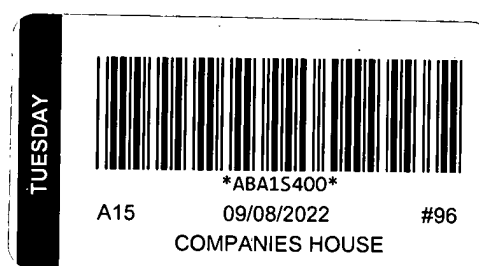


Milestone Infrastructure Limited
(formerly known as Twenty Bidco Limited)
Annual report and financial statements
for the period ended 31 March 2022

Registered number 13007933



Milestone Infrastructure Limited

Annual report and financial statements for the period ended 31 March 2022

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Milestone Infrastructure Limited

Company information

Directors	J M Arnold G Bapodra A N Cooke A R Findlay T R Ryall J R Winnicott
Company secretary	W J Cooper
Registered office	Abel Smith House Gunnels Wood Road Stevenage Hertfordshire SG1 2ST
Registered number	13007933
Independent auditors	Deloitte LLP Hill House 1 Little New Street London EC4A 3TR
Bankers	National Westminster Bank PLC 1 Princes Street London EC2R 8PA

Milestone Infrastructure Limited

Strategic report for the period ended 31 March 2022

The directors present their strategic report together with the audited financial statements of the Company for the 17 month period from 10 November 2020 to 31 March 2022.

Principal activities

The principal activity of the Company during the period was that of providers of repair, maintenance, replacement and construction services to the highways, streetlighting and projects sector in the UK.

Business review

The Company was incorporated on 10 November 2020 as Twenty Bidco Limited and changed its name to Milestone Infrastructure Limited on 27 November 2020. This is the Company's first period of trading following the acquisition of Skanska Construction (UK) Limited's highway maintenance and street lighting business on 30 April 2021. The Company started trading on 01 May 2021 following the acquisition.

The majority of the work in the period has been delivered for Local Authorities, most notably Hampshire County Council, Oxfordshire County Council, Cambridgeshire County Council and Devon County Council.

Company turnover for the period was £313m. As at 31 March 2022 the Company had a secured order book of £1.1bn and net assets of £3.4m.

COVID-19

By adapting our ways of working and altering our procedures, work has fundamentally continued as normal throughout the last period despite the continued presence of COVID-19. COVID-19 has not impacted the Company and our client services in any significant way, demonstrating our agility to new ways of working.

Appropriate COVID-19 measures, now regarded as normal health and welfare considerations, remain in place where appropriate and are regularly monitored to ensure the health and safety of our employees while ensuring we continue to deliver excellence for our customers.

Future Developments

The Company has a solid platform to build from and is gearing up for organic growth. We have clear visibility of future opportunities for frameworks and standalone projects with potential to expand our geographic footprint. The Company has invested in its work winning teams, strengthening in numbers and capability, including the appointment of a new strategic development director.

Key performance indicators (KPIs)

The Board monitors progress on the overall Company strategy and trading performance by reference to KPIs, the principal measures being turnover, EBITDA, operating profit, order book, cash flow and accident frequency rate. These are set out in the annual report and consolidated financial statements of M Group Services Limited.

Stakeholders engagement

Effective engagement of stakeholder groups supports the principles of Section 172 of the Companies Act 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. The views of our stakeholder's assist in shaping our strategy and business model. We set out below how we engage with our main stakeholders and our impact.

Milestone Infrastructure Limited

Strategic report for the period ended 31 March 2022 (continued)

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. Additional details are set out in the Employee Engagement statement on page 7.

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. A Company wide People Opinion Survey takes place annually enabling us to address areas for improvement to make the Company a better place to work.

Clients

We understand our clients' needs through focused key account management led by our Executive Directors and their management teams.

We have long-term relationships with our clients across multiple contracts which date back to pre-acquisition and are maintained by key employees who have transferred from Skanska Construction (UK) Limited. We are able to meet the specific needs of each of our clients to deliver best in class solutions.

