

Z-Tech Control Systems Limited
Annual report and financial statements
for the period ended 31 March 2022

Registered number 03353499

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Z-Tech Control Systems Limited

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

| Contents | Page |
|---|-------------|
| Company information | 1 |
| Strategic report for the period ended 31 March 2022 | 2 |
| Directors' report for the period ended 31 March 2022 | 5 |
| Independent auditor's report to the members of Z-Tech Control Systems Limited | 8 |
| Statement of comprehensive income for the period ended 31 March 2022 | 12 |
| Balance sheet as at 31 March 2022 | 13 |
| Statement of changes in equity for the period ended 31 March 2022 | 14 |
| Notes to the financial statements for the period ended 31 March 2022 | 15 |

Z-Tech Control Systems Limited

Company information

| | |
|-----------------------------|--|
| Directors | J M Arnold J M Edwards A R Findlay J M Hobson C Keen A Loosveld A J Nilsson J R Winnicott |
| Company secretary | I Evans |
| Registered office | Abel Smith House Gunnels Wood Road Stevenage Hertfordshire SG1 2ST |
| Registered number | 03353499 |
| Independent auditors | Deloitte LLP 1 New Street Square London EC4A 3HQ |

Z-Tech Control Systems 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 short accounting period of eleven months ended 31 March 2022 to align the reporting period end to that of its parent company. The comparative period is for the year end 30 April 2021.

Principal activities

The principal activity of the Company continued to be providing electrical, instrumentation and control system specialist services.

The Company is a leading UK industrial automation and control systems. The Company operates in the UK where most of its contracts are obtained by competitive tender.

We primarily work directly for blue-chip customers in the Water, Energy and Rail sectors. Our aim is to build long term relationships with all of our customers and to be renowned for our innovation, efficiency, quality and safety.

Review of the business

On 16th December 2021, MGS Water Limited (formerly M Group Utilities Limited) acquired 100% of the share capital of the Company.

The Company turnover for the period ended 31 March 2022 was £17.7m (2021: £18.7m) and EBITDA (excluding exceptional items) was £2.0m (2021: £2.0m).

The accounting period has been shortened from 30 April to 31 March to bring it into line with the group accounting period end. The comparative amounts in these financial statements are for a full trading year whereas the current period is for eleven months and are not therefore entirely comparable.

The business continues to maintain strong relationships with a range of blue chip clients across the primary market sectors of Water, Energy and Rail. Following COVID-19, Water and Energy markets continue to flourish providing ongoing growth opportunities. The Rail sector is returning to pre Covid investment levels at a slower rate, but as the Company's business is anchored on maintenance activities, revenue and margin have been protected.

Following acquisition, the business embarked on an integration period. This was ongoing through the last quarter of the reporting period. Consolidation of processes and adoption of central services has prepared the business to realise efficiencies in preparation for system integration into Oracle in the coming period. Business overheads continue to be managed closely and the business is confident in their ability to grow further without the need to increase these significantly.

The Company continues with its commitment to achieve excellence in all areas of our work in addition to the Health & Safety matters and Environmental concerns in our chosen sectors.

Z-Tech Control Systems Limited

Strategic report

for the period ended 31 March 2022 (continued)

Key performance indicators (KPIs)

Prior to acquisition the previous Board monitored progress to the overall Company strategy and trading performance monthly by reference to KPIs, the principal measures being turnover, operating profit, order book, cash flow and accident frequency rate. Following acquisition, the company continues to monitor the same KPIs but in addition also now reviews "EBITDA" (earnings before interest, tax, depreciation and amortisation) performance.

Research and development

The Company continues to carry out research and development, in areas in which it considers is of benefit to the Company to maintain its competitive position, while growing its range of services to supply innovative solutions into existing business sectors.

Principal risks and uncertainties

Economic conditions

Economic conditions impact our clients and our contracts. In addition, these clients rely on borrowing in the financial markets to finance their operations. There is a risk that clients will seek to reduce expenditure or extend payment terms in order to manage their cash resources. We engage in regular dialogue with our clients to continually assess these risks and inform us of any risks around the level of our supply.

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.

