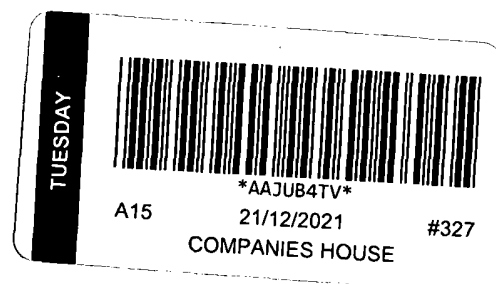


M Group Transport Limited
Annual report and financial statements
for the year ended 31 March 2021

Registered number 04807657



M Group Transport Limited

Annual report and financial statements for the year ended 31 March 2021

Contents	Page
Company Information.....	1
Strategic report for the year ended 31 March 2021	2
Directors' report for the year ended 31 March 2021	4
Independent auditors' report to the members of M Group Transport Limited	7
Profit and loss account for the year ended 31 March 2021	11
Balance sheet as at 31 March 2021	12
Statement of changes in equity for the year ended 31 March 2021	13
Notes to the financial statements for the year ended 31 March 2021	14

M Group Transport Limited

Company Information

Directors	J M Arnold J H Davies A R Findlay J R Winnicott
Company secretary	W J Cooper
Registered office	Abel Smith House Gunnels Wood Road Stevenage Hertfordshire SG1 2ST
Registered number	04807657
Independent auditors	Deloitte LLP 1 New Street Square London EC4A 3HQ
Bankers	National Westminster Bank PLC 1 Princes Street London EC2R 8PA

M Group Transport Limited

Strategic report for the year ended 31 March 2021

The directors present their strategic report together with the audited financial statements for the year ended 31 March 2021.

Principal activities and future developments

The principal activity of the company is that of a holding company which manages the affairs of and provides resources to its subsidiaries. This activity is expected to continue unchanged for the foreseeable future.

Review of the Business

The Company holds investments in Dyer and Butler Limited, Dyer & Butler Electrical Ltd, Antagrade Holdings Limited, KH Engineering Holdings Limited and Milestone Infrastructure Limited. The principal activities of these companies are that of repair, maintenance, replacement and construction services to the Airport, Rail and Highways sectors.

The Company completed the acquisition of Skanska UK's Infrastructure services operation (renamed Milestone Infrastructure Limited) on 30 April 2021. Milestone will contribute c.£320m of revenue on an annualised basis. Milestone is a successful infrastructure maintenance business that serves the transport sector including highways maintenance, street lighting, rail and highways projects. The acquisition will broaden our scope of capability and add further momentum to our ongoing growth plans.

The Company revenue for the year was £2.0 million (year ended 31 March 2020: £3.7 million) representing management recharges to Dyer and Butler Limited. The profit before tax for the financial year was £1.3 million (year ended 31 March 2020: £7.6 million). The company had net assets of £19.6 million (31 March 2020: £18.5 million)

The performance of the operating companies during the year was encouraging, for further details please refer to note 12 of the annual report and the financial statements of the respective operating companies.

Key performance indicators (KPIs)

The Company's business is that of a holding company and as a result no key performance indicators are monitored. The directors consider the Company's performance to be satisfactory.

Principal Risks and Uncertainties

Investment risk

A major risk facing the Company is that its investments do not perform well. This could subsequently impact the investment value. At this time, the investment companies are performing in line with management expectations.

Financial risk

The company is exposed to market risk in respect of any changes in interest rates with regard to its cash holdings. Management of cash is supported via the M Group Services Treasury Team as part of the group's overall cash management strategy.

Stakeholder engagement

Effective engagement of stakeholder groups supports the principles of Section 172 of the Companies Act 2006, which sets out that directors should have regard to stakeholder interests when discharging their duty to promote the success of the company.

Our success depends on forging positive relationships with the people, communities and organisations that have an interest in our business and may be impacted by the decisions we make. We actively engage with our stakeholders to understand their views. Whilst the company is a holding company and does not trade in its own right, our subsidiaries engage with the following stakeholder groups. We set out below how we, along with our subsidiaries, engage with our main stakeholders and our impact.

