On 4 April 2019, 100% of the share capital of The Tomato Plant Company ("TPC") was acquired by the Group. TPC is a specialist service provider to the aviation, utility and industrial sectors.

On 28 June 2019, 100% of the share capital of Antagrade Electrical Limited ("Antagrade") was acquired by the Group. Antagrade is one of the UK's leading providers of specialist railway electrification infrastructure services.

On 4 April 2019 additional senior loan was drawn amounting to £35 million in order to fund the acquisitions of Industrial Water Jetting Systems Group Limited, Avonline Network Services Holdings Limited, The Tomato Plant Company Limited and Antagrade Electrical Limited.

Employees

Employees are kept informed on matters affecting them and made aware of the general financial and economic factors influencing the Group. The Group operates a systematic approach to employee communication through regular briefings, presentations, electronic mailings and the wide circulation of magazines, to achieve a common awareness of all employees in relation to the financial and economic factors that affect the performance of the Group. Bonus schemes are in place to encourage participation in the Group's performance.

The Group is an equal opportunities employer and applications from disabled persons are fully and fairly considered, having regard to the aptitudes and abilities of the applicant. In the event of disability, every effort is made to ensure that employment continues, and appropriate training is given. Career development and promotion of disabled people is, as far as possible, identical to that of other employees.

Statement of directors' responsibilities

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the Group and parent company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", 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 parent company and of the profit or loss of the Group and parent company for that period. In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; 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 also responsible for safeguarding the assets of the Group and parent company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Directors' report
for the period ended 31 March 2019 (continued)

Statement of directors' responsibilities (continued)

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Group and parent company's transactions and disclose with reasonable accuracy at any time the financial position of the Group and parent company and enable them to ensure that the financial statements comply with the Companies Act 2006.

Statement of disclosure of information to auditors

In the case of each director in office at the date the Directors' Report is approved:

- so far as the director is aware, there is no relevant audit information of which the Group and parent company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the Group and parent company's auditors are aware of that information.

On behalf of the board,

M G Beesley
Director
2 August 2019

Registered Number: 11279452

Abel Smith House
Gunnels Wood Road,
Stevenage,
Hertfordshire
SG1 2ST

Independent auditors' report to the members of Minerva Equity Limited (formerly DMWSL 881 Limited)

Report on the audit of the financial statements

Opinion

In our opinion, Minerva Equity Limited (formerly DMWSL 881 Limited)'s group financial statements and company financial statements (the "financial statements"):

- give a true and fair view of the state of the group's and of the company's affairs as at 31 March 2019 and of the group's loss and cash flows for the 53-week period (the "period") then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual report and financial statements (the "Annual Report"), which comprise: the consolidated and company balance sheets as at 31 March 2019; the consolidated profit and loss account, consolidated statement of comprehensive income, the consolidated statement of cash flows, and the consolidated and company statements of changes in equity for the 53 week period then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' 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 remained independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

ISAs (UK) require us to report to you when:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's and company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

We have nothing to report in respect of the above matters.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the group's and company's ability to continue as a going concern. For example, the terms on which the United Kingdom may withdraw from the European Union are not clear, and it is difficult to evaluate all of the potential implications on the group's trade, customers, suppliers and the wider economy.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

Independent auditors' report to the members of Minerva Equity Limited (formerly DMWSL 881 Limited)

Reporting on other information (continued)

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of 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 based on these responsibilities.

With respect to the Strategic Report and Directors' report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

Strategic Report and Directors' report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and Directors' report for the period ended 31 March 2019 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the group and company and their environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic Report and Directors' report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of directors' responsibilities set out on pages 18 and 19, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they 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 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 company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

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

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

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

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

and returns. We have no exceptions to report arising from this responsibility.

Matthew Mullins (Senior Statutory Auditor)
for and on behalf of
PricewaterhouseCoopers LLP Chartered
Accountants and Statutory Auditors
St Albans
August
2019

Minerva Equity Limited (formerly DMWSL 881 Limited)

Consolidated profit and loss account for the period ended 31 March 2019

	Notes	Period ended 31 March 2019 £m
Turnover	5, 6	**805.3**
Cost of sales		**(730.6)**
Gross profit		**74.7**
Administrative expenses		**(62.1)**
EBITDA (excluding exceptional items)		**46.1**
Exceptional items	7, 8	**(1.5)**
Depreciation	7, 13	**(4.2)**
Amortisation	7, 12	**(27.8)**
Operating profit	7	**12.6**
Interest payable and similar expenses	10	**(31.2)**
Loss before taxation		**(18.6)**
Tax on loss	11	**(0.9)**
Loss for the financial period		**(19.5)**
Loss attributable to:		
- Owners of the parent		**(19.5)**

The accompanying notes on pages 28 to 71 form part of these financial statements.

The Company has elected to take the exemption under section 408 of the Companies Act 2006 not to present the Company profit and loss account. The result for the Company for the period was a £1.2 million loss.

The above results all relate to continuing operations.

Minerva Equity Limited (formerly DMWSL 881 Limited)

Consolidated statement of comprehensive income for the period ended 31 March 2019

	Note	Period ended 31 March 2019 £m
Loss for the financial period		**(19.5)**
Other comprehensive (expense)/income:		
Remeasurements of net defined benefit obligation	20	**(1.6)**
Total tax income on components of other comprehensive income	11	**0.3**
Other comprehensive expense for the period, net of tax		**(1.3)**
Total comprehensive expense for the period		**(20.8)**
Total comprehensive expense attributable to:		
- Owners of the parent		**(20.8)**

Consolidated and Company balance sheets as at 31 March 2019

	Note	Group At 31 March 2019 £m	Company At 31 March 2019 £m
Fixed assets			
Intangible assets	12	**521.2**	**-**
Tangible assets	13	**43.6**	**-**
Investments	14	**-**	**20.7**
		564.8	**20.7**
Current assets			
Inventories	15	**2.6**	**-**
Debtors	16	**225.4**	**1.9**
Cash at bank and in hand		**56.3**	**-**
		284.3	**1.9**
Creditors: amounts falling due within one year	17	**(273.3)**	**-**
Net current assets		**11.0**	**1.9**
Total assets less current liabilities		**575.8**	**22.6**
Creditors: amounts falling due after more than one year	18	**(511.6)**	**(1.5)**
Provisions for liabilities			
Pensions and similar obligations	20	**(1.8)**	**-**
Provisions for liabilities	21	**(60.9)**	**-**
		(62.7)	**-**
Net assets		**1.5**	**21.1**
Capital and reserves			
Called up share capital	23	**-**	**-**
Share premium account	24	**22.3**	**22.3**
Accumulated losses		**(20.8)**	**(1.2)**
Total equity		**1.5**	**21.1**

The notes on pages 28 to 71 are an integral part of these financial statements.