Suppliers

Dialogue with suppliers is important to mitigate supply chain risk and to ensure we have access to the most cost effective products and services. We work closely with our suppliers to ensure we can meet our business requirements in a cost effective sustainable way.

Our code of conduct sets out clear standards regarding our ways of working with suppliers. Having key account support and face-to-face meetings with suppliers helps to build trust and long term relationships which is beneficial to both parties.

Communities

We have a partnership with a national charity and support our people to participate in local community events to raise money to support that charity.

Through the COVID-19 period, we have supported and enabled our people to become volunteer workers delivering vital support to local communities

The support of the business and our people to raise funds contributes to the work delivered to communities nationally by our charity partner.

By facilitating the use of Company vehicles during the lockdown period, our people were able to undertake vital roles such as NHS responders and supporting local foodbanks during the Covid-19 crisis.

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. Monthly reporting of performance is discussed by management and PAI.

PAI aim to increase the profitability and long-term strategic value for the businesses they own in partnership with the management teams. We target long term profitable growth and deliver reliable and stable revenue streams, margins and cash flow.

Milestone Infrastructure Limited

Strategic report for the period ended 31 March 2022 (continued)

Stakeholder engagement (continued)

Lenders

Lenders to the group provide a significant source of capital to enable the group to be successful and finance its activities. In this process they participate as investors in and supporters of the group.

We regularly share financial and operational information with our lenders and the progress against the strategic objectives set by the board.

Principal risks and uncertainties

Economic conditions

Much of the Company's activities operate within framework agreements which do not provide guaranteed levels of turnover. Funding levels from Central Government to Local Authorities will impact the highways maintenance budgets. We engage in regular dialogue with our clients to continually assess these risks and adjust our resources accordingly.

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.

Credit risk arising from the Company's trade debtors and amounts recoverable on contracts is managed by regular reviews of outstanding trade receivables, setting appropriate credit limits and payment terms and by maintaining a diverse customer base to avoid over-reliance on any one customer.

Business interruption

Extraneous events such as a 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.

Since starting trading in May 2021 and through the COVID-19 pandemic the Company has continued to deliver essential services within the limitations set by the government. The Company works in resilient markets where demand remains strong, the impact on operational activity has varied and our operational responses reflect the discussions with our clients and our overriding objective to protect the safety of our people and all those with whom we come into contact.

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 and 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.

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.

Milestone Infrastructure Limited

Strategic report for the period ended 31 March 2022 (continued)

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

On behalf of the board,



G Bapodra
Director
08 August 2022

Registered Number: 13007933

Abel Smith House
Gunnels Wood Road
Stevenage
Hertfordshire
SG1 2ST

Milestone Infrastructure Limited

Directors' report for the period ended 31 March 2022

The directors present their Annual report together with the audited financial statements of the Company for the period ended 31 March 2022.

Business review and future developments

In accordance with section 414c (ii) of the Companies Act 2006, the Directors have chosen to include the principal activity of the Company; the principal risks and uncertainties; the business review; and future developments in the Strategic Report.

Dividends

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

Political donations

The Company made no donations to any registered political parties during the period.

Directors

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

J M Arnold	(Appointed 10 November 2020)
G Bapodra	(Appointed 21 May 2021)
A Cooke	(Appointed 21 May 2021)
A R Findlay	(Appointed 18 August 2021)
T Ryall	(Appointed 21 May 2021)
J R Winnicott	(Appointed 10 November 2020)
M G Beesley	(Appointed 10 November 2020 & resigned 22 October 2021)
J N Edwards	(Appointed 10 November 2020 & resigned 30 November 2021)

Third party indemnity

The Company's directors are covered by qualifying third party indemnity insurance taken out by M Group Services Limited as required by section 234 of the Companies Act 2006. These insurances were in force throughout the period to 31 March 2022 and continue to the date of approval of the financial statements.