M Group Transport Limited

Strategic report for the year ended 31 March 2021

Stakeholder engagement (continued)

People

We endeavour to listen to our people, to provide feedback and keep them engaged and informed. Successful performance can be delivered through a high level of engagement ensuring our people share the company's core values and feel supported by our culture. We are committed to creating an environment in which our people feel valued, supported and fulfilled. It is key that we continue to engage and listen to all feedback to harness the talent that we already have within the company and also ensure there exists a working environment that allows people to flourish.

Clients

Each division is dedicated to an individual market. We understand our clients' needs through focused key account management led by our Directors and their management teams. We have long-term relationships with our clients across multiple contracts. We aim to meet the specific need of each of our clients to deliver best in class solutions.

Suppliers and subcontractors

Dialogue with suppliers and subcontractors is important to mitigate supply chain risk and to ensure we have access to the most cost effective and reliable products and services. We work closely with our supply chain to ensure we can meet our business requirements in a sustainable way. Our code of conduct sets out clear standards regarding our ways of working with our supply chain. Having key account support and face-to-face meetings helps to build trust and long term relationships which is beneficial to both parties.

Communities

Collaborations with local schools in order to encourage an interest in STEM (science, technology, engineering and maths) subjects among school students helps to raise awareness of careers in our sector. Additionally, we support employment and apprenticeship schemes. 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 aim is to increase the number of school workshops that are delivered, and reach a larger audience of students. This will support our future talent recruitment and ensure young people gain meaningful employment.

Shareholders

The Company is a wholly-owned subsidiary of Minerva Equity Limited, 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. Shareholders are represented on the board of directors of Minerva Equity Limited. Strategic direction and regular monitoring and reporting of financial and operational information is discussed in these meetings.

The strategic report was approved and authorised for issue by the board of directors.

On behalf of the board,



J H Davies

Director

17 December 2021

Registered Number: 04807657

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

M Group Transport Limited

Directors' report for the year ended 31 March 2021

The directors present their report together with the audited financial statements, for the year ended 31 March 2021.

Business review

The principal activity of the company, principal risks and review of the business, including future developments, are disclosed within the Strategic Report.

Credit, cash flow and liquidity risk

Credit and cash flow risk from trade receivables and amounts recoverable on contracts are managed through policies on payment terms and regular reviews of the balance and amounts outstanding. The company aims to mitigate liquidity risk by managing cash generation and utilisation by its operations and applying best practice within the credit control function.

Dividends

No dividends were paid in the year (31 March 2020: £nil). The directors do not recommend the payment of a final dividend (31 March 2020: £nil).

Political donations

The company made no donations to a registered political party during the year (31 March 2020: £nil).

Directors

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

J M Arnold	
M G Beesley	(resigned 22 October 2021)
J H Davies	
J N Edwards	(resigned 30 November 2021)
A R Findlay	(appointed 18 August 2021)
J R Winnicott	

Third party indemnity

The Company's directors are covered by qualifying third party indemnity insurance taken out by M Group Services Limited (See Note 23) as required by section 234 of the Companies Act 2006. These insurances were in force throughout the year to 31 March 2021 and continue to the date of approval of the financial statements.

Post balance sheet event

On 30 April 2021, the Company completed the purchase of Skanska UK's infrastructure services operation, a £320m revenue business unit of Skanska UK Ltd.

Skanska UK's infrastructure services operation is a successful and resilient infrastructure maintenance business unit that serves the transport sector; including highways maintenance, street lighting, rail and highways projects.

Going concern

The directors have taken into account the impact of the COVID-19 pandemic in preparing financial projections and assessing the future prospects for the company.

The directors have prepared the financial statements on the going concern basis. This is based on the financial projections and the current expectations of the directors about the prospects of the company and the group. Based on these projections, the directors consider that the company 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.

M Group Transport Limited

Directors' report for the year ended 31 March 2021 (continued)

Going concern (continued)

As the company has net current liabilities at the balance sheet date, the directors have received a letter of support from the ultimate parent company, Minerva Equity Limited, confirming that it will continue to support the company in meeting its liabilities as they fall due for the foreseeable future, being at least 12 months from the date of approval of these financial statements.