The financial statements on pages 23 to 71 were authorised for issue by the board of directors on 2 August 2019 and were signed on its behalf by:

J M Arnold
Chief Executive Officer

M G Beesley
Chief Financial Officer

Registered Number: 11279452

Consolidated statement of changes in equity for the period ended 31 March 2019

	Called up share capital	Share premium account	Accumulated losses	Total equity
Note	23	24		
	£m	£m	£m	£m
Balance at 27 March 2018	-	-	-	-
Loss for the financial period	-	-	(19.5)	(19.5)
Other comprehensive expense for the financial period	-	-	(1.3)	(1.3)
Shares issued in the period	-	22.3	-	22.3
Balance at 31 March 2019	**-**	**22.3**	**(20.8)**	**1.5**

Company statement of changes in equity for the period ended 31 March 2019

	Called up share capital	Share premium account	Accumulated losses	Total equity
Note	23	24		
	£m	£m	£m	£m
Balance at 27 March 2018	-	-	-	-
Loss for the financial period	-	-	(1.2)	(1.2)
Other comprehensive income for the financial period	-	-	-	-
Shares issued in the period	-	22.3	-	22.3
Balance at 31 March 2019	**-**	**22.3**	**(1.2)**	**21.1**

Minerva Equity Limited (formerly DMWSL 881 Limited)

Consolidated statement of cash flows for the period ended 31 March 2019

	Note	Period ended 31 March 2019 £m
Net cash inflow from operating activities	25	**85.8**
Taxation paid		**(3.1)**
Net cash generated from operating activities		**82.7**
Cash flow from investing activities		
Payments to acquire fixed assets		**(7.3)**
Proceeds on disposal of fixed assets		**1.2**
Investments- equity purchases	31	**(138.5)**
Net cash used in investing activities		**(144.6)**
Cash flows from financing activities		
Repayment of finance lease		**(0.7)**
New finance lease		**0.3**
Repayment of bank borrowings		**(324.7)**
New bank borrowings		**342.8**
Repayment of shareholders loans		**(90.8)**
Proceeds from issue of ordinary shares	24	**22.3**
New Shareholder loan notes		**180.2**
Interest paid		**(11.2)**
Net cash generated from financing activities		**118.2**
Net increase in cash and cash equivalents		**56.3**
Cash and cash equivalents at the beginning of the period		**-**
Cash and cash equivalents at the end of year		**56.3**

Notes to the financial statements for the period ended 31 March 2019

1 General Information

Minerva Equity Limited ("the Company") and its subsidiaries (together "the Group") provide repair and maintenance, refurbishment, enhancement and data services to blue-chip clients in essential infrastructure sectors in the UK.

The Company was incorporated on 27 March 2018. These financial statements are for the period from incorporation to 31 March 2019.

The Company changed its name from DMWSL 881 Limited, the name in which the Company was incorporated, to Minerva Bidco Limited on 16 May 2018.

The Company is incorporated in England and domiciled in the UK. The address of its registered office is Abel Smith House, Gunnels Wood Road, Stevenage, Hertfordshire, SG1 2ST.

2 Statement of compliance

The Group and individual financial statements of Minerva Equity Limited have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS 102") and the Companies Act 2006, under the provision of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 (SI 2008/410).

3 Summary of significant accounting policies

The principal accounting policies applied in the preparation of these consolidated and separate financial statements are set out below. These policies have been consistently applied, unless otherwise stated. The Company has adopted FRS 102 in these financial statements.

Basis of preparation

These consolidated and separate financial statements are prepared on a going concern basis under the historical cost convention with consistently applied accounting standards applicable in the United Kingdom and in accordance with the Companies Act 2006.

The preparation of financial statements in conformity with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 4.

The Company has taken advantage of the exemption in section 408 of the Companies Act from disclosing its individual profit and loss account.

Exemptions for qualifying entities under FRS 102

FRS 102 allows a qualifying entity certain disclosure exemptions, subject to certain conditions, which have been complied with, including notification of and no objection to, the use of exemptions by the Company's shareholders.

The Company has taken advantage of the exemption from preparing a statement of cash flows, on the basis that it is a qualifying entity and the consolidated statement of cash flows, included in these financial statements, includes the Company's cash flows.

The Group has taken advantage of the exemption under FRS 102.33.1A and have not disclosed transactions with entities that are part of the Minerva Equity Limited group.

3 Summary of significant accounting policies (continued)

Exemptions for qualifying entities under FRS 102 (continued)

The Company has taken exemption from disclosing share-based payment arrangements, required under FRS102 paragraphs 26.18(c), 26.19 to 26.21 and 26.23, concerning its own equity instruments.

Consolidated financial statements

The Group financial statements comprise a consolidation of the financial statements of the Company and all its subsidiary undertakings as at 31 March 2019. The accounting policies are uniformly applied across the Group. The results of companies acquired or disposed of are consolidated from the effective date of acquisition or to the effective date of disposal. Intra-group sales and profit are eliminated on consolidation.

The result of the Company for the financial period was a £1.2 million loss.

Foreign currencies

Monetary assets and liabilities denoted in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions denominated in foreign currencies during the year are translated into local currency at the rate of exchange ruling on the dates on which the transactions occurred. All differences are taken to the profit and loss account.

The company's functional and presentation currency is the pound sterling.

Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and that these benefits can be measured reliably.

Revenue is measured at the fair value of the consideration received or receivable for goods and services provided and net of discounts and value added taxes.

The Group has identified four operating segments, being utilities, telecoms, data and transport. These are consistent with the way the Group reports financial information internally.

Contract income

The activities of the Group are largely undertaken through long-term framework contracts. Under these contracts' revenue is recognised in line with each separate supply of goods and services completed. Where losses are foreseeable in respect of future supplies committed under these framework contracts, appropriate provisions are made. In addition, an accrual is maintained for future remedial works that may be required in respect of supplies already made.

For long-term project contracts where the outcome of the contract can be measured reliably, revenue is recognised by reference to the stage of completion of the contract activity at the balance sheet date (e.g. on a costs incurred or milestone reached basis). Where it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately in the profit and loss account.

Where the outcome of a contract cannot be measured reliably, contract revenue is recognised to the extent of contract costs incurred where it is probable that these costs will be recovered.

Where contracts exhibit characteristics of both framework and long-term project contracts, the company applies the appropriate recognition criteria to the separate components of the contract.

Amounts recoverable on contracts are stated at cost plus attributable profits less provision for losses and payments on account. Payments on account in excess of amounts recoverable on contracts are included in creditors.

On target cost contracts with a pain/gain mechanism the gain is recognised when there is a higher degree of confidence it will be received, and the pain is recognised to the extent incurred on activities to date and as soon as that pain is foreseeable.

3 Summary of significant accounting policies (continued)

Exceptional items

Where it is considered that items of income or expense are material and are considered 'one off' or irregular in nature, their nature and amount is disclosed separately on the face of the profit and loss account where this enhances the understanding of the Group's financial performance.

Employee Benefits

Short-term benefits

Short-term benefits, including holiday pay and other similar non-monetary benefits, are recognised as an expense in the year in which the service is received.

Defined contribution pension plans

The Group operates defined contribution plans 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 when they are due. Amounts not paid are shown in accruals in the balance sheet. The assets of the plan are held separately from the company in independently administered funds.

Defined benefit pension plan

The Group operates defined benefit scheme arrangements for certain employees. A defined benefit plan defines the pension benefit that the employee will receive on retirement, usually dependent upon several factors including age, length of service and remuneration. A defined benefit plan is a pension plan that is not a defined contribution plan.

The defined benefit scheme arrangements are funded separately, with the assets of the scheme held separately from those of the Group in a trustee administered fund.

The liabilities recognised in the balance sheet in respect of the defined benefit plan arrangements are the present value of the defined benefit obligations at the end of the reporting date less the fair value of the plan assets at the reporting date.