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 is a primary business focus, this is a whole life cycle approach and is a key consideration from specification to ordering, servicing, maintaining, operations and disposal.

The Company is accredited to ISO9001:2015, ISO27001:2013, ISO45001:2018, ISO14001:2015, Achilles UVDB, RISQS, FORS, RoSPA, and NICEIC.

We operate to best practice, look for efficiency and innovation at all stages and continually analyse our approach to ensure that we keep evolving but also ensuring that standards remain high.

We are mindful that our business not only impacts our clients but also the general public, therefore every effort is made to ensure that our vision of 'all group businesses have the safe, compliant and fit for purpose tools needed to deliver successful results for their clients and the clients' customers, keeping sites safe; roads in good condition and transport links active' is delivered

Environment

The Company recognises the importance of its environmental responsibilities and designs and implements policies to monitor and reduce damage caused by the Company's activities.

Legislative risks

Changes in the regulatory environment are typically dealt with at a contractual level and the effects and obligations upon the Company are documented and measurable. Other industry specific recognised bodies provide good practice/standards to follow.

Z-Tech Control Systems Limited

Strategic report

for the period ended 31 March 2022 (continued)

Financial risks

Credit risk

Details of the Company's debtors are shown in note 14 to the financial statements. The Company limits individual trade debtor exposures and these limits are reviewed on a continual basis.

Liquidity risk

The Company aims to mitigate liquidity risk by managing cash generation and utilisation by its operations and applying best practice within the credit control function. We ensure that accounts are reconciled regularly to ensure issues are resolved quickly and payments made promptly. The Company also manages liquidity risk via agreed credit facilities that the directors review for sufficiency on a periodic basis.

Future developments

The business has adopted a robust strategy to successfully deliver to reliable end clients. This is delivered through a proven business structure providing specialist services managed by technical experts.

Following acquisition, the business has identified future opportunities for growth from within the group (Minerva Equity Limited and all of its subsidiaries ('The Group')) existing client base. The coming year will continue to focus on strengthening our relationships with our existing Water, Energy & Rail clients, whilst also forging new relationships via our supportive group network.

The business expects the Water sector to continue to steadily provide opportunities and currently recognises a healthy and growing pipeline to support this expectation.

Growth is expected in the Energy sector as the business develops relationships with a broader range of blue chip clients. Historically based in the power generation arena, the business is developing relationships with distribution and transmission blue chip clients which will contribute to the business's growth plan for the coming year.

In the Rail sector, as footfall continues to climb, the business believes rail capital investment will start to flow enabling some long delayed project delivery to begin also supporting the continued growth of the business.

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

On behalf of the board,



A J Nilsson
Director
30 September 2022
Registered Number: 03353499

Abel Smith House
Gunnels Wood Road
Stevenage
Hertfordshire
SG1 2ST

Z-Tech Control Systems 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 shortened eleven months from 1 May 2021 to the period ended 31 March 2022 to align the reporting year end to that of its parent company.

Business review and future developments

In accordance with section 414c (11) of the Companies Act 2006, the directors have chosen to include the principal activity of the Company; the principal risks and uncertainties; the financial risks; the business review; and future developments in the Strategic Report.

Dividends

Dividends paid in the period amounted to £49,000 (2021: £62,000). The directors do not recommend the payment of a final dividend (2021: £nil).

Directors

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

| | |
|---------------|-------------------------------|
| J M Arnold | (appointed 16 December 2021) |
| J D Bull | (resigned 16 December 2021) |
| S Caruana | (resigned 16 December 2021) |
| J M Edwards | (appointed 16 December 2021) |
| A R Findlay | (appointed 16 December 2021) |
| J M Hobson | (appointed 16 December 2021) |
| C Keen | (appointed 15 September 2022) |
| A Loosveld | (appointed 15 September 2022) |
| A J Nilsson | |
| L Stanbridge | (resigned 16 December 2021) |
| M Swinhoe | (resigned 16 December 2021) |
| M A Tempest | (resigned 16 December 2021) |
| J N Whitfield | (resigned 16 December 2021) |
| J R Winnicott | (appointed 16 December 2021) |

Third party indemnity

The Company maintains qualifying third party indemnity insurance for all directors as allowed by section 234 of the Companies Act 2006. These insurances were in force throughout the period ending 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 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.