Going concern

The directors have taken into account uncertainties in preparing financial projections and assessing the future prospects of the Company. These included the risk of a significant economic shock impacting the UK essential infrastructure market. However, this is considered a low risk as there were no adverse impacts from the economic environment and challenges created in this COVID-19 environment and the Company was able to generate positive operating cash flows demonstrating the Company's ability to withstand significant external economic shocks. They also considered the impact of the high inflationary environment, however this is also considered low risk given the nature of the Company's framework agreements, the majority of which have indexation mechanisms. Cash flow has been and continues to be robust, in line with management's expectations. Demand in our resilient markets remains strong and the Company has significant levels of liquidity available.

Accordingly, based on the Company's financial projections and the current expectations of the directors about the prospects of the Company, the financial statements have been prepared on the going concern basis. The Company has net current liabilities of £56.4m but has access if needed to funding from its ultimate holding company Minerva Equity Limited, which has confirmed its intention to support the business for a period of at least twelve months from the date of approval of the financial statements.

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.

Milestone Infrastructure Limited

Directors' report for the period ended 31 March 2022 (continued)

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 4.

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 Company 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.

Greenhouse Gas Emissions and Energy Use

In accordance with the requirements of Streamlined Energy and Carbon Reporting (SECR), the Company's greenhouse gas emissions and energy use data has been disclosed in the consolidated financial statements of parent company M Group Services Limited.

Statement of Corporate Governance

Under the Companies (Miscellaneous Reporting) Regulations 2018, the Company is required to provide a statement of corporate governance arrangements in the Directors' report. The Company has adopted the Wates Corporate Governance Principles for Large Private Companies (published by the Financial Reporting Council in December 2018). We set out below how the Principles were applied during the period.

Principle 1 – Purpose and leadership

Our vision is to support the changing needs of our customers by delivering best in class solutions for designing, constructing and maintaining the UK's critical highways infrastructure. The Company has become synonymous with 'Delivering Excellence', both to our clients and our people.

As part of this ongoing commitment, we are excited to share our vision and values. Clear, simple and focussed, the aim is to make sure that our people and our clients really understand what is driving us and our common goals.

- People: Engaging and empowering everyone to deliver and grow
- Safety: Putting the safety, health and wellbeing of people first
- Delivery: Helping deliver our clients business needs
- Integrity: Conducting ourselves respectfully, being open, accountable and honest in all our operations
- Embrace Change: Adapting to the ever-changing needs of the industry and our customers

Milestone Infrastructure Limited

Directors' report for the period ended 31 March 2022 (continued)

Principle 2 – Board composition

The Board is made up of the directors listed on page 6 who have broad industry experience, and therefore all views are considered in the decision-making process.

Although there are no independent directors on the Board, the Directors are highly experienced business leaders and frequently consider the interests of a broad range of stakeholders in their decision-making processes.

The Directors believe that the Board is of an appropriate size given that it works closely with the board of directors of the Company's parent, M Group Services Ltd.

Principle 3 – Directors' responsibilities

Directors are supported in the discharge of their duties by the Company Secretary. All directors receive guidance on their statutory duties including section 172 and were briefed on the reporting requirements introduced by the Companies (Miscellaneous Reporting) Regulations 2018 in advance of the effective date.

The Directors receive detailed information relating to the operations and performance of the Company through monthly meetings and full Board meetings when required. Guidance on documenting decisions through board minutes has been refreshed to ensure these are recorded in a consistent manner.

Principle 4 – Opportunity and risk

The role of the Board is to promote the long-term sustainable success of the Company.

We seek to capitalise on opportunities, while mitigating risks where possible, by ensuring that the Company has the expertise, industry knowledge and IT solutions to deliver innovative solutions that help our clients manage their customer base and uphold their regulatory obligations.

Principle 5 – Remuneration

One objective of the Company is to attract and retain people with the skills and experience, who can help us to continually develop the scope of our core capabilities and meet our commitments to customers. As part of this, the Company regularly reviews remuneration strategies across all roles including benchmarking against other industry players where appropriate.