The defined benefit obligation is calculated using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high-quality corporate bond of equivalent currency and term to the scheme liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The resulting defined benefit liabilities, net of the related deferred tax, are presented separately on the face of the balance sheet.

The fair value of the plan assets are measured in accordance with FRS 102 and in accordance with the Group's policy for similarly held assets.

The cost of the defined benefit plan, recognised in profit and loss as employee costs comprises:

(a) The increase in pension benefit liability arising from the employee service during the year; and

(b) The cost of the plan introductions, benefit changes, curtailments and settlements.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligations and the fair value of plan assets. These costs are recognised in profit or loss as 'Net interest expense on post-employment benefits.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to other comprehensive income. These amounts together with the return on plan assets, less amounts included in net interest, are disclosed as 'Remeasurements of net defined benefit liability' in the consolidated statement of comprehensive income.

3 Summary of significant accounting policies (continued)

Taxation

Taxation expense for the period comprises current and deferred tax recognised in the reporting period. Tax is recognised in the profit and loss account, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case tax is also recognised in other comprehensive or directly in equity respectively.

Current or deferred taxation assets and liabilities are not discounted.

Current tax

Current tax is the amount of income tax payable in respect of the taxable profit for the period. Tax is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the period end.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred tax

Deferred tax arises from timing differences that are differences between taxable profits and total comprehensive income as stated in the financial statements. These timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements.

Deferred tax is recognised on all timing differences at the reporting date except for certain exceptions.

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

Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the period end and that are expected to apply to the reversal of the timing difference.

Business combinations and goodwill

Business combinations are accounted for by applying the purchase method.

The cost of a business combination is the fair value of the consideration given, liabilities incurred or assumed and of equity instruments issued plus the costs directly attributable to the business combination.

On acquisition of a business, fair values are attributed to the identifiable assets, liabilities and contingent liabilities unless the fair value cannot be measured reliably, in which case the value is incorporated in goodwill. Where the fair value of contingent liabilities cannot be reliably measured, they are disclosed on the same basis as other contingent liabilities.

Goodwill recognised represents the excess of the fair value and directly attributable costs of the purchase consideration over the fair values to the Group's interest in the identifiable net assets, liabilities and contingent liabilities acquired.

On acquisition, goodwill is allocated to cash-generating units that are expected to benefit from the combination.

Goodwill is amortised over its expected useful life, which is estimated to be ten years. Goodwill is assessed for impairment when there are indicators of impairment and any impairment is charged to the income statement. No reversals of impairment are recognised.

3 Summary of significant accounting policies (continued)

Intangible assets

Intangible assets are stated at cost less accumulated amortisation and accumulated impairment losses. Amortisation is calculated, using the straight-line method, to allocate the depreciable amount of the assets to their residual value over their estimated useful lives, as follows:

Software	- 3 - 8 years
Client relationships	- 5 - 15 years
Brands	- 5 - 20 years

Costs associated with maintaining computer software are recognised as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Group are recognised as intangible assets when the following criteria are met:

- it is technically feasible to complete the software so that is will be available for use;
- management intends to complete the software and use or sell it;
- there is an ability to use or sell the software;
- it can be demonstrated how the software will generate probable future economic benefits;
- adequate technical, financial and other resources to complete the development and to use or sell the software are available; and
- the expenditure attributable to the software during its development can be reliably measured.

Separately acquired brands and non-contractual customer relationships are shown at historical cost. Brands and customer relationships have a finite useful life and are carried at cost less accumulated amortisation.

Tangible assets

Tangible assets are included at historical purchase cost less accumulated depreciation and accumulated impairment losses. Cost includes the original purchase price of the asset and the costs directly attributable to bringing the asset into its working condition for its intended use.

Vehicles, plant, fixtures, fittings, and equipment

Vehicles, plant, fixtures, fittings and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

Depreciation and residual values

Depreciation of assets is calculated at rates expected to write off cost less the estimated residual value of the relevant assets over their estimated economic lives. The expected useful lives of the assets to the business are reassessed periodically in light of experience. The estimated economic lives used are principally as follows:

Vehicles, plant, fixtures, fittings and equipment	- 1 to 15 years
Leasehold property	- Remaining life of the lease

Assets under construction are not depreciated until they are ready for use.

Derecognition

Tangible assets are derecognised on disposal or when no future economic benefits are expected. On disposal, the difference between the net disposal proceeds and the carrying amount is recognised in the profit and loss account.

3 Summary of significant accounting policies (continued)

Leased assets

At inception, the Company assesses agreements that transfer the right to use assets to the Company. The assessment considers whether the arrangement is, or contains, a lease based on the substance of the arrangement.

Finance leased assets

Lease of assets that transfer substantially all the risks and rewards incidental to ownership are classified as finance leases.

Finance leases are capitalised at commencement of the lease as fixed assets at the fair value of the leased asset, or if lower, the present value of the minimum lease payments calculated using the interest rate implicit in the lease. Where the implicit rate cannot be determined the Company's incremental borrowing rate is used. Incremental direct costs, incurred in negotiating and arranging the lease, are included in the cost of the asset.

Assets are depreciated over the shorter of the lease term and the estimated useful life of the asset. Assets are assessed for impairment at each reporting date.

The capital element of lease obligations is recorded as a liability on inception of the arrangement. Lease payments are apportioned between capital repayment and finance charge, using the effective interest rate method, to produce a constant rate of charge on the balance of the capital repayments outstanding.

Operating leased assets

Leases that do not transfer all the risks and rewards of ownership are classified as operating leases. Payments under operating leases are charged to the profit and loss account on a straight-line basis over the period of the lease.

Lease incentives

Incentives received to enter into a finance lease reduce the fair value of the asset and are included in the calculation of present value of minimum lease payments.

Incentives received to enter into an operating lease are credited to the profit and loss account, to reduce the lease expense, on a straight-line basis over the period of the lease.

Investments

Investment in a subsidiary company is stated at historical cost less accumulated impairment losses.

Inventories

Inventories are stated at the lower of historical cost and estimated selling price less costs to complete and sell. Inventories are recognised as an expense in the period in which the related revenue is recognised.

Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

3 Summary of significant accounting policies (continued)

Provisions and contingencies

Provisions

A provision is recognised when the Group has a present legal or constructive obligation as a result of a past event for which it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. The increase in the provision due to passage of time is recognised as a finance cost.

Contingencies

Contingent liabilities arising as a result of past events are not recognised when (i) it is not probable that there will be an outflow of resources or that the amount cannot be reliably measured at the reporting date or (ii) the existence will be confirmed by the occurrence or non-occurrence of uncertain future events not wholly within the Company's control. Contingent liabilities are disclosed in the financial statements unless the probability of an outflow of resources is remote. Contingent assets are not recognised. Contingent assets are disclosed in the financial statements when an inflow of economic benefits is probable.

Financial instruments

The company has chosen to adopt Sections 11 and 12 of FRS 102 in respect of financial instruments.

Financial assets

Basic financial assets, including trade and other receivables, cash and bank balances and investments in commercial paper, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Such assets are subsequently carried at amortised cost using the effective interest method.

At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in the profit and loss account.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been had the impairment not previously been recognised. The impairment reversal is recognised in the profit and loss account.

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or (c) control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

Financial liabilities

Basic financial liabilities, including trade and other payables, bank loans, loans from fellow group companies and preference shares, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

3 Summary of significant accounting policies (continued)

Financial instruments (continued)

Financial liabilities (continued)

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period to which it relates.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments.