Z-Tech Control Systems Limited

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

Employee engagement

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 a common awareness among all employees in relation to the financial and economic factors that affect the performance of the Company. Recognition and reward 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.

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 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 the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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.

Z-Tech Control Systems 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

During the year, Deloitte LLP were appointed as the Company's auditors and they have expressed their willingness to remain in office. In addition, 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,



A J Nilsson
Director
30 September 2022

Registered Number: 03353499

Abel Smith House
Gunnels Wood Road
Stevenage
Hertfordshire
SG1 2ST

Z-Tech Control Systems Limited

Independent auditor's report to the members of Z-Tech Control Systems Limited

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of Z Tech Control Systems Limited (the 'company'):

- give a true and fair view of the state of the company's affairs as at 31 March 2022 and of its 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 25.

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.

Z-Tech Control Systems Limited

Independent auditor's report to the members of Z-Tech Control Systems 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 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.

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 about their own identification and assessment of the risks of.

We obtained an understanding of the legal and regulatory framework 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 included the Bribery Act, employment 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, pensions and IT regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

Z-Tech Control Systems Limited

Independent auditor's report to the members of Z-Tech Control Systems 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:

- The recoverability and valuation of amounts recoverable on contracts. The procedures performed to address this risk included:
 - Documenting our understanding of the design of the key controls surrounding amounts recoverable on contracts valuation and recoverability;
 - Obtaining an understanding from the commercial teams as to the composition of the amounts recoverable on contracts, 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 the amounts recoverable on contracts on a sample of contracts.

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 external legal counsel concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance.

Report on other legal and regulatory requirements

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the strategic report and the directors' report for the financial 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 its environment obtained in the course of the audit, we have not identified any material misstatements in the strategic report or the directors' report.

Matters on which we are required to report by exception

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

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

We have nothing to report in respect of these matters.

Z-Tech Control Systems Limited

Independent auditor's report to the members of Z-Tech Control Systems 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.



Craig Wisdom FCA (Senior statutory auditor)

For and on behalf of Deloitte LLP

Statutory Auditor

St Albans, United Kingdom

30 September 2022

Z-Tech Control Systems Limited

Statement of comprehensive income for the period ended 31 March 2022

| | Note | Period to 31 March 2022 £'000 | Year to 30 April 2021 £'000 |
|---|------|--|--------------------------------------|
| Turnover | 5 | 17,681 | 18,687 |
| Cost of sales | | (13,734) | (14,500) |
| Gross profit | | 3,947 | 4,187 |
| Administrative expenses | | (2,467) | (2,854) |
| Other operating income | 6 | - | 91 |
| EBITDA (excluding exceptional items) | | 1,983 | 1,989 |
| Exceptional items | | - | - |
| Depreciation | 7,12 | (503) | (565) |
| Operating profit | 7 | 1,480 | 1,424 |
| Interest payable and similar expenses | 9 | (21) | (92) |
| Profit before taxation | | 1,459 | 1,332 |
| Tax on profit | 10 | (250) | (219) |
| Profit for the financial period / year | | 1,209 | 1,113 |
| Other comprehensive income | | - | - |
| Total comprehensive income for the financial period / year | | 1,209 | 1,113 |

The accompanying notes on pages 15 to 31 form part of these financial statements.

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

Z-Tech Control Systems Limited

Balance sheet as at 31 March 2022

| | Note | At 31 March 2022 £'000 | At 30 April 2021 £'000 |
|---|------|---------------------------------|---------------------------------|
| Fixed assets | | | |
| Tangible assets | 12 | 1,303 | 2,096 |
| | | 1,303 | 2,096 |
| Current assets | | | |
| Stocks | 13 | 79 | 97 |
| Debtors | 14 | 5,491 | 6,213 |
| Cash at bank and in hand | | 741 | 3,084 |
| | | 6,311 | 9,394 |
| Creditors: amounts falling due within one year | 15 | (3,241) | (6,695) |
| Net current assets | | 3,070 | 2,699 |
| Total assets less current liabilities | | 4,373 | 4,795 |
| Creditors: amounts falling due after one year | 16 | - | (1,683) |
| Provisions for liabilities | 18 | (110) | (157) |
| Net assets | | 4,263 | 2,955 |
| Capital and reserves | | | |
| Called up share capital | 22 | 5 | 4 |
| Share premium account | 22 | 168 | 21 |
| Capital redemption reserve | 22 | 6 | 6 |
| Retained earnings | | 4,084 | 2,924 |
| Total equity | | 4,263 | 2,955 |

The notes on pages 15 to 31 are an integral part of these financial statements.