Across the business, a range of recognition and reward schemes are designed to incentivise the workforce to deliver sustainable performance based on strategic objectives.

Principle 6 – Stakeholders

The board understands the importance of forging positive relationships with the stakeholders of the business and considers how they are impacted as part of the decision-making process. The Section 172 Statement on pages 2 to 4 sets out how we engage with some of our key stakeholders, including our workforce, clients, suppliers, local communities and shareholders.

Milestone Infrastructure Limited

Directors' report for the period ended 31 March 2022 (continued)

Statement of directors' responsibilities in respect of the financial statements

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

Company law requires the directors to prepare financial statements for each financial period. 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. 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 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, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the 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.

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

Milestone Infrastructure Limited

Directors' report for the period ended 31 March 2022 (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

Deloitte LLP have expressed their willingness to continue as auditors and appropriate arrangements have been put in place for them to be deemed reappointed as auditors in the absence of an Annual General Meeting.

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

On behalf of the board,



G Bapodra

Director

08 August 2022

Registered Number: 13007933

Abel Smith House
Gunnels Wood Road
Stevenage
Hertfordshire
SG1 2ST

Milestone Infrastructure Limited

Independent auditors' report to the members of Milestone Infrastructure Limited

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of Milestone Infrastructure Limited ('the Company')

- give a true and fair view of the state of the Company's affairs as at 31 March 2022 and of the Company's profit for the period 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 statement of comprehensive income;
- the balance sheet;
- the statement of changes in equity; and
- the related notes 1 to 22.

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.

Our evaluation of the directors' assessment of the Company's ability to continue to adopt the going concern basis of accounting included:

- challenge of assumptions used in the forecasts
- sensitivity analysis
- sophistication of the model used to prepare the forecasts, testing of clerical accuracy of those forecasts and our assessment of the historical accuracy of forecasts prepared by management
- confirmation of a letter of support from the Company's ultimate parent company Minerva Equity Limited.

Milestone Infrastructure Limited

Independent auditors' report to the members of Milestone Infrastructure Limited (continued)

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 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 statement of directors' responsibilities, 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.

Milestone Infrastructure Limited

Independent auditors' report to the members of Milestone Infrastructure Limited (continued)

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 and internal audit 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 and 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 include the Bribery Act, employee laws, carbon reduction regulations as well as health, safety and environment matters.

We discussed among the audit engagement team including relevant internal specialists such as tax, IT, and industry 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 fraud in the following areas, and our specific procedures performed to address them are described below:

- The judgements and estimates involved in accounting for different aspects of revenue contracts, as relevant to the Company, such as pain/gain mechanisms, foreseeable losses, penalty provisions and provisions for remedial work. The procedures performed to address this risk included:
 - Documenting our understanding of the design of the key controls surrounding revenue recognition in the period;
 - Understanding the basis of revenue recognition for each type of contractual arrangement, including by reference to contractual documentation;
 - Challenging the judgements made on the key contracts; and
 - Performing a substantive sample to agree revenue recognised in the period to evidence of the revenue occurring and subsequently being invoiced and settled in cash.
- The recoverability and valuation of contract work in progress and amounts receivable on contracts. The procedures performed to address this risk included:
 - Documenting our understanding of the design of the key controls surrounding WIP valuation and recoverability;
 - Obtaining an understanding from the commercial teams as to the composition of the WIP, and challenging judgements that they have taken in terms of recoverability on a sample of contracts; and
 - Obtaining evidence of post period end cash collection or ongoing negotiations in relation to the recoverability of WIP on a sample of contracts.

Milestone Infrastructure Limited

Independent auditors' report to the members of Milestone Infrastructure Limited (continued)

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

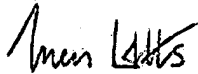
We have nothing to report in respect of these matters.

Milestone Infrastructure Limited

Independent auditors' report to the members of Milestone Infrastructure 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.