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and as subsequently remeasured at their fair value. Changes in the fair value of derivatives are recognised in the profit and loss account in finance costs or finance income as appropriate, unless they are included in a hedging arrangement.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

Offsetting

Financial assets and liabilities are offset, and the net amounts presented in the financial statements 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 to liability simultaneously.

Joint ventures

Jointly controlled operations

Each venture uses its own property, plant and equipment and carries its own inventories. It also incurs its own expenses and liabilities and raises its own finance, which represent its own obligations.

The joint ventures are proportionally consolidated into the group financial statements. That is, the balances that are recorded are the share of the assets that the joint venture controls and the share of the liabilities that the joint venture incurs. The profit recognised from the joint venture activities reflects the Group's share of the net income that the joint venture earns from the sale of goods or provision of services by the joint venture.

3 Summary of significant accounting policies (continued)

Share capital

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

Distributions to equity holders

Dividends and other distributions to Group's shareholders are recognised as a liability in the financial statements in the period in which the dividends and other distributions are approved by the Company's shareholders. These amounts are recognised in the statement of changes in equity.

Related party transactions

The Group discloses transactions with related parties which are not wholly owned within the same Group. Where appropriate, transactions of a similar nature are aggregated unless, in the opinion of the directors, separate disclosure is necessary to understand the effect of the transactions on the Group financial statements.

4 Critical accounting judgements and estimation uncertainty

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical judgements in applying the entity's accounting policies

There are no specific judgements that have been made that would result in a material change to the statutory financial statements.

Critical accounting estimates and assumptions

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

Useful economic lives of tangible assets

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investment, economic utilisation and the physical condition of the assets. See note 13 for the carrying amount of the property, plant and equipment, and note 3 for the useful economic lives for each class of assets.

Fair value of tangible and intangible assets

The fair value of tangible and intangible assets acquired on acquisitions in the period (see note 31) involved the use of valuation techniques and the estimation of future cash flows to be generated over a number of years. The estimation of the fair values requires the combination and assumptions including revenue growth, sales mix and volumes and customer attrition rates. In addition, the use of discount rates requires judgement.

Impairment of intangible assets and goodwill

The Group considers whether intangible assets and/or goodwill are impaired. Where an indication of impairment is identified the estimation of recoverable value requires estimation of the recoverable value of the cash generating units. This requires estimation of the future cash flows from the CGUs and also selection of appropriate discount rates in order to calculate the net present value of those cash flows.

4 Critical accounting judgements and estimation uncertainty (continued)

Critical accounting estimates and assumptions (continued)

Amounts recoverable on contract provisioning

The Company provides support services to blue-chip clients in the infrastructure sectors in the UK and typically via framework contracts. Consistent with its revenue recognition policy, the Company makes an estimate of the recoverable value and makes a provision for any known or anticipated losses. See note 16 for the net carrying amount of amounts recoverable on contracts.

Estimates of accruals for future remedial work

Consistent with its revenue recognition policy, the company estimates maintenance accruals using its knowledge of likely failure rates. The value is monitored on an ongoing basis.

Revenue recognition

The company has pain/gain mechanisms built into its revenue contracts as explained in the accounting policies. Whether and at what amount the pain or gain is to be recognised will depend on the expertise within the Company to judge the uncertainties and make the required estimations.

5 Turnover

At 31 March 2019, the Group has four classes of business – utilities, telecoms, data and transport. The Group provides repair and maintenance, refurbishment, enhancement and data services to blue-chip clients in essential infrastructure sectors.

By geographical origin

Turnover related to activities in the United Kingdom was £803.7 million and Ireland £1.6 million.

6 Segmental information

By category

	Turnover Period ended 31 March 2019
	£m
Utilities (gas, water, electricity)	**455.9**
Telecoms	**148.2**
Transport (rail, airports, highways)	**108.4**
Data (data collection & management)	**92.8**
Total turnover	**805.3**

7 Operating profit

	Period ended 31 March 2019 £m
Operating profit is stated after (charging)/crediting:	
Wages and salaries	**(188.2)**
Social security costs	**(15.4)**
Other pension costs	**(5.5)**
Staff costs	**(209.1)**
Depreciation – owned assets (see note 13)	**(3.7)**
Depreciation – lease assets (see note 13)	**(0.5)**
Amortisation (see note 12)	**(27.8)**
Hire of plant and machinery	**(17.1)**
Operating lease rentals – plant and machinery	**(12.3)**
Operating lease rentals – other	**(2.9)**
Exceptional items (see note 8)	**(1.5)**
Profit on sale of tangible assets	**0.3**
Fees payable to the Company's auditors for the audit of the parent company and consolidated financial statements	**(0.1)**
Fees payable to the Company's auditors and their associates for other services:	
- The audit of the Company's subsidiaries pursuant to legislation	**(0.3)**
- Other advisory services (principally due diligence)	**(2.0)**
- Tax compliance and tax advisory services	**(0.2)**
Total amount payable to the Company's auditors and their associates	**(2.6)**

8 Exceptional items

Exceptional costs include transaction costs associated with the acquisitions during the period of £0.6 million, £0.9 million bad debt charge relating to the insolvency of Energy Supplier clients in the period.

9 Employees and directors

Group	Period ended 31 March 2019 Number
Average monthly number of full-time equivalent management and supervisory staff employed (including executive directors) were as follows:	**3,354**
Average monthly number of full time equivalent operational persons employed (including executive directors) were as follows:	**4,633**
	7,987

Key management compensation

Key management includes the directors and members of senior management. The compensation paid or payable to key management for employee services is shown below:

Company	Period ended 31 March 2019 £m
Aggregate emoluments	**1.3**
	1.3

Directors' remuneration

Company	Period ended 31 March 2019 £m
Aggregate emoluments	**0.6**
	0.6
Highest paid director	
Emoluments	**0.4**
	0.4

The Company has no employees. The directors and key management are remunerated for services to the Group as a whole and the cost is borne by all subsidiary undertakings by a recharge.

10 Interest payable and similar expenses

	Period ended 31 March 2019 £m
Interest payable and similar expenses	
Interest payable on overdrafts and bank loans	**(2.0)**
Interest payable on other bank loans	**(12.3)**
Shareholder loan notes	**(13.1)**
Finance lease interest	**(0.1)**
Amortisation of issue costs	**(1.2)**
Other interest	**(1.5)**
Fair value movements on interest rate swap	**(0.9)**
Net interest expense on post-employment benefits (note 20)	**(0.1)**
Total interest payable and similar expenses	**(31.2)**

11 Tax on loss

Tax expense included in profit or loss	Period ended 31 March 2019 £m
Current tax:	
UK Corporation tax on profits for the period	**3.7**
Total current tax	**3.7**
Deferred tax:	
Origination and reversal of timing differences	**(2.8)**
Total deferred tax	**(2.8)**
Tax on loss	**0.9**

Tax gain included in other comprehensive income	Period ended 31 March 2018 £m
Current tax	**-**
Deferred tax	
- Origination and reversal of timing differences	**(0.3)**
Total tax expense included in other comprehensive income	**(0.3)**

11 Tax on loss (continued)

Reconciliation of tax charge:

The tax assessed for the period is higher than the standard rate of corporation tax in the UK of 19%. The differences are explained below:

	Period ended 31 March 2019 £m
Loss before taxation	**(18.6)**
Loss multiplied by the standard UK rate of tax 19%	**(3.5)**
Effects of:	
Expenses not deductible for tax	**4.4**
Tax charge for the period	**0.9**

Changes to the UK corporation tax rates were substantively enacted as part of the Finance Bill 2016 (on 7 September 2016). These include reductions to the main rate to reduce the rate to 17% from 1 April 2020. Deferred taxes at the balance sheet date have been measured using these enacted tax rates and reflected in these financial statements.