The financial statements on pages 12 to 31 were approved and authorised for issue by the board of directors on 30 September 2022 and were signed on its behalf by:



J M Hobson
Director

Registered Number: 03353499



A J Nilsson
Director

Z-Tech Control Systems Limited

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

| | Share capital £'000 | Share Premium £'000 | Capital redemption reserve £'000 | Retained earnings £'000 | Total equity £'000 |
|--|---------------------------|---------------------------|---|-------------------------------|--------------------------|
| Balance at 1 May 2020 | 4 | 21 | 6 | 1,873 | 1,904 |
| Profit and total comprehensive income for the financial period | - | - | - | 1,113 | 1,113 |
| Dividend paid | - | - | - | (62) | (62) |
| Balance at 30 April 2021 | 4 | 21 | 6 | 2,924 | 2,955 |
| Profit and total comprehensive income for the financial period | - | - | - | 1,209 | 1,209 |
| Called up share capital paid | 1 | 147 | - | - | 148 |
| Dividend paid | - | - | - | (49) | (49) |
| Balance at 31 March 2022 | 5 | 168 | 6 | 4,084 | 4,263 |

The notes on pages 15 to 31 are an integral part of these financial statements.

Z-Tech Control Systems Limited

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

1 General information

Z-Tech Control Systems 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 3ST.

2 Statement of compliance

The individual financial statements of the Company 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.

Basis of preparation

The financial statements are prepared on a going concern basis under the historical cost convention.

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

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

Going concern

The directors have 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 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.

Z-Tech Control Systems Limited

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

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. The Company is a qualifying entity as its results are consolidated into the financial statements of Minerva Equity Limited which are publicly available.

As a qualifying entity the Company has taken advantage of the following exemptions

- from preparing a statement of cash flows, as allowed by FRS 102 paragraph 1.12(b)
- from disclosing a table of financial instruments as allowed by FRS 102 paragraph 1.12(c)
- from disclosing 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 as required by FRS 102 paragraph 33.1A.
- from disclosing key management personnel compensation, as required by FRS 102 paragraph 33.7.

Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

Revenue from the provision of services is recognised in the period in which the services are provided when all of the following conditions are satisfied:

- The amount of revenue can be measured reliably;
- It is probable that the Company will receive the consideration due;
- The costs incurred and costs to complete the contract can be measured reliably

Revenue from long-term contracts and contracts for on-going services is recognised by reference to the stage of completion when the stage of completion, costs incurred and costs to complete can be estimated reliably. The stage of completion is calculated by comparing costs incurred, mainly in relation to contractual hourly staff rates and materials, as a proportion of total costs. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that are recoverable.

Operating leases

Lease payments are recognised as an expense over the lease term on a straight-line basis. The aggregate benefit of lease incentives is recognised as a reduction to expense over the lease term, on a straight-line basis.

Government grants

Government grants are recognised based on the accrual model and are measured at the fair value where there is reasonable assurance that the grant will be received. Amounts received are recognised over the period in which the related costs are recognised. There were no grants received in the period and grant accounting has only been applied to the Job Retention Scheme launched as part of HM Governments response to the COVID-19 pandemic in 2021.

Exceptional items

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

Z-Tech Control Systems Limited

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

3 Summary of significant accounting policies (continued)

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.

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 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.

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 useful lives. The expected useful lives of the assets to the business are reassessed periodically in light of experience.