Employee Engagement

Our statement describing how the Board has had regard to the matters set out in section 172 (1) (a) to (f) of the Companies Act 2006 when performing its duty under section 172 is set out on pages 2 to 3. Employees are kept informed on matters affecting them. The company communicates through regular briefings, presentations, electronic mailings and the wide circulation of magazines, to achieve awareness of all employees in relation to the financial and economic factors that affect the performance of the company. Reward and recognition schemes are in place to encourage participation in the company's performance, highlight the achievements and successes of our people and to thank them for their hard work and dedication.

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 financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland". The financial statements are required by law to give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

select suitable accounting policies and then apply them consistently;

make judgments and estimates that are reasonable and prudent;

state whether applicable UK Accounting Standards have been followed; and

prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

M Group Transport Limited

Directors' report for the year ended 31 March 2021 (continued)

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 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 company's auditors are aware of that information.

Auditors

During the year Deloitte LLP were appointed as the Company's auditors and they have also confirmed willingness to remain in office.

The directors report was approved and authorised for issue by the board of directors.

On behalf of the board,



J H Davies
Director
17 December 2021
Registered Number: 04807657

Abel Smith House
Gunnels Wood Road
Stevenage
Hertfordshire
SG1 2ST

M Group Transport Limited

Independent auditors' report to the members of M Group Transport Limited

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of M Group Transport Limited (the 'company'):

- give a true and fair view of the state of the company's affairs as at 31 March 2021 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the profit and loss account;
- the balance sheet;
- the statement of changes in equity; and
- the related notes 1 to 24.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

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

We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other information

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

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives

M Group Transport Limited

Independent auditors' report to the members of M Group Transport Limited (continued)

rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of directors

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

In preparing the financial statements, the directors are responsible for assessing the 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 company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

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

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

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

We obtained an understanding of the legal and regulatory frameworks that the company operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included UK Companies Act, pensions legislation, tax legislation; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate or to avoid a material penalty. These included General Data Protection Regulations ("GDPR").

We discussed among the audit engagement team including relevant internal specialists such as tax, valuations, pensions and IT specialists regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

As a result of performing the above, we identified the greatest potential for in the following area, and our specific procedures performed to address them are described below:

M Group Transport Limited

Independent auditors' report to the members of M Group Transport Limited (continued)

- Valuation of investments: the investment balances are quantitatively material and there is a high degree of judgement by management in determining whether any provision for impairment is required. This has been addressed through obtaining an understanding of the relevant controls in the process of identifying indicators of investment impairment, and challenging management's assessment and forecasts to determine the existence of any indicators of impairment for each investment held.

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

In addition to the above, our procedures to respond to the risks identified included the following:

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

Report on other legal and regulatory requirements

Opinions on other matters prescribed by the Companies Act 2006

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

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

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

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

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

We have nothing to report in respect of these matters.

M Group Transport Limited

Independent auditors' report to the members of M Group Transport Limited (continued)

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Tobias Wright FCA (Senior statutory auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
London, UK
17 December 2021

M Group Transport Limited

Profit and loss account for the year ended 31 March 2021

		Year to 31 March 2021	Year to 31 March 2020
	Note	£'000	£'000
Turnover	5	1,993	3,684
Cost of sales		-	-
Gross profit		1,993	3,684
Administrative expenses		(365)	(522)
Other operating income	6	9	-
EBITDA before exceptional items		1,823	3,390
Exceptional items		(4)	-
Depreciation	7,11	(182)	(228)
Operating profit	7	1,637	3,162
Income from shares in group undertakings	12	-	4,494
Profit before interest and taxation		1,637	7,656
Interest payable and similar expenses	9	(386)	(86)
Profit before taxation		1,251	7,570
Tax on profit	10	(174)	(586)
Profit and total comprehensive income for the financial year		1,077	6,984

The accompanying notes on pages 14 to 28 form part of these financial statements.

The above results relate to continuing operations for the financial year.

The Company has no other comprehensive income / (expense) other than those included in the results above, and therefore no separate statement of comprehensive income has been presented.