12 Intangible assets

Group	Client relation-ships £m	Brands £m	Goodwill £m	Other including software £m	Total £m
Cost at 27 March 2018	-	-	-	-	-
Acquisitions	316.9	67.5	157.0	4.9	546.3
Additions	-	-	-	2.7	2.7
Cost at 31 March 2019	**316.9**	**67.5**	**157.0**	**7.6**	**549.0**
Accumulated amortisation at 27 March 2018	-	-	-	-	-
Charge for the year	(14.7)	(2.5)	(9.2)	(1.4)	(27.8)
Accumulated amortisation at 31 March 2019	**(14.7)**	**(2.5)**	**(9.2)**	**(1.4)**	**(27.8)**
Net book value at 31 March 2019	**302.2**	**65.0**	**147.8**	**6.2**	**521.2**
Net book value at 27 March 2018	-	-	-	-	-

13 Tangible assets

Group	Vehicles, plant, fixtures, fittings and equipment £m
Cost at 27 March 2018	**-**
Acquisitions	**42.3**
Additions	**6.4**
Disposals	**(5.0)**
At 31 March 2019	**43.7**
Accumulated depreciation at 27 March 2018	**-**
Charge for the period	**(4.2)**
On disposals	**4.1**
At 31 March 2019	**(0.1)**
Net book value at 31 March 2019	**43.6**
Net book value at 27 March 2018	-

The net book value of the Group's tangible fixed assets held under finance leases at 31 March 2019 is £22.8 million. Depreciation was only charged in the period on assets totalling £2.6 million, which amounted to £0.5 million. The remainder of assets amounting to £20.2 million were acquired at the period end as part of the acquisition of IWJS and therefore depreciation was not charged in the period.

The Company had no tangible assets during the year.

14 Investments

Company	£m
Cost as at 27 March 2018	**-**
Addition of Minerva Holdco Limited (formerly DMWSL 882 Limited)	**20.7**
Cost as at 31 March 2019	**20.7**

See note 30 for additional narrative regarding Company investments in subsidiaries.

15 Inventories

Group	At 31 March 2019 £m
Raw materials and consumables	**2.6**

There is no material difference between the balance sheet value of inventories and its replacement cost.

The Company had no inventories during the period.

16 Debtors

	Group At 31 March 2019 £m	Company At 31 March 2019 £m
Amounts falling due within one year:		
Trade debtors	**45.2**	**-**
Amounts recoverable on contracts	**152.9**	**-**
Amounts owed by group undertakings	**-**	**1.9**
Other debtors	**1.5**	**-**
Amounts owed by joint ventures	**3.0**	**-**
Prepayments and accrued income	**22.8**	**-**
	225.4	**1.9**

Group trade debtors are stated after provisions for impairment of £1.1 million.

Amounts owed by group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

17 Creditors: amounts falling due within one year

	Group At 31 March 2019 £m	Company At 31 March 2019 £m
Bank loans and overdrafts	(30.0)	-
Obligations under finance leases	(6.0)	-
Debt issue costs	1.8	-
Short-term borrowings (note 19)	(34.2)	-
Payments received on account	(1.1)	-
Trade creditors	(77.5)	-
Corporation tax	(2.0)	-
Other taxation and social security	(9.6)	-
Other creditors	(46.1)	-
Amounts owed to joint ventures	(7.0)	-
Accruals and deferred income	(95.8)	-
	(273.3)	-

As at 31 March 2019 there was an outstanding liability of £0.9 million in respect of pension contributions.

Amounts owed to group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

18 Creditors: amounts falling due after more than one year

	Group At 31 March 2019 £m	Company At 31 March 2019 £m
Bank loans and overdrafts	(325.0)	-
Loan notes	(180.2)	-
Debt issue costs	9.3	-
Obligations under finance leases	(14.3)	-
Long-term borrowings (note 19)	(510.2)	-
Accruals and deferred income	(1.4)	(1.5)
	(511.6)	(1.5)

19 Loans and other borrowings

	At 31 March 2019		
	Gross out-standing £m	Un-amortised issue costs £m	2019 Total £m
Loans and other borrowings			
Senior loan B	**(325.0)**	**11.1**	**(313.9)**
Revolving Facility	**(30.0)**	**-**	**(30.0)**
	(355.0)	**11.1**	**(343.9)**
Loan notes	**(180.2)**	**-**	**(180.2)**
Finance leases	**(20.3)**	**-**	**(20.3)**
Total loans and other borrowings	**(555.5)**	**11.1**	**(544.4)**
Less: amounts included in creditors falling due within one year	**36.0**	**(1.8)**	**34.2**
Loans and other borrowing due after more than one year	**(519.5)**	**9.3**	**(510.2)**

A new senior loan facility was entered into in July 2018.

The outstanding loans, maturity dates and interest rates are shown below:

(a) Senior facility loan B – repayable on 30 July 2025. The loan bears interest at LIBOR plus a margin of 5%.

(b) Revolving facility – repayable on 30 January 2025. The loan bears interest at LIBOR plus a margin of 3.25%

(c) There are floating to fixed interest rate hedges in place covering £195.0 million of principal. These hedges expire on 26 July 2021. The fair value of the interest rate hedges at 31 March 2019 is (£0.9) million.

LIBOR is the London Inter Bank Offer Rate.

19 Loans and other borrowings (continued)

Maturity analysis of financial liabilities

The maturity profile of the carrying amount of the Group's liabilities was as follows:

	At 31 March 2019			
	Senior loans	Finance leases and other loans	Shareholder loan notes	Total
	£m	£m	£m	£m
Less than one year	(30.0)	(6.9)	-	(36.9)
Between one and two years	-	(5.8)	-	(5.8)
Between two and five years	-	(9.3)	-	(9.3)
After five years	(325.0)	(0.9)	(180.2)	(506.1)
Total gross payments	(355.0)	(22.9)	(180.2)	(558.1)
Deferred issue costs – less than one year	1.8	-	-	1.8
Deferred issue costs – between one and two years	1.7	-	-	1.7
Deferred issue costs – between two and five years	5.3	-	-	5.3
Deferred issue costs – after five years	2.3	-	-	2.3
Interest charge on finance lease – less than one year	-	0.9	-	0.9
Interest charge on finance lease – between one and two years	-	0.7	-	0.7
Interest charge on finance lease – between two and five years	-	0.9	-	0.9
Interest charge on finance lease – after five years	-	0.1	-	0.1
Total net borrowings	(343.9)	(20.3)	(180.2)	(544.4)

19 Loans and other borrowings (continued)

For the Group, the current and long term borrowings can be analysed as follows:

	At 31 March 2019		
	Creditors: amounts falling due within one year £m	Creditors: amounts falling due after more than one year £m	Total £m
Amounts owed on bank loans and loan notes	**(30.0)**	**(505.2)**	**(535.2)**
Debt issue costs	**1.8**	**9.3**	**11.1**
Obligations under finance leases	**(6.0)**	**(14.3)**	**(20.3)**
	(34.2)	**(510.2)**	**(544.4)**

Management of financial risk

Financial risks faced by the Group include funding, interest rate and contractual risks. The Group reviews these risks on an ongoing basis. Interest rate hedges have been entered into as discussed on page 48.