Z-Tech Control Systems Limited

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

3 Summary of significant accounting policies (continued)

Tangible assets (continued)

The expected useful lives used are principally as follows:

| | | |
|--------------------------------|---|----------------------------|
| Leasehold property | - | Over the life of the lease |
| Plant and machinery | - | 25% on cost |
| Fixtures, fittings & equipment | - | 25% on cost |
| Motor vehicles | - | 20 - 25% on cost |

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.

Stock

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 is determined on the first-in, first-out (FIFO) method. 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.

At each reporting date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in the profit and loss account.

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 creditors falling due within one year.

Provisions and contingencies

Provisions

A provision is recognised when the Company has a present legal or constructive obligation as a result of a past event for which it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market 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.

Z-Tech Control Systems Limited

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

3 Summary of significant accounting policies (continued)

Financial instruments (continued)

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 the profit and loss account.

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

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

Financial liabilities

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

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.

Research and development

Research and development expenditure is written off in the year in which it is incurred.

Z-Tech Control Systems Limited

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

3 Summary of significant accounting policies (continued)

Finance leases and hire purchase contracts

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

Lease payments are apportioned between the finance charges and reduction of the outstanding lease liability using the effective interest method. Finance charges are allocated to each period so as to produce a constant rate of interest on the remaining balance of the liability.

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 by the Minerva Equity Group. It does not disclose transactions with members of the Minerva Equity 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 accounting estimates and assumptions

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

Impairment of debtors

The Company makes an estimate of the recoverable value of trade debtors. When assessing impairment of trade debtors, management considers factors including the current credit rating of the trade debtor counterparty, the ageing profile and historical experience.

Amounts recoverable on contracts

When the Company considers the recoverability of amounts due under contracts not yet invoiced, the directors consider the overall expected results of the contract. The Company estimates the recognition of amounts recoverable on a systematic and prudent basis based on the individual contract margin. For service contracts, the margin is calculated on the work completed and for project contracts, the margin is based on the estimate proportion of the overall project completed. The short term nature of the contracts means that the risk causing a material adjustment to the carrying amounts of assets and liabilities is minimised.

Z-Tech Control Systems Limited

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

5 Turnover

The Company had one class of business being the servicing and design of instrumentation and control systems. All turnover relates to activities in the United Kingdom.

6 Other operating income

| | Period to 31 March 2022 | Year to 30 April 2021 |
|---------------------------|-------------------------------|-----------------------------|
| | £'000 | £'000 |
| Grants received (note 19) | - | 79 |
| Other operating income | - | 12 |
| | - | 91 |

7 Operating profit

| | Period to 31 March 2022 | Year to 30 April 2021 |
|--|-------------------------------|-----------------------------|
| | £'000 | £'000 |
| Operating profit is stated after charging/(crediting): | | |
| Wages and salaries | 9,030 | 9,974 |
| Social security costs | 977 | 1,124 |
| Other pension costs | 559 | 573 |
| Staff costs | 10,566 | 11,671 |
| Depreciation – owned assets (note 12) | 278 | 196 |
| Depreciation – leased assets (note 12) | 225 | 369 |
| Total depreciation | 503 | 565 |
| Operating lease rentals– buildings | 156 | 136 |
| Profit on disposal of tangible fixed assets | (281) | (52) |
| Research and development expenditure written off | - | 191 |

Services provided by the Company's auditors

| | | |
|--|----|----|
| Fees payable to the Company's auditors for the audit of the financial statements | 30 | 13 |
|--|----|----|

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.

Z-Tech Control Systems Limited

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

8 Employees and directors

| | Period to 31 March 2022 Number | Year to 30 April 2021 Number |
|--|--|--|
| Average number of management and supervisory staff employed (including executive directors) | 24 | 16 |
| Average number of operational staff employed (including executive directors) | 181 | 197 |
| | 205 | 213 |
| Directors' remuneration | Period to 31 March 2022 £'000 | Year to 30 April 2021 £'000 |
| Emoluments | 442 | 581 |
| Pension contributions | 400 | 334 |
| | 842 | 915 |
| Amounts included above relate to all statutory directors of the Company paid by the Company itself or other group entities for their services. | | |
| Highest paid director | | |
| Emoluments | 93 | 114 |
| Pension contributions | 173 | 163 |
| | 266 | 277 |

Retirement benefits are accruing to 6 directors under a defined contribution scheme (2021: 6). None are accruing under a defined benefit scheme (2021: none).

