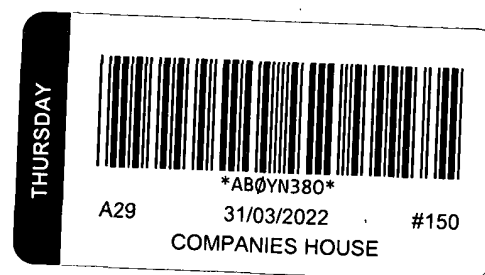


Planned Maintenance (Pennine) Limited
Annual report and financial statements
for the year ended 31 March 2021

Registered number 01709526



Planned Maintenance (Pennine) Limited

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

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Planned Maintenance (Pennine) Limited

Company information

Directors	J M Arnold S D Beard J M Edwards A R Findlay S W Haynes J M Hobson J R Winnicott
Company secretary	W J Cooper
Registered office	Abel Smith House Gunnels Wood Road Stevenage Hertfordshire SG1 2ST
Registered number	01709526
Independent auditors	Deloitte LLP 1 New Street Square London EC4A 3HQ

Planned Maintenance (Pennine) Limited

Strategic report for the year ended 31 March 2021

The directors present their strategic report for the year ended 31 March 2021.

Principal activities

The company specialises in mechanical engineering, asset survey and innovative pipeline leakage repair services. The company predominantly operates in challenging environments within the water utilities sector.

Review of the business and future developments

Planned Maintenance (Pennine) Limited ('PMP') continued to provide a unique blend of innovative safe access combined with reactive engineering capability. PMP's unique deployment of rope access combined with refurbishment engineering skills offer clients' significant advantages over conventional use of scaffolding or other costly access requirements.

The COVID-19 pandemic has had little impact on orders and turnover of the business to date. The nature of PMP orders are predominantly emergency (reactive) orders within the Utilities sector and have continued, in the majority, unabated.

During the year the company maintained growth through its diverse client base. Turnover increased by 26% to £7,949,000 (2020: £6,330,000) and EBITDA (profit before interest, tax, depreciation, amortisation and exceptional items) increased by 16% to £2,145,000 (2020: £1,853,000).

During the year PMP undertook two large engineering projects of note, each above £1 million in value;

- Llanrhaeder water main asset life extension project on behalf of United Utilities. The scope of works entailed; the design, fabrication and confined space installation of a bespoke structural liner, within the original Victorian cast iron host main.
- Blackfriars Road emergency repair on behalf of Thames Water. A burst main required a 'no dig' solution to reinstate the mains supply through an innovative PMP solution for the design, fabrication and confined space installation of a structural liner and AMEX-10 seals.

PMP continue to strengthen their relationship with key clients, pursuing the opportunity to demonstrate an innovative and value orientated approach in the asset life extension and critical repair solution for our key clients.

The directors are optimistic that future growth is available by continuing to pursue the current strategy of maintaining a diverse client base along with strengthening existing client relationships.

Key performance indicators

The Board monitors progress on the overall strategy and trading performance by reference to KPIs, the principle measures being turnover, EBITDA, operating profit, order book, cash flow, accident frequency rate and compliance with financial covenants.

Principal business risks

Business interruption

Extraneous events such as pandemic, significant IT failure or cyber-attack, could result in a significant degree of business interruption. There is a risk that the company may not be able to adapt to a changed environment and suffers significant and prolonged disruption to its activities. The company has developed crisis management plans to mitigate the impact of such events.

Planned Maintenance (Pennine) Limited

Strategic report for the year ended 31 March 2021 (continued)

Principal business risks (continued)

Skills shortages

The company 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 company's ability to deliver its services. The company has been very successful in recruiting from local communities in which it works in developing and retraining staff. In order to help tackle ongoing skills shortages, the company 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 company's operational practices and the company promotes a culture that puts safety first. The company operates safe and reliable working practices through a policy of honesty, trust and sharing best practices across all business operations.

Financial risk

Financial risk faced by the company includes interest rate and contractual risk. The company reviews these risks on an ongoing basis.