Simon Letts, BA FCA (Senior statutory auditor)

For and on behalf of Deloitte LLP

Statutory Auditor

London, UK

8 August 2022

Milestone Infrastructure Limited

Statement of comprehensive income for the period from 10 November 2020 to 31 March 2022

	Note	Period to 31 March 2022 £'000
Turnover	5	312,579
Cost of sales		(287,430)
Gross profit		25,149
Administrative expenses		(20,206)
EBITDA		11,729
Depreciation	6,10	(713)
Amortisation	6,9	(6,073)
Operating profit	6	4,943
Profit before taxation		4,943
Tax on profit	8	(1,520)
Profit for the financial period		3,423
Other comprehensive income		-
Total comprehensive income		3,423

The accompanying notes on pages 19 to 36 form part of these financial statements.

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

Milestone Infrastructure Limited

Balance sheet as at 31 March 2022

	Note	At 31 March 2022 £'000
Fixed assets		
Intangible assets	9	60,064
Tangible assets	10	1,102
		61,166
Current assets		
Stocks	11	2,889
Debtors	12	34,250
Cash at bank and in hand		37,811
		74,950
Creditors: amounts falling due within one year	13	(131,358)
Net current liabilities		(56,408)
Total assets less current liabilities		4,758
Provisions for liabilities	14	(1,335)
Net assets		3,423
Capital and reserves		
Called up share capital	17	-
Profit and loss account		3,423
Total equity		3,423

The notes on pages 19 to 36 are an integral part of these financial statements.

The financial statements on pages 16 to 36 were approved and authorised for issue by the board of directors on 08 August 2022 and were signed on its behalf by:



A Cooke
Director



G Bapodra
Director

Registered Number: 13007933

Milestone Infrastructure Limited

Statement of changes in equity for the period ended 31 March 2022

	Share capital	Profit and loss account	Total equity
	£'000	£'000	£'000
Balance as at 10 November 2020	-	-	-
Issued Share capital	-	-	-
Profit and total comprehensive income for the financial period	-	3,423	3,423
Balance as at 31 March 2022	-	3,423	3,423

The notes on pages 19 to 36 are an integral part of these financial statements.

Milestone Infrastructure Limited

Notes to the financial statements for the period ended 31 March 2022

1 General Information

Milestone Infrastructure Limited (formerly known as Twenty Bidco Limited) is a private Company limited by shares incorporated in the United Kingdom under the Companies Act 2006 and is registered in England. The address of its registered office is Abel Smith House, Gunnels Wood Road, Stevenage, Hertfordshire, SG1 2ST.

The Company was incorporated on 10 November 2020. These financial statements are for the period from incorporation to 31 March 2022.

2 Statement of compliance

The individual financial statements of Milestone Infrastructure 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.

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 periods presented, unless otherwise stated. The Company has adopted and is conforming with FRS 102 in these financial statements.

Basis of accounting

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 taken into account uncertainties in preparing financial projections and assessing the future prospects of the Company. These included the risk of a significant economic shock impacting the UK essential infrastructure market. However, this is considered a low risk as there were no adverse impacts from the economic environment and challenges created in this COVID-19 environment and the Company was able to generate positive operating cash flows demonstrating the Company's ability to withstand significant external economic shocks. They also considered the impact of the high inflationary environment, however this is also considered low risk given the nature of the Company's framework agreements, the majority of which have indexation mechanisms. Cash flow has been and continues to be robust, in line with management's expectations. Demand in our resilient markets remains strong and the Company has significant levels of liquidity available.

Accordingly, based on the Company's financial projections and the current expectations of the directors about the prospects of the Company, the financial statements have been prepared on the going concern basis. The Company has net current liabilities of £56.4m but has access if needed to funding from its ultimate holding company Minerva Equity Limited, which has confirmed its intention to support the business for a period of at least twelve months from the date of approval of the financial statements.

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.

Milestone Infrastructure Limited

Notes to the financial statements (continued) for the period ended 31 March 2022

3 Summary of significant accounting policies (continued)

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 102.33.7 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.