Borrowing covenants

The Group monitors compliance against all financial obligations and against the covenant restrictions in place, all of these have been complied with during the period. The only covenant is a gearing covenant.

Security

The borrowings are secured by a floating charge over the assets of the Group.

19 Loans and other borrowings (continued)

Finance leases

The future minimum finance lease payments are as follows:

	At 31 March 2019 £m
Less than one year	**(6.0)**
Between two and five years	**(13.5)**
After five years	**(0.8)**
Carrying amount of liability	**(20.3)**

The finance leases relate to plant and machinery used in the wastewater contracts.

20 Pensions and similar obligations

Defined benefit scheme

The group operates one material defined benefit scheme, which is closed to future accrual, within MUS - the Morrison CARE Pension Scheme (‘MCARE’ or ‘the Scheme’).

The scheme provides retirement benefits on the basis of members’ average salary over their working life with the company. The plan is administered by an independent trustee. Contributions are agreed with the trustee to reduce the funding deficit where necessary.

A comprehensive actuarial valuation of the scheme, using the projected unit credit method, was carried out at 31 March 2017 by an independent actuary. Adjustments to the valuation at that date have been made based on current market conditions and the following assumptions:

	2019 % pa
Discount rate	2.50
Inflation rate	3.45
Increase to deferred benefits during deferment	3.45
Increases to inflation related pension in payment	3.35

20 Pensions and similar obligations (continued)

At 31 March 2019, the deficit recognised in the balance sheet was as follows:

Amounts recognised in the balance sheet	**Period ended 31 March 2019 £m**
Present value of funded obligations	**(13.2)**
Fair value of scheme assets	**11.4**
Net liability at the end of the period excluding deferred tax	**(1.8)**
Related deferred tax asset (note 21)	**0.3**
Net pension liability	**(1.5)**

Changes in scheme assets

	Period ended 31 March 2019 £m
Balance as at 27 March 2018	-
On acquisition	12.0
Expected return on scheme assets	0.1
Employer contributions	0.2
Benefits paid	(0.5)
Actuarial loss	(0.4)
Balance as at 31 March 2019	11.4

Actual return on scheme assets	(0.3)

20 Pensions and similar obligations (continued)

Changes in scheme liabilities

	Period ended 31 March 2019 £m
Balance as at 27 March 2018	**-**
On acquisition	**(12.4)**
Interest cost	**(0.1)**
Benefits paid	**0.5**
Actuarial loss	**(1.2)**
Balance as at 31 March 2019	**(13.2)**

The overall deficit movement may be summarised as follows:

Movements in balance sheet net liability	**Period ended 31 March 2019 £m**
Balance as at 27 March 2018	**-**
Net deficit acquired	**(0.4)**
Contributions	**0.2**
Actuarial loss	**(1.6)**
Balance as at 31 March 2019 (excluding deferred tax)	**(1.8)**

20 Pensions and similar obligations (continued)

The cost of the defined benefit scheme is recognised in the Profit and loss account, and the impact of actuarial gains and losses recognised in the Statement of comprehensive income, was as follows:

Expense recognised in the profit and loss account	**Period ended 31 March 2019 £m**
Current service cost – scheme expenses	**-**
Charge to operating profit	**-**
Expected return on pension scheme assets	**0.1**
Interest on pension scheme liabilities	**(0.1)**
Amount charged to other finance expense	**-**
Expense recognised in the profit and loss account	**-**

Analysis of amounts recognised in the Statement of Comprehensive income	**Period ended 31 March 2019 £m**
Difference between expected and actual returns on scheme assets	**(0.4)**
Changes in assumptions underlying the present value of the schemes' liabilities	**(1.2)**
Actuarial losses in schemes	**(1.6)**

20 Pensions and similar obligations (continued)

Details of experience gains and losses	Period ended 31 March 2019 £m
Defined benefit obligation	**(13.2)**
Plan assets	**11.4**
Deficit	**(1.8)**
Experience adjustment on plan assets	**(0.4)**
Experience adjustment on plan liabilities	**(1.2)**
Total amount recognised in the Statement of comprehensive income	**(1.6)**

The fair value of the plan assets was:

	At 31 March 2019 £m
Equities	**5.7**
Other	**5.7**
Total assets	**11.4**

The values of the assets have been taken at bid value.

The group operates a number of defined contribution schemes for its employees. The amount recognised as an expense for the defined contribution schemes was £5.5 million in the period.

21 Provisions for liabilities

Group	At 31 March 2019	
	Deferred tax	Total
	£m	£m
Brought forward as at 27 March 2018	-	-
Acquisitions	64.0	64.0
Credit for the year	(3.1)	(3.1)
Carried forward at 31 March 2019	**60.9**	**60.9**

Deferred tax

The provision for deferred tax consists of the following deferred tax liabilities/(assets):

	At 31 March 2019
	£m
Fixed asset timing differences	(0.9)
Short term timing differences	(1.5)
Pensions	(0.3)
Intangible assets	63.6
Total deferred tax provision	**60.9**

Company

The Company had no provision for liabilities and charges at 31 March 2019.

22 Financial instruments

Group	Note	At 31 March 2019 £m
The Group has the following financial instruments:		
Financial assets at fair value through profit or loss		**-**
Financial assets that are debt instruments measured at amortised cost		
Trade debtors	16	**45.2**
Other debtors	16	**4.5**
Amounts recoverable on contracts	16	**152.9**
		202.6
Financial assets that are equity instruments measured at cost less impairment		**-**
Financial liabilities measured at fair value through profit and loss		**(0.9)**
Financial liabilities measured at amortised cost		
Gross senior loans	19	**(355.0)**
Loan notes	19	**(180.2)**
Finance leases	19	**(20.3)**
Trade creditors	17	**(77.5)**
Accruals	17, 18	**(97.2)**
Payments received on account	17	**(1.1)**
Other creditors	17	**(64.7)**
		(796.0)

22 Financial instruments (continued)

Company	Note	At 31 March 2019 £m
The Company has the following financial instruments:		
Financial assets at fair value through profit or loss		-
Financial assets that are debt instruments measured at amortised cost		
Amounts owed by group undertakings	16	1.9
		1.9
Financial assets that are equity instruments measured at cost less impairment		-
Financial liabilities measured at fair value through profit and loss		-
Financial liabilities measured at amortised cost		
Accruals	18	(1.5)
		(1.5)

23 Called up share capital

Group and Company	At 31 March 2019 £m
Allotted and fully paid share capital can be split as follows:	
A Ordinary Shares – 904,247 shares of £0.01 each	-
B Ordinary Shares – 108,911 shares of £0.01 each	-
C1 Ordinary Shares – 32,156 shares of £0.50 each	-
C2 Ordinary Shares – 86,188 shares of £0.001 each	-
E Ordinary Shares – 118,344 shares of £0.10 each	-
Preference Shares – 21,119,938 shares of £0.00001 each	-
Total	**-**

The share capital consists of five classes of share which are ordinary and preference shares. The classes of share have varying voting and dividend rights. A shares and C1 shares carry voting rights, B shares, C1 shares, C2 shares, E shares and preference shares have no voting rights. All ordinary shares excluding E shares confer dividend rights. All ordinary shares excluding E shares carry equal rights to capital.