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

On behalf of the board,



S D Beard
Director
31 March 2022

Registered Number: 01709526

Abel Smith House
Gunnels Wood Road
Stevenage
Hertfordshire
SG1 2ST

Planned Maintenance (Pennine) Limited

Directors' report for the year ended 31 March 2021

The directors present their annual 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.

Dividends

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

Political donations

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

Directors

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

J M Arnold	
S D Beard	
M G Beesley	(Resigned 22 October 2021)
J M Edwards	
A R Findlay	(Appointed 18 August 2021)
S W Haynes	
J M Hobson	(Appointed 28 June 2021)
S J Taylor	(Resigned 30 April 2020)
J D Wilson	(Resigned 28 June 2021)
J R Winnicott	

Auditors

Deloitte LLP were appointed as auditor and in accordance with section 485 of the Companies Act 2006, a resolution proposing they be re-appointed will be put at a general meeting.

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 year to 31 March 2021 and continue in 2021/22.

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 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 company and of the profit or loss of the company for that year.

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

Planned Maintenance (Pennine) Limited

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

Statement of directors' responsibilities (continued)

- 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 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.

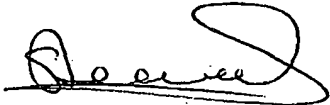
The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies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

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.

On behalf of the board,



S D Beard
Director
31 March 2022

Registered Number: 01709526

Abel Smith House
Gunnels Wood Road
Stevenage
Hertfordshire
SG1 2ST

Planned Maintenance (Pennine) Limited

Independent auditors' report to the members of Planned Maintenance (Pennine) Limited

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of Planned Maintenance (Pennine) 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 result 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;
- the related notes 1 to 19.

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

Basis for opinion

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

We 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.

Planned Maintenance (Pennine) Limited

Independent auditors' report to the members of Planned Maintenance (Pennine) Limited (continued)

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

We have nothing to report in this regard.

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 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.

Planned Maintenance (Pennine) Limited

Independent auditors' report to the members of Planned Maintenance (Pennine) Limited (continued)

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

- **Revenue**
 - A full revenue risk assessment with procedures designed to address the areas identified as significant risk was developed. The risk identified was in relation to accuracy of revenue during the year
 - The risk was addressed through obtaining supporting evidence of the accuracy of revenue.

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 directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has 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 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.

Planned Maintenance (Pennine) Limited

Independent auditors' report to the members of Planned Maintenance (Pennine) 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 (Senior Statutory Auditor)

For and on behalf of Deloitte LLP, Statutory Auditor

London, United Kingdom

31 March 2022

Planned Maintenance (Pennine) Limited

Profit and loss account for the year ended 31 March 2021

	Notes	Year to 31 March 2021 £'000	Year to 31 March 2020 £'000
Turnover	5	7,949	6,330
Cost of sales		(3,581)	(2,929)
Gross profit		4,368	3,401
Administrative expenses		(2,396)	(1,729)
Other operating income		-	-
EBITDA		2,145	1,853
Depreciation	6,10	(173)	(181)
Operating profit	6	1,972	1,672
Interest receivable and similar income	8	-	2
Interest payable and similar expenses	8	(1)	(1)
Net interest (payable) / receivable	8	(1)	1
Profit before taxation		1,971	1,673
Tax on profit	9	(423)	(316)
Profit for the financial year		1,548	1,357

The accompanying notes on pages 13 to 27 form part of these financial statements.

The above results relate to continuing operations for both financial years.

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.

Planned Maintenance (Pennine) Limited

Balance sheet as at 31 March 2021

	Notes	At 31 March 2021 £'000	At 31 March 2020 £'000
Fixed assets			
Tangible assets	10	741	679
		741	679
Current assets			
Inventories	11	119	496
Debtors	12	5,458	5,458
Cash at bank and in hand		4,445	1,197
		10,022	7,151
Creditors: amounts falling due within one year	13	(2,541)	(1,148)
Net current assets		7,481	6,003
Total assets less current liabilities		8,222	6,682
Provisions for liabilities	14	-	(8)
Net assets		8,222	6,674
Capital and reserves			
Called up share capital	16	2	2
Retained earnings	16	8,220	6,672
Total equity		8,222	6,674

The notes on pages 13 to 27 are an integral part of these financial statements.