M Group Transport Limited

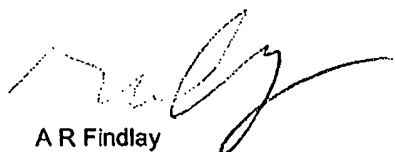
Balance sheet as at 31 March 2021

			<i>Restated</i>
	Note	At 31 March 2021 £'000	At 31 March 2020 £'000
Fixed assets			
Tangible assets	11	383	609
Investments	12	43,409	42,171
Loans to group undertakings	13	15,115	18,474
		58,907	61,254
Current assets			
Debtors	14	27	18
Cash at bank and in hand		72	20
		99	38
Creditors: amounts falling due within one year	15	(39,387)	(42,574)
Net current liabilities		(39,288)	(42,536)
Total assets less current liabilities		19,619	18,718
Provisions for liabilities	17	-	(176)
Net assets		19,619	18,542
Capital and reserves			
Called up share capital	18	1	1
Profit and loss account	18	19,618	18,541
Total equity		19,619	18,542


Note 22 details the prior year restatement.

The notes on pages 14 to 28 are an integral part of these financial statements.

The financial statements on pages 11 to 28 were approved and authorised for issue by the board of directors on 17 December 2021 and were signed on its behalf.



A R Findlay
Director



J H Davies
Director

Registered Number: 04807657

M Group Transport Limited

Statement of changes in equity for the year ended 31 March 2021

	Share capital	Profit and loss account	Total equity
	£'000	£'000	£'000
Balance as at 1 April 2019	1	11,557	11,558
Profit and total comprehensive income for the financial year	-	6,984	6,984
Balance as at 31 March 2020	1	18,541	18,542
Profit and total comprehensive income for the financial year	-	1,077	1,077
Balance as at 31 March 2021	1	19,618	19,619

M Group Transport Limited

Notes to the financial statements for the year ended 31 March 2021

1 General Information

M Group Transport Limited is a private company limited by shares incorporated in England in the United Kingdom. The address of its registered office is Abel Smith House, Gunnels Wood Road, Stevenage, Hertfordshire, SG1 2ST.

2 Statement of compliance

The individual financial statements of M Group Transport 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 financial statements are set out below. These policies have been consistently applied to the current year and prior year presented, unless otherwise stated. The company has adopted FRS 102 in these financial statements.

Basis of preparation

The 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 financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest thousand.

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.

Going concern

The directors have prepared the financial statements on the going concern basis. This is based on the financial projections and the current expectations of the directors about the prospects of the group. Based on these projections, the directors consider that the company 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.

As the company has net current liabilities at the balance sheet date, the directors have received a letter of support from the ultimate parent company, Minerva Equity Limited, confirming that it will continue to support the company in meeting its liabilities as they fall due for the foreseeable future, being at least 12 months from the date of approval of these financial statements.

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, under FRS 102.12B, from preparing a statement of cash flows, on the basis that it is a qualifying entity and its ultimate parent company, Minerva Equity Limited, includes the company's cash flows in its consolidated financial statements.

The company 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.

M Group Transport Limited

Notes to the financial statements for the year ended 31 March 2021

3 Summary of significant accounting policies (continued)

Exemptions for qualifying entities under FRS 102 (continued)

The company has taken advantage of the exemption under FRS 102.33.7 and has not disclosed key management personnel remuneration.

The company has taken advantage of the exemption under FRS 102.1.12C and has not disclosed a table of financial instruments as they appear in the Minerva Equity Limited consolidated financial statements.

Consolidated financial statements

In accordance with Section 400 of the Companies Act 2006, the company has not prepared group financial statements. The results of the company and its subsidiaries are consolidated in the financial statements of its parent company M Group Services Limited, a company registered in England. A copy of which can be obtained from the Company Secretary, Abel Smith House, Gunnels Wood Road, Stevenage, Hertfordshire, SG1 2ST.

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.

Government grants

Government grants are recognised based on the accrual model and are measured at fair value where there is reasonable assurance that the grant will be received. Amounts received are recognised over the period in which the related costs are recognised. In the current year, grant accounting has only been applied to the Job Retention Scheme launched as part of HM Governments response to the COVID-19 pandemic. This is shown within Other Operating Income.

Exceptional items

Where it is considered that items of income or expense are material and are considered 'one off' or because they are material and of a scale such that separate presentation is helpful for the reader of the financial statements to understand the financial performance of the entity, their nature and amount is disclosed separately on the face of the profit and loss account where this enhances the understanding of the Company's financial performance.