Preference shares confer upon the holder the right to receive cumulative preferential cash dividend equal to 11 per cent per annum of the subscription price. To the extent that the dividend is not paid, the amount of unpaid preference dividend shall compound on the anniversary date

The issue dates of the shares and associated cash consideration are as follows:

	A	B	C1	C2	E	Preference	Total
	£m	£m	£m	£m	£m	£m	£m
30 July 2018	0.7	0.1	0.1	0.1	-	19.6	20.6
20 December 2018	-	-	-	-	-	0.2	0.2
27 February 2019	0.2	-	-	-	-	-	0.2
26 March 2019	-	-	-	-	-	1.3	1.3
Total	**0.9**	**0.1**	**0.1**	**0.1**	**-**	**21.1**	**22.3**

24 Share premium account

Group and Company	At 31 March 2019 £m
Allotted and fully paid share capital can be split as follows:	
A Ordinary Shares – 904,247 shares of £0.01 each	**0.9**
B Ordinary Shares – 108,911 shares of £0.01 each	**0.1**
C1 Ordinary Shares – 32,156 shares of £0.50 each	**0.1**
C2 Ordinary Shares – 86,188 shares of £0.001 each	**0.1**
E Ordinary Shares – 118,344 shares of £0.10 each	**-**
Preference Shares – 21,119,938 shares of £0.00001 each	**21.1**
	22.3

25 Note to the cash flow statement

Reconciliation of operating profit to net cash inflow from operating activities:

	Note	**Period ended 31 March 2019 £m**
Loss for the period		**(19.5)**
Tax on loss		**0.9**
Net interest expense		**31.2**
Operating profit		**12.6**
Profit on disposal of fixed assets	7	**(0.3)**
Depreciation	7,13	**4.2**
Amortisation	7,12	**27.8**
Decrease in working capital including pensions		**41.5**
Net cash inflow from operating activities		**85.8**

Analysis of changes in net debt

	At 27 March 2018 £m	Cash flows £m	Acquired £m	**At 31 March 2019 £m**
Cash at bank	-	29.2	27.1	**56.3**
Finance leases	-	0.3	(20.6)	**(20.3)**
Senior loan	-	(23.4)	(301.6)	**(325.0)**
RCF	-	(8.0)	(22.0)	**(30.0)**
Shareholder loan notes	-	(89.4)	(90.8)	**(180.2)**
Total	-	(91.3)	(407.9)	**(499.2)**

Interest of £13.1 million on the shareholder loan notes is included within accruals.

26 Contingent liabilities

Group

There exist cross guarantees under a group banking arrangement whereby certain group companies have guaranteed the liabilities of other group companies to their clearing banks.

Group and company

There are contingent liabilities in respect of performance bonds, guarantees and claims under contracting and other agreements, entered into in the normal course of business. The value of the performance bonds in issue at 31 March 2019 was £8.2 million.

27 Capital commitments

As at 31 March 2019, the Group had placed contracts for the purchase of assets to the value of £1.2 million, which were not provided for in the financial statements.

As at 31 March 2019, the Group had the following future minimum lease payments under non-cancellable operating leases for each of the following years:

Payments due	At 31 March 2019 £m
Within one year	**14.6**
Between one and five years	**24.0**
After five years	**3.0**
	41.6

The Company had no other off-balance sheet arrangements.

28 Related party transactions

The Group has taken advantage of the exemption under FRS 102.33.1A and has not disclosed transactions with entities that are part of the Minerva Equity Limited Group, where 100% of the voting rights of these entities are controlled within the Group. During the year the Company did not have any transactions with entities that are part of the Minerva Equity Limited Group (apart from the shares held in the Company).

29 Ultimate parent undertaking and controlling party

Minerva Equity Limited, a company registered in England and Wales, is the ultimate parent undertaking of the Group and its ultimate controlling party is a private equity firm registered in France, PAI Partners.

Minerva Equity Limited is the parent undertaking of the smallest and largest group to consolidate these financial statements.

Copies of consolidated financial statements of Minerva Equity Limited can be obtained from the Company Secretary at Abel Smith House, Gunnels Wood Road, Stevenage, Hertfordshire, SG1 2ST.

30 Subsidiary undertakings

The Group's subsidiary undertakings at 31 March 2019 (set out below) are wholly owned subsidiaries, with an accounting year end of 31 March. These undertakings principally operate in their country of incorporation.

Company	Registered country	Company's equity shareholding at 31 March 2019	Principal business
Minerva Holdco Limited (formerly DMWSL 882 Limited)	England (1)	100%	Holding company
Minerva Debtco Limited (formerly DMWSL 883 Limited)	England (1)	100%*	Holding company
Minerva Parent Limited (formerly DMWSL 879 Limited)	England (1)	100%*	Holding company
Minerva Bidco Limited (formerly DMWSL 880 Limited)	England (1)	100%*	Holding company
Thor Topco Limited	England (1)	100%*	Holding company
Thor Midco Limited	England (1)	100%*	Holding company
Thor Holdco Limited	England (1)	100%*	Holding company
M Group Services Limited	England (1)	100%*	Holding company
M Assessment Services Limited	England (1)	100%*	Assessment services
Protect My Property Services Limited	England (1)	100%*	Security repair and installation
Morrison Data Services Limited	England (1)	100%*	Data handling and processing
Morrison Data Services (Water) Limited	England (1)	100% *	Data handling and processing
Morrison Utility Services Group Limited	England (1)	100%*	Holding company
Morrison Utility Services Investments Limited	England (1)	100% *	Holding company

30 Subsidiary undertakings (continued)

Company	Registered country	Company's equity shareholding at 31 March 2019	Principal business
M Group Utilities Limited (formerly Morrison Utility Services Holdings Limited)	England (1)	100% *	Holding company
Morrison Utility Services Limited	England (1)	100% *	Utility contracting
Morrison Utility Technologies Limited	England (1)	100% *	Technology services
Morrison Telecom Services Limited (formerly Morrison Utility Plant Services Limited)	England (1)	100% *	Telecom services
Dyer & Butler 2014 Limited	England (1)	100%*	Holding company
M Group Transport Limited (formerly Dyer & Butler Holdings Limited)	England (1)	100% *	Holding company
Dyer and Butler Limited	England (1)	100% *	Civil engineering
Dyer & Butler Electrical Ltd	England (1)	100% *	Electrical engineering
Pipe Restoration Services Limited	England (1)	50% *	Pipe restoration services
M Group Telecoms Limited (formerly Magdalene Holdings Limited)	England (1)	100%*	Holding company
Magdalene Limited	England (1)	100% *	Telecommunications services and consultancy
Magdalene Telecom Limited	England (1)	100% *	Telecommunications services and consultancy
Avonline Network Services Holdings Limited	England (1)	100% *	Holding Company
Avonline Network Services Limited	England (1)	100% *	Telecommunications network build and installation services
PMP Utilities Limited	England (1)	100% *	Holding company
Planned Maintenance (Pennine) Limited	England (1)	100% *	Pipeline leakage, engineering and rescue services
PMP Support Services Limited	England (1)	100% *	Pipeline leakage, engineering and rescue services

30 Subsidiary undertakings (continued)

Company	Registered country	Company's equity shareholding at 31 March 2019	Principal business
Industrial Water Jetting Systems Group Limited	England (1)	100% *	Wastewater network services
Industrial Water Jetting Systems Limited	England (1)	100% *	Wastewater network services
Industrial Water Training Services Limited	England (1)	100% *	Wastewater network services

* denotes indirectly held.