The financial statements on pages 10 to 27 were approved and authorised for issue by the board of directors on 31 March 2022 and were signed on its behalf by:



S D Beard
Director



J M Hobson
Director

Planned Maintenance (Pennine) Limited
Registered Number: 01709526

Planned Maintenance (Pennine) Limited

Statement of changes in equity for year ended 31 March 2021

	Called up share capital	Retained earnings	Total equity
	£'000	£'000	£'000
Balance as at 1 April 2019	2	5,315	5,317
Profit for the financial year	-	1,357	1,357
Balance as at 31 March 2020 / 1 April 2020	2	6,672	6,674
Profit for the financial year	-	1,548	1,548
Balance as at 31 March 2021	2	8,220	8,222

Planned Maintenance (Pennine) Limited

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

1 General Information

Planned Maintenance (Pennine) 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 Planned Maintenance (Pennine) 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 all the years 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 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 company. 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.

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.

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.

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

Planned Maintenance (Pennine) Limited

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

3 Summary of significant accounting policies (continued)

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 fair value consideration takes into account trade discounts, settlement discounts and volume rebates.

Contract income

The activities of the Company 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. 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.

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.

Planned Maintenance (Pennine) Limited

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

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 year or prior years. 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.

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.

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:

Leasehold improvements	2% straight line
Plant & machinery	15% - 25% straight line

Planned Maintenance (Pennine) Limited

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

3 Summary of significant accounting policies (continued)

Tangible assets (continued)

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.

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.

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.

Planned Maintenance (Pennine) Limited

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

3 Summary of significant accounting policies (continued)

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 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, 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.

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.

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

Planned Maintenance (Pennine) 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.

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.

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 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.

Amounts recoverable on contract provisioning

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.

Planned Maintenance (Pennine) Limited

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

5 Turnover

For the year ended 31 March 2021 and 31 March 2020, all turnover related to the Company's principal activity.

Turnover analysed by geographical market

	Year to 31 March 2021	Year to 31 March 2020
	£'000	£'000
United Kingdom	7,949	6,253
Europe	-	77
	7,949	6,330

6 Operating profit

	Note	Year to 31 March 2021	Year to 31 March 2020
		£'000	£'000
Operating profit is stated after charging/(crediting):			
Wages and salaries		3,146	2,274
Social security costs		223	258
Other pension costs		79	83
Staff costs		3,448	2,615
Depreciation expense	10	173	181
Operating lease rentals – property		130	88
Profit on sale of fixed assets		(1)	(5)
Inventory recognised as an expense		1,256	458
Services provided by the Company's auditors			
Fees payable to the Company's auditors for the audit of the financial statements		22	27

In accordance with SI 2008/489 the company has not disclosed the fees payable to the company's auditors for 'Other services' as this information is included in the consolidated financial statements of Minerva Equity Limited.

Planned Maintenance (Pennine) Limited

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

7 Employees and directors

	Year to 31 March 2021	Year to 31 March 2020
	Number	Number
Average monthly number of full time equivalent management and supervisory staff employed (including executive directors)	10	12
Average monthly number of full time equivalent operational staff employed (including executive directors)	42	38
	52	50

Directors' remuneration	Year to 31 March 2021	Year to 31 March 2020
	£'000	£'000
Emoluments	145	155
Pension contributions	7	6
	152	161
Highest paid director		
Emoluments	145	137
Pension contributions	7	5
	152	142

Planned Maintenance (Pennine) Limited

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

8 Net interest receivable

	Year to 31 March 2021	Year to 31 March 2020
	£'000	£'000
Interest receivable and similar income		
Interest receivable and similar income	-	2
Total interest receivable and similar income	-	2
Interest payable and similar expenses		
Interest payable on overdrafts and bank loans	(1)	(1)
Total interest payable and similar expenses	(1)	(1)
Net interest (payable) / receivable	(1)	1