Taxation

Taxation expense for the year 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 income 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 year or prior years. Tax is calculated on the basis of tax rates and laws that have been enacted by the year end. Management periodically evaluates positions taken in tax returns with respect to situations in which

M Group Transport Limited

Notes to the financial statements for the year ended 31 March 2021 (continued)

3 Summary of significant accounting policies (continued)

Taxation (continued)

Current tax (continued)

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 year end and that are expected to apply to the reversal of the timing difference.

Tangible assets

Tangible assets are included at historic 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.

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 useful lives. The estimated useful lives of the assets to the business are reassessed periodically in light of experience. The estimated useful lives used are principally as follows:

Leasehold property	-	Remaining life of lease
Plant & machinery	-	25% to 33% straight line
Fixtures & fittings	-	25% to 33% straight line
Motor Vehicles	-	25% to 33% straight line

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 or loss account.

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 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.

Provisions and contingencies

Provisions

A provision is recognised when the Company 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

M Group Transport Limited

Notes to the financial statements for the year ended 31 March 2021 (continued)

3 Summary of significant accounting policies (continued)

Provisions and contingencies (continued)

Provisions (continued)

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 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 profit or loss.

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 profit or loss.

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, and loans from fellow group companies 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.

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

M Group Transport Limited

Notes to the financial statements for the year ended 31 March 2021 (continued)

3 Summary of significant accounting policies (continued)

Financial Instruments (continued)

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

Investments

Investments held by the Company as fixed assets are stated at historical cost less accumulated impairment losses. An impairment loss is recognised when the recoverable amount is less than carrying value of the investments. Recoverable amount is the higher of the assets' value in use or fair value less costs to sell. Any such impairment losses are recognised in the profit and loss account.

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 company'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 company discloses transactions with related parties which are not wholly owned with the same group. It does not disclose transactions with members of the same group that are wholly owned.

Employee Benefits

Short term benefits

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

Defined contribution pension plans

The company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the company pays fixed contributions into a separate entity. Once the contributions have been paid the company 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.

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.

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.

M Group Transport Limited

Notes to the financial statements for the year ended 31 March 2021 (continued)

4 Critical accounting judgements and estimation uncertainty (continued)

Critical accounting estimates and assumptions

The Company 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.

Carrying value of investments

The Company has investments in its subsidiary companies with a carrying value of £43.4m. The subsidiaries concerned have maintained their underlying profitability in the current financial year.

The directors periodically consider if these investments are impaired. If there is an indication of impairment then the future cash flows would be estimated, using an appropriate discount rate, in order to calculate the net present value to estimate the recoverable value.

5 Turnover

During the years ended 31 March 2021 and 31 March 2020, the group had one class of business. The turnover represents management recharges and relates to activities in the United Kingdom, both geographically and by origin.

6 Other operating income

	Year ended 31 March 2021 £'000	Year ended 31 March 2020 £'000
Grants received under Coronavirus Job Retention Scheme	9	-

7 Operating profit

	Year ended 31 March 2021 £'000	Year ended 31 March 2020 £'000
Operating profit is stated after charging/(crediting):		
Wages and salaries	172	310
Social security costs	17	40
Other pension costs	-	1
Staff costs	189	351
Depreciation of owned fixed assets	182	228
Operating lease rentals	65	65
Exceptional item – redundancy	4	-
Profit on sale of tangible assets	(85)	(133)
Services provided by the Company's auditors		
Fees payable to the Company's auditors for the audit of the financial statements	10	-
Total amount payable to the Company's auditors	10	-

M Group Transport Limited

Notes to the financial statements for the year ended 31 March 2021 (continued)

7 Operating profit (continued)

In the prior year, the auditors' remuneration was borne by a subsidiary undertaking, Dyer and Butler Limited; no recharges have been made.

8 Employees and directors

	Year ended 31 March 2021 Number	Year ended 31 March 2020 Number
Average monthly number of full time equivalent management and supervisory staff employed (including executive directors)	1	3
	1	3

	Year ended 31 March 2021 £'000	Year ended 31 March 2020 £'000
Directors' remuneration		
Aggregate emoluments	260	46
Pension contributions	1	-
	261	46
Highest paid director		
Emoluments	153	46
Pension contributions	-	-
	153	46

Retirement benefits are accruing to one director under a defined contribution scheme in the current year.