(1) Company's registered office is: Abel Smith House, Gunnels Wood Road, Stevenage, Hertfordshire, SG1 2ST

31 Business combinations

Group

Acquisition of Thor Topco Limited

On 30 July 2018, the Group acquired control of Thor Topco Limited through the purchase of 100% of the share capital for total consideration of £152.5 million. Thor Topco Limited and its subsidiaries provide repair and maintenance, refurbishment, enhancement and data services to blue-chip clients in the gas, electricity, telecommunications, data, airports and rail sectors in the UK.

Management have estimated the useful economic life of the goodwill to be 10 years.

The acquisition of 100% of the share capital was made entirely in cash consideration.

For cash flow disclosure purposes, the amounts are disclosed as follows:

	£m
Cash consideration paid	**144.4**
Directly attributable costs	**8.1**
Cash outflow on acquisition	**152.5**
Less: cash and cash equivalents acquired	**(25.5)**
Net cash outflow	**127.0**

31 Business combinations (continued)

Below is a summary of recognised amounts of identifiable assets acquired and liabilities assumed:

	Note	Book values £m	Adjustments £m	Fair value £m
Property, plant and equipment		20.1	-	20.1
Intangible assets		332.5	48.7	381.2
Cash and cash equivalents		25.5	-	25.5
Trade and other receivables	(a)	270.3	(3.0)	267.3
Trade and other payables	(a)	(216.4)	(1.5)	(217.9)
Bank debt		(326.7)	-	(326.7)
Shareholder debt		(87.0)	-	(87.0)
Pension scheme liability		(1.5)	1.1	(0.4)
Deferred tax liabilities	(b)	(38.8)	(23.8)	(62.6)
Total identifiable net (liabilities) / assets		(22.0)	21.5	(0.5)
Goodwill				153.0
Total				**152.5**

Please see page 71 for a summary of note references above.

The revenue from Thor Topco Limited and its subsidiaries included in the consolidated income statement for the period ended 31 March 2019 was £805.3 million. Thor Topco Limited also contributed profit after tax of £11.5 million over the same period.

31 Business combinations (continued)

Group

Acquisition of Industrial Water Jetting Systems Group Limited

On 27 March 2019, M Group Services Limited acquired control of Industrial Water Jetting Systems Group Limited through the purchase of 100% of the share capital for total consideration of £7.3, of which £7.0 million was cash and the remainder being contingent on future performance. Industrial Water Jetting Systems Limited provide wastewater network services to the water, transport and environmental sectors.

Management have estimated the useful economic life of the goodwill to be 10 years.

The acquisition of 100% of the share capital was made entirely in cash consideration.

For cash flow disclosure purposes, the amounts are disclosed as follows:

	£m
Cash consideration paid	**6.3**
Directly attributable costs	**0.7**
Cash outflow on acquisition	**7.0**
Less: cash and cash equivalents acquired	**(0.2)**
Net cash outflow	**6.8**

31 Business combinations (continued)

Below is a summary of recognised amounts of identifiable assets acquired and liabilities assumed:

	Note	Book values £m	Adjustments £m	Fair value £m
Property, plant and equipment		21.5	-	21.5
Intangible assets		0.5	4.5	5.0
Cash and cash equivalents		0.2	-	0.2
Inventories		0.1	-	0.1
Trade and other receivables		6.3	-	6.3
Trade and other payables		(25.5)	-	(25.5)
Deferred tax liabilities	(b)	-	(0.9)	(0.9)
Total identifiable net assets		3.1	3.6	6.7
Goodwill				0.6
Total				**7.3**

Please see page 71 for a summary of note references above.

The revenue from Industrial Water Jetting Systems Group Limited included in the consolidated profit and loss account for the year ended 31 March 2019 was £nil million.

31 Business combinations (continued)

Group

Acquisition of Avonline Network Services Holdings Limited

On 29 March 2019, M Group Telecoms Limited (formerly Magdalene Holdings Limited) acquired control of Avonline Network Services Holdings Limited through the purchase of 100% of the share capital for total consideration of £6.1 million. The Avonline Network Services Holdings Limited group of companies is a leading telecommunications infrastructure provider offering specialist services to clients operating in the public and private, fixed and mobile segments of the telecoms market.

Management have estimated the useful economic life of the goodwill to be 10 years.

The acquisition of 100% of the share capital was made entirely in cash consideration.

For cash flow disclosure purposes, the amounts are disclosed as follows:

	£m
Cash consideration paid	**4.6**
Directly attributable costs	**1.5**
Cash outflow on acquisition	**6.1**
Less: cash and cash equivalents acquired	**(1.4)**
Net cash outflow	**4.7**

31 Business combinations (continued)

Below is a summary of recognised amounts of identifiable assets acquired and liabilities assumed:

		Book values	Adjustments	Fair value
	Note	£m	£m	£m
Property, plant and equipment		0.7	-	0.7
Intangible assets		-	3.0	3.0
Cash and cash equivalents		1.4	-	1.4
Inventories		0.4	-	0.4
Trade and other receivables		4.5	-	4.5
Trade and other payables		(6.8)	-	(6.8)
Deferred tax assets liabilities	(b)	-	(0.5)	(0.5)
Total identifiable net assets		0.2	2.5	2.7
Goodwill				3.4
Total				**6.1**

Please see page 71 for a summary of note references above.

The revenue from Avonline Network Services Holdings Limited included in the consolidated profit and loss account for the year ended 31 March 2019 was £nil million.

31 Business combinations (continued)

Supporting notes to summary of recognised amounts of identifiable assets acquired and liabilities assumed

The adjustments arising on acquisition were in respect of the following:

(a) An increase in the provision relating to billed and unbilled receivables.

(b) Deferred tax adjustment arising as a result of the acquisition adjustments.

Below summarises total cash flows in respect of the three acquisitions referred to previously.

	Equity purchase	Transaction costs	Cash acquired	Total cash flow
	£'000	£'000	£'000	£'000
Thor Topco Limited	(144.4)	(8.1)	25.5	(127.0)
Industrial Water Jetting Systems Group Limited	(6.3)	(0.7)	0.2	(6.8)
Avonline Network Services Holdings Limited	(4.6)	(1.5)	1.4	(4.7)
	(155.3)	**(10.3)**	**27.1**	**(138.5)**

32 Post balance sheet event

On 4 April 2019, 100% of the share capital of The Tomato Plant Company Limited ("TPC") was acquired by the Group. TPC is a specialist service provider to the aviation, utility and industrial sectors.

On 28 June 2019, 100% of the share capital of Antagrade Electrical Limited ("Antagrade") was acquired by the Group. Antagrade is one of the UK's leading providers of specialist railway electrification infrastructure services.

On 4 April 2018 additional senior loan was drawn amounting to £35 million in order to fund the acquisitions of Industrial Water Jetting Systems Group Limited, Avonline Network Services Holdings Limited, The Tomato Plant Company Limited and Antagrade Electrical Limited.