Directors' remuneration includes £nil (2021: £23,000) paid to third parties in respect of services provided by none (2021: 1) of the directors.

Z-Tech Control Systems Limited

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

9 Interest payable and similar expenses

| | Period to 31 March 2022 £'000 | Year to 30 April 2021 £'000 |
|--|--|--------------------------------------|
| Interest payable and similar expenditure | | |
| Interest on bank loans and overdrafts | 7 | 15 |
| Interest on obligations under finance leases and hire purchase contracts | 14 | 22 |
| Other interest | - | 55 |
| Total interest payable and similar expenditure | 21 | 92 |

10 Tax on profit

| | Period to 31 March 2022 £'000 | Year to 30 April 2021 £'000 |
|--|--|--------------------------------------|
| Tax expense included in profit or loss | | |
| Current tax: | | |
| UK Corporation tax on profit for the period | 297 | 126 |
| Adjustments in respect of previous periods | - | 1 |
| Total current tax charge | 297 | 127 |
| Deferred tax: | | |
| Origination and reversal of timing differences | (56) | 91 |
| Adjustments in respect of previous periods | (1) | - |
| Impact of change in tax rate | 10 | - |
| Total deferred tax (credit) / charge | (47) | 91 |
| Tax charge on profit | 250 | 218 |

Z-Tech Control Systems Limited

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

10 Tax on profit (continued)

Reconciliation of tax charge

The tax assessed for the period is lower than (2021: lower than) the standard rate of corporation tax in the UK of 19% (2021: 19%). The differences are explained below:

| | Period to 31 March 2022 £'000 | Year to 30 April 2021 £'000 |
|---|--|--------------------------------------|
| Profit before taxation | 1,459 | 1,332 |
| Profit before taxation multiplied by the standard UK rate of tax 19% (2021: 19%) | 277 | 253 |
| Effects of: | | |
| Expenses not deductible for tax purposes | 8 | 11 |
| Research and development tax credit | - | (47) |
| Adjustments in respect of previous periods | (1) | 1 |
| Impact of change in tax rate | 10 | - |
| Movement arising from the acquisition of the business | (44) | - |
| Total tax charge for the period | 250 | 218 |

In the Spring Budget 2021, the UK Government announced that from 1 April 2023 the corporation tax rate would increase to 25% (rather than remaining at 19%, as previously enacted). This new law was substantively enacted on 24 May 2021. Deferred taxes at the balance sheet date have been measured using these enacted tax rates and reflected in these financial statements.

11 Dividends

| | Period to 31 March 2022 £'000 | Year to 30 April 2021 £'000 |
|----------------------------------|-------------------------------------|-----------------------------------|
| Dividends paid on equity capital | 49 | 62 |

On 30 June 2021, an interim dividend of £129.60 per share was declared and paid to two of the four shareholders. Two shareholders waived their rights to the dividend payment.

Z-Tech Control Systems Limited

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

12 Tangible assets

| | Leasehold property | Plant and machinery | Fixtures, fittings & equipment | Motor vehicles | Total |
|---|-----------------------|------------------------|--------------------------------------|-------------------|----------------|
| | £'000 | £'000 | £'000 | £'000 | £'000 |
| Cost at 1 May 2021 | 971 | 1,011 | 686 | 2,788 | 5,456 |
| Additions | 17 | 95 | 68 | 207 | 387 |
| Disposals | (808) | (223) | (76) | (198) | (1,305) |
| Cost at 31 March 2022 | 180 | 883 | 678 | 2,797 | 4,538 |
| Accumulated depreciation at 1 May 2021 | (277) | (765) | (608) | (1,710) | (3,360) |
| Disposals | 143 | 218 | 75 | 192 | 628 |
| Charge for the period | (19) | (102) | (41) | (341) | (503) |
| At 31 March 2022 | (153) | (649) | (574) | (1,859) | (3,235) |
| Net book value at 31' March 2022 | 27 | 234 | 104 | 938 | 1,303 |
| Net book value at 30 April 2021 | 694 | 246 | 78 | 1,078 | 2,096 |

Leasehold property comprises:

| | Period to 31 March 2022 | Year to 30 April 2021 |
|-----------------|----------------------------|--------------------------|
| Long leasehold | - | 657 |
| Short leasehold | 27 | 37 |
| | 27 | 694 |

The net book value of the Company's tangible assets held under finance leases included in motor vehicles at 31 March 2022 was £nil (2021: £844,768). Depreciation charged on assets held under finance leases during the year ended 31 March 2022 amounted to £225,000 (2021: £369,000).