A number of Directors are remunerated through the subsidiary company Dyer and Butler Limited, all emoluments for qualifying services have been disclosed above.

9 Interest payable and similar expenses

	Year ended 31 March 2021 £'000	Year ended 31 March 2020 £'000
Interest payable and similar expenses		
Interest payable to group undertakings	386	86
Total interest payable and similar expenses	386	86

M Group Transport Limited

Notes to the financial statements for the year ended 31 March 2021 (continued)

10 Tax on profit

Tax expense included in profit or loss	Year ended 31 March 2021 £'000	Year ended 31 March 2020 £'000
Current tax:		
UK Corporation tax on profits for the year	203	580
Adjustment in respect of previous years	(26)	-
Total current tax	177	580
Deferred tax:		
Origination and reversal of timing differences	(3)	6
Total deferred tax	(3)	6
Tax on profit	174	586

Reconciliation of tax charge

The tax assessed for the year is lower than (2020: lower than) the standard rate of corporation tax in the UK of 19% (2020: 19%). The differences are explained below:

	Year ended 31 March 2021 £'000	Year ended 31 March 2020 £'000
Profit before taxation	1,251	7,570
Profit before taxation multiplied by the standard UK rate of tax 19% (2020: 19%)	238	1,438
Effects of:		
Non-taxable income	-	(854)
Expenses not deductible for tax purposes	2	2
Adjustment in respect of previous years	(26)	-
Transfer pricing adjustments	(40)	-
Total tax charge for the year	174	586

An increase to the UK corporation tax rate to 25% with effect from 1 April 2023 was announced on 3 March 2021 and included in Finance Bill 2021. As at the Balance Sheet date this increase was not substantively enacted and deferred taxes at the balance sheet date have been measured at 19%, being the enacted tax rate at the year end. If the announced increase in the corporation tax rate had been substantively enacted at the balance sheet date the impact on the deferred tax charge is estimated to be a credit of £4k.

M Group Transport Limited

Notes to the financial statements for the year ended 31 March 2021 (continued)

11 Tangible assets

	Leasehold property	Plant & Machinery	Fixtures & Fittings	Motor Vehicles	Total
	£'000	£'000	£'000	£'000	£'000
Cost at 1 April 2020	599	1,222	681	186	2,688
Disposals	-	(253)	-	(129)	(382)
Cost at 31 March 2021	599	969	681	57	2,306
Accumulated depreciation at 1 April 2020	(346)	(929)	(618)	(186)	(2,079)
Charge for the year	(20)	(121)	(41)	-	(182)
On disposals	-	209	-	129	338
Accumulated depreciation at 31 March 2021	(366)	(841)	(659)	(57)	(1,923)
Net book value at 31 March 2021	233	128	22	-	383
Net book value at 31 March 2020	253	293	63	-	609

M Group Transport Limited

Notes to the financial statements for the year ended 31 March 2021 (continued)

12 Investments

Company	£'000
Cost as at 1 April 2020	42,171
KH Engineering Holdings Limited – contingent consideration	1,423
Deferred tax (note 17)	(185)
Cost as at 31 March 2021	43,409

In the prior year the year the company received dividends of £1,680,000 from Antagrade Holdings Limited and £2,814,000 from KH Engineering Holdings Limited. No dividends were received in the current year.

The company holds 100% of the share capital of the following companies at 31 March 2021:

Company	Registered country	Company's equity shareholding at 31 March 2020	Principal business
Dyer and Butler Limited	England (1)	100%	Construction and civil engineering
Dyer & Butler Electrical Ltd	England (1)	100%	Electrical engineering
Antagrade Holdings Limited (formerly JCCO 411 Limited)	England (1)	100%	Electrical engineering
KH Engineering Holdings Limited	England (1)	100%	Mechanical and electrical engineering
KH Engineering Services Limited	England (1)	100% *	Construction of railways and electrical installation
Antagrade Electrical Limited	England (1)	100% *	Electrical installation
Milestone Infrastructure Limited (formerly Twenty Bidco Limited)	England (1)	100%	Construction and civil engineering

* indirectly held

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

M Group Transport Limited

Notes to the financial statements for the year ended 31 March 2021 (continued)

13 Loans to group undertakings

	<i>Restated</i>	
	At 31 March 2021	At 31 March 2020
	£'000	£'000
Loans to group undertakings	15,115	18,474

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

The company's loans to group undertakings have been reclassified from debtors to fixed assets (note 22).