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 period 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. Monetary amounts in these financial statements are rounded to the nearest thousand.

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.

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.

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.

Milestone Infrastructure Limited

Notes to the financial statements (continued) for the period ended 31 March 2022

3 Summary of significant accounting policies (continued)

Revenue recognition (continued)

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

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 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 period or prior periods. Tax is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the period end.

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

Deferred tax

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

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

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

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

Business combinations and goodwill

Business combinations are accounted for by applying the purchase method.

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

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

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

Milestone Infrastructure Limited

Notes to the financial statements (continued) for the period ended 31 March 2022

3 Summary of significant accounting policies (continued)

Business combinations and goodwill (continued)

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

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

Intangible assets

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

Software	- 3 - 8 years
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Costs associated with maintaining computer software are recognised as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Company are recognised as intangible assets when the following criteria are met:

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

Tangible assets

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

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

Plant and equipment	- 1 - 15 years
Leasehold property	- Remaining life of the lease

Derecognition

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

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.

Milestone Infrastructure Limited

Notes to the financial statements (continued) for the period ended 31 March 2022

3 Summary of significant accounting policies (continued)

Provisions and contingencies (continued)

Provisions (continued)

If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. The increase in the provision due to passage of time is recognised as a finance cost.

Contingencies

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

Contingent assets are not recognised. Contingent assets are disclosed in the financial statements when an inflow of economic benefits is probable.

Financial instruments

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

Financial assets

Basic financial assets, including trade and other receivables, cash and bank balances, 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 and loss account.

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

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

Financial liabilities

Basic financial liabilities, including trade and other creditors, bank loans 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.

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

Milestone Infrastructure Limited

Notes to the financial statements (continued) for the period ended 31 March 2022

3 Summary of significant accounting policies (continued)

Financial instruments (continued)

Financial liabilities (continued)

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 creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade creditors are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors 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.

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.

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.

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.

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.

Milestone Infrastructure Limited

Notes to the financial statements (continued) for the period ended 31 March 2022

3 Summary of significant accounting policies (continued)

Employee Benefits (continued)

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.

Stocks

Stocks are stated at the lower of historical cost and estimated selling price less costs to complete and sell. Stocks are recognised as an expense in the period in which the related revenue is recognised. Cost includes the purchase price, including taxes and duties and transport and handling directly attributable to bringing the stock to its present location and condition.

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.

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. 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. However, there are no critical 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.

Amounts recoverable on contract provisioning

The Company delivers complex infrastructure projects to both public and private sectors in the UK. Consistent with its revenue recognition policy, the Company makes an estimate of the recoverable value and makes a provision for any known or anticipated losses. See note 12 for the net carrying amount of amounts recoverable on contract.

Estimates of accruals for future remedial work

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

Revenue recognition

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

Milestone Infrastructure Limited

Notes to the financial statements (continued) for the period ended 31 March 2022

5 Turnover

The Company had one class of business providing repair, maintenance, replacement and construction services to the highways, streetlighting and projects sector in the UK. All turnover relates to activities in the United Kingdom.

6 Operating profit

	Period to 31 March 2022 £'000
Operating profit is stated after charging:	
Wages and salaries	51,531
Social security costs	5,084
Other pension costs (note 16)	2,799
Staff costs	59,414
Operating lease rentals	359
Depreciation – owned (note 10)	713
Amortisation (note 9)	6,073
Services provided by the Company's auditors	
Fees payable to the Company's auditors for the audit of the financial statements	198
Fees payable to the Company's auditors for non-audit services	-
Total amount payable to the Company's auditors and their associates	198

Milestone Infrastructure Limited

Notes to the financial statements (continued) for the period ended 31 March 2022

7 Employees and directors

	Period to 31 March 2022
	Number
Average monthly number of management and supervisory staff employed (including executive directors)	695
Average monthly number of operational staff employed (including executive directors)	716
	1,411

Directors' remuneration

	Period to 31 March 2022
	£'000
Aggregate emoluments	804
Pension contributions	73
	877
Highest paid director	
Emoluments	341
Pension contributions	34
	375

Retirement benefits are accruing to 3 directors under a defined contribution scheme. None are accruing under a defined benefit scheme.