9 Tax on profit

Tax charge included in profit or loss	Year to 31 March 2021	Year to 31 March 2020
	£'000	£'000
Current tax:		
UK Corporation tax on profits for the year	507	332
Adjustment in respect of previous periods	18	4
Total current tax	525	336
Deferred tax:		
Origination and reversal of timing differences	(101)	(14)
Adjustment in respect of previous periods	(1)	(8)
Change in tax rate	-	2
Total deferred tax	(102)	(20)
Tax on profit	423	316

Planned Maintenance (Pennine) Limited

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

9 Tax on profit (continued)

Reconciliation of tax charge

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

	Year to 31 March 2021 £'000	Year to 31 March 2020 £'000
Profit before taxation	1,971	1,673
Profit before taxation multiplied by the standard UK rate of tax 19% (2020: 19%)	374	318
Effects of:		
Expenses not deductible for tax purposes	2	-
Effect of changes in tax rate	-	2
Transfer pricing adjustment	30	-
Adjustment in respect of prior periods	17	(4)
Total tax charge for the year	423	316

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 £41k.

Planned Maintenance (Pennine) Limited

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

10 Tangible assets

	Land and buildings	Plant and machinery	Total
Cost	£'000	£'000	£'000
At 1 April 2020	271	1,155	1,426
Additions	193	42	235
Disposals	-	(15)	(15)
At 31 March 2021	464	1,182	1,646
Accumulated depreciation			
At 1 April 2020	(24)	(723)	(747)
Charge for the year	(5)	(168)	(173)
Disposals	-	15	15
At 31 March 2021	(29)	(876)	(905)
Net book value at 31 March 2021	435	306	741
Net book value at 31 March 2020	247	432	679

Planned Maintenance (Pennine) Limited

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

11 Inventories

	At 31 March 2021 £'000	At 31 March 2020 £'000
Stock	119	496

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

12 Debtors

	Note	At 31 March 2021 £'000	At 31 March 2020 £'000
Trade debtors		695	1,253
Amounts owed by group undertakings		4,626	4,205
Other debtors		5	-
Amounts recoverable on contract		38	-
Deferred tax	15	94	-
		5,458	5,458

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

Planned Maintenance (Pennine) Limited

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

13 Creditors: amounts falling due within one year

	At 31 March 2021 £'000	At 31 March 2020 £'000
Trade creditors	440	121
Amounts owed to group undertakings	871	96
Other taxation and social security	298	254
Other creditors	504	92
Corporation tax	428	333
Accruals and deferred income	-	252
	2,541	1,148

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

14 Provisions for liabilities

	Note	At 31 March 2021 £'000	At 31 March 2020 £'000
Deferred tax liabilities	15	-	8
		-	8

Planned Maintenance (Pennine) Limited

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

15 Deferred taxation

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

	At 31 March 2021 £'000	At 31 March 2020 £'000
Fixed asset timing differences	4	(8)
Short term timing differences	90	-
Total deferred tax	94	(8)

	At 31 March 2021 £'000	At 31 March 2020 £'000
Brought forward as at 1 April 2020 / 2019	(8)	(28)
Adjustment in respect of previous periods	1	8
Credit to profit and loss account	101	12
Carried forward	94	(8)

The amount of deferred tax expected to be reversed in the next 12 months is £nil (2020: £nil).

16 Called up share capital

	At 31 March 2021 £'000	At 31 March 2020 £'000
Allotted and fully paid share capital		
2,000 (2020: 2,000) ordinary shares of £1 each	2	2

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.

Planned Maintenance (Pennine) Limited

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

17 Capital commitments

As at 31 March 2021, the Company had the following future minimum lease payments under non-cancellable operating leases for each of the following periods:

Payments due	At 31 March 2021	At 31 March 2020
	£'000	£'000
Within one year	4	-
Between one and five years	12	-
	16	-

The company had no other off-balance sheet arrangements.

18 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.

19 Immediate and ultimate parent undertaking and controlling party

At 31 March 2021, the company's immediate parent undertaking was PMP Utilities 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 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.