14 Debtors

	<i>Restated</i>	
	At 31 March 2021	At 31 March 2020
	£'000	£'000
Deferred taxation (note 17)	12	-
VAT debtor	-	3
Prepayments and accrued income	15	15
	27	18

M Group Transport Limited

Notes to the financial statements for the year ended 31 March 2021 (continued)

15 Creditors: amounts falling due within one year

	At 31 March 2021 £'000	At 31 March 2020 £'000
Amounts owed to group undertakings	(37,514)	(38,412)
Corporation tax	(758)	(581)
Other taxation and social security	-	(11)
Other creditors	(1,105)	(3,503)
Accruals and deferred income	(10)	(67)
	(39,387)	(42,574)

Amounts owed to group undertakings are unsecured, have no fixed date of repayment and are repayable on demand. All amounts owed to group undertakings are interest free with the exception of two loans owed to M Group Services Ltd which bear interest at 6% and 6.5% respectively. The second loan was fully repaid by the end of the current financial year.

16 Pensions and similar obligations

The amount recognised as an expense for the defined contribution scheme was:

	Year to 31 March 2021 £'000	Year to 31 March 2020 £'000
Current year contributions	-	1

Contributions amounting to £nil (31 March 2020: £nil) were outstanding at the year end.

M Group Transport Limited

Notes to the financial statements for the year ended 31 March 2021 (continued)

17 Provisions for liabilities

Deferred tax

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

	At 31 March 2021 £'000	At 31 March 2020 £'000
Fixed asset timing differences	12	9
Other timing differences	-	(185)
Deferred tax asset/(liability)	12	(176)

The deferred tax (asset/(liability)) is not expected to reverse in the next 12 months.

	At 31 March 2021 £'000	At 31 March 2020 £'000
Brought forward asset	(176)	15
Charge for the year	3	(6)
Acquisition (note 12)	185	(185)
Adjustment in respect of prior years	-	-
Deferred tax (liability) / asset (Note 14)	12	(176)

18 Called up share capital and reserves

	At 31 March 2021 £'000	At 31 March 2020 £'000
Allotted and fully paid share capital		
75,000 (2020: 75,000) ordinary shares of £0.01 each	1	1

There is a single class of ordinary shares. There are no restrictions on the distribution of dividends and the repayment of capital.

The profit and loss account represents the accumulated profits and losses made by the Company since its incorporation to the end of the current financial year

M Group Transport Limited

Notes to the financial statements for the year ended 31 March 2021 (continued)

19 Capital commitments

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

Payments due	At 31 March 2021	At 31 March 2020
	£'000	£'000
Within one year	65	65
Between one and five years	259	259
After five years	168	232
	492	556

The company had no other off-balance sheet arrangements.

20 Contingent liabilities

There exist cross guarantees under a group banking arrangement whereby group companies have guaranteed the liabilities of other group companies to their clearing banks. Net indebtedness under this arrangement at 31 March 2021 was £nil (31 March 2020: £nil). Group bank debt is disclosed in the financial statements of Minerva Equity Limited.

21 Related party transactions

The company 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.

There were no other related party transactions in the year.

22 Prior year adjustment

The company's loans to group undertakings of £18,474,000 have been reclassified from debtors to fixed assets. This represents the fact that these amounts are intended for the continuing use of the borrowing companies as part of the capital structure of those companies. As such they represent fixed assets of M Group Transport Limited. The prior year ended 31 March 2020 has been restated to reflect the above.

	As originally presented At 31 March 2020	Restated At 31 March 2020
	£'000	£'000
Fixed Assets	42,780	61,254
Debtors	18,492	18

M Group Transport Limited

Notes to the financial statements for the year ended 31 March 2021 (continued)

23 Immediate and ultimate parent undertaking and controlling party

At 31 March 2021, the company's immediate parent undertaking was Dyer & Butler 2014 Limited, a company registered in England and Wales.

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

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

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

24 Subsequent events

The Company completed the acquisition of Skanska UK's infrastructure services operation (renamed Milestone Infrastructure Limited) on 30 April 2021. See Strategic Report Pg 2.