Certain directors are remunerated through other group undertakings of the Minerva Equity Limited group. All emoluments for the qualifying services have been disclosed above.

Milestone Infrastructure Limited

Notes to the financial statements (continued) for the period ended 31 March 2022

8 Tax on profit

Tax charge included in profit or loss	Period to 31 March 2022 £'000
Current tax:	
UK Corporation tax on profits for the period	1,576
Total current tax	1,576
Deferred tax:	
Origination and reversal of timing differences	(77)
Impact of change in tax rate	21
Total deferred tax	(56)
Tax on profit	1,520

Reconciliation of tax charge

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

	Period to 31 March 2022 £'000
Profit before taxation	4,943
Profit before taxation multiplied by the standard UK rate of tax 19%	939
Effects of:	
Items not deductible for tax purposes	64
Amortisation of goodwill	1,088
Transfer pricing adjustments	(592)
Tax rate changes	21
Total tax charge for the period	1,520

An increase to the UK corporation tax rate to 25% with effect from 1 April 2023 was enacted by Finance Act 2021 on 14 May 2021. Deferred tax is provided at the rates timing differences are expected to reverse in accordance with FRS102. The impact on deferred tax is to increase the period end liability by £21,000.

Milestone Infrastructure Limited

Notes to the financial statements (continued) for the period ended 31 March 2022

9 Intangible assets

	Goodwill	Software	Total
	£'000	£'000	£'000
At 10 November 2020	-	-	-
Acquisition (Note 18)	62,460	1,125	63,585
Additions	-	2,552	2,552
At 31 March 2022	62,460	3,677	66,137
Accumulated amortisation			
At 10 November 2020	-	-	-
Charge for the period	(5,725)	(348)	(6,073)
At 31 March 2022	(5,725)	(348)	(6,073)
Net book value at 31 March 2022	56,735	3,329	60,064

Milestone Infrastructure Limited

Notes to the financial statements (continued) for the period ended 31 March 2022

10 Tangible assets

	Leasehold improvements	Plant and equipment	Total
		£'000	£'000
At 10 November 2020	-	-	-
Acquisition (Note 18)	175	1,500	1,675
Additions	-	142	142
Disposal	-	(53)	(53)
At 31 March 2022	175	1,589	1,764
Accumulated depreciation			
At 10 November 2020	-	-	-
Charge for the period	(57)	(656)	(713)
Disposal	-	51	51
At 31 March 2022	(57)	(605)	(662)
Net book value at 31 March 2022	118	984	1,102

11 Stocks

	At 31 March 2022
	£'000
Raw materials	2,889

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

Milestone Infrastructure Limited

Notes to the financial statements (continued) for the period ended 31 March 2022

12 Debtors

	At 31 March 2022
	£'000
Trade debtors	8,432
Amounts recoverable on contracts	22,176
Amounts owed by group undertakings	1,310
Other receivables	1,289
Prepayments and accrued income	1,043
	34,250

Amounts owed by group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand. Other receivables include £1,263,000 restricted cash.

13 Creditors: amounts falling due within one year

	At 31 March 2022
	£'000
Payment received on account	(2,305)
Trade creditors	(530)
Amounts owed to group undertakings	(62,426)
Corporation tax	(1,576)
Other taxation and social security	(2,448)
Other creditors	(15,887)
Accruals and deferred income	(46,186)
	(131,358)

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

Amounts owed to group companies include £56.6m which relates to the funding provided to Milestone Infrastructure Limited from its parent undertaking for the purchase of the trade and assets from Skanska Construction (UK) Limited. The acquisition is regarded as a long term investment for the Minerva Equity Limited Group (Note 18).

Milestone Infrastructure Limited

Notes to the financial statements (continued) for the period ended 31 March 2022

14 Provisions for liabilities

	Deferred tax	Other	Total
		£'000	£'000
At 10 November 2020	-	-	-
Business combination (Note 18)	(228)	(4,572)	(4,800)
Credit for the period	56	3,409	3,465
At 31 March 2022	(172)	(1,163)	(1,335)

Other provisions relate to long-term framework contracts and property dilapidation and are expected to unwind at the end of their respective contractual periods.

15 Deferred tax

The provision for deferred tax consists of the following deferred tax liability:

	At 31 March 2022 £'000
Fixed asset timing differences	(172)
Short term timing provisions	-
Total deferred tax asset	(172)

Milestone Infrastructure Limited

Notes to the financial statements (continued) for the period ended 31 March 2022

15 Deferred tax (continued)

	At 31 March 2022 £'000
Brought forward at 10 November 2020	-
On acquisition	(228)
Credit for the period	56
Carried forward at 31 March	(172)

The deferred tax liability is not expected to reverse in the next 12 months.

16 Pension and similar obligations

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

	At 31 March 2022 £'000
Current period contributions	2,799

Contributions amounting to £287,000 were outstanding at the period end.

17 Called up share capital and reserves

	At 31 March 2022 £'000
Allotted and fully paid share capital	
1 ordinary share of £1	-

The share capital was issued on incorporation. 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 period.

Milestone Infrastructure Limited

Notes to the financial statements (continued) for the period ended 31 March 2022

18 Business combination

Acquisition of the infrastructure services business of Skanska Construction (UK) Limited

On 30 April 2021, the Company acquired the infrastructure services business of Skanska Construction (UK) Ltd which delivers complex infrastructure projects to both public and private sectors in the UK. The acquisition of the business was achieved through the acquisition of trade, assets and liabilities. Consideration provided for the acquisition amounted to £56.6m

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

Consideration at 30 April 2021

	£'000
Cash	54,467
Directly attributable costs	2,177
Total consideration	56,644

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

	£m
Cash consideration paid	54,467
Directly attributable costs	2,177
Cash outflow on acquisition	56,644
Less: cash acquired	-
Net cash outflow	56,644

Milestone Infrastructure Limited

Notes to the financial statements (continued) for the period ended 31 March 2022

18 Business combination (continued)

Acquisition of the infrastructure services business of Skanska Construction (UK) Limited (continued)

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

	Book values	Adjustments	Fair value
	£'000	£'000	£'000
Intangible assets	1,125	-	1,125
Tangible assets	1,674	-	1,674
Stocks	2,631	-	2,631
Trade and other receivables	25,604	8,768	34,372
Cash and cash equivalents	-	-	-
Trade and other payables	(59,121)	18,245	(40,876)
Provisions	(4,742)	-	(4,742)
Total identifiable net liabilities	(32,829)	27,013	(5,816)
Goodwill			62,460
Total			56,644

Adjustments relate to changes in accounting from IFRS to FRS102 as well as fair value adjustments.

19 Capital commitments

As at 31 March 2022, the Company has total future minimum lease payments under non-cancellable operating leases as follows:

	At 31 March 2022
	£'000
Payments due	
Within one year	1,141
Between one and five years	3,089
After five years	5,322
	9,552

The Company had no other off-balance sheet arrangements.

20 Contingent liabilities

There exist cross guarantees under a group banking arrangement whereby certain group companies have guaranteed the liabilities of other group companies to their clearing banks. Net indebtedness under this arrangement at 31 March 2022 was £nil. Group bank debt is disclosed in the financial statements of Minerva Equity Limited.

Milestone Infrastructure Limited

Notes to the financial statements (continued) for the period ended 31 March 2022

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 during the period.

22 Immediate and ultimate parent undertaking and controlling party

At 31 March 2022, the Company's immediate parent undertaking was M Group Transport 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 ultimate parent undertaking Minerva Equity Limited and intermediate parent undertaking M Group Services 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.