Z-Tech Control Systems Limited

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

13 Stocks

| | At 31 March 2022 £'000 | At 30 April 2021 £'000 |
|-------------------------------|------------------------------|------------------------------|
| Raw materials and consumables | 79 | 97 |

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

The cost of stocks recognised as an expense in the year amounted to £2,888,000 (2021: £2,529,000). This is included within cost of sales.

14 Debtors

| | At 31 March 2022 £'000 | At 30 April 2021 £'000 |
|----------------------------------|------------------------------|------------------------------|
| Trade debtors | 4,003 | 4,857 |
| Amounts recoverable on contracts | 1,230 | 1,073 |
| Called up share capital not paid | - | 21 |
| Other debtors | - | 13 |
| Prepayments and accrued income | 258 | 249 |
| | 5,491 | 6,213 |

Z-Tech Control Systems Limited

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

15 Creditors: amounts falling due within one year

| | At 31 March 2022 £'000 | At 30 April 2021 £'000 |
|---|------------------------------|------------------------------|
| Loans and overdrafts | - | 449 |
| Trade creditors | 950 | 821 |
| Corporation tax | 297 | 186 |
| Amounts owed to group undertakings | 308 | - |
| Obligations under finance leases and hire purchase contracts | - | 325 |
| Other taxation and social security | 292 | 1,413 |
| Other creditors | 755 | 2,542 |
| Accruals and deferred income | 639 | 959 |
| | 3,241 | 6,695 |

Amounts owed to group undertakings are unsecured, interest free and are repayable on demand.

Included in other creditors is an amount of £nil (2021: £2,491,000) which was secured by a debenture over all assets of the Company. The debenture was satisfied on 20 January 2022.

16 Creditors: amounts falling due after more than one year

| | At 31 March 2022 £'000 | At 30 April 2021 £'000 |
|---|------------------------------|------------------------------|
| Bank loans | - | 1,354 |
| Obligations under finance leases and hire purchase contracts | - | 329 |
| | - | 1,683 |

The bank loans were secured over the Company's leasehold property and also over all assets of the Company. The debenture was satisfied on 20 January 2022.

Z-Tech Control Systems Limited

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

17 Loans and other borrowings

| | At 31 March 2022 £'000 | At 30 April 2021 £'000 |
|--|------------------------------|------------------------------|
| Bank loans | - | 1,803 |
| Obligations under finance leases and hire purchase contracts | - | 654 |
| | - | 2,457 |

Borrowings excluding finance leases are repayable as follows:

| | At 31 March 2022 £'000 | At 30 April 2021 £'000 |
|----------------------------|------------------------------|------------------------------|
| Within one year | - | 449 |
| Between one and five years | - | 1,354 |
| | - | 1,803 |

Finance leases

| | | |
|---|------------------------------|------------------------------|
| The future minimum finance lease payments are as follows: | At 31 March 2022 £'000 | At 30 April 2021 £'000 |
| Less than one year | - | 325 |
| Between one and five years | - | 329 |
| | - | 654 |

Obligations under finance lease and hire purchase contracts are secured by fixed charges on the assets concerned.

Z-Tech Control Systems Limited

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

18 Provisions for liabilities

| | Deferred Tax £'000 |
|---------------------------------------|--------------------------|
| At 1 May 2021 | 157 |
| Adjustments in respect of prior years | (1) |
| Credit to the profit and loss account | (46) |
| At 31 March 2022 | 110 |

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

| | At 31 March 2022 £'000 | At 30 April 2021 £'000 |
|-------------------------------------|------------------------------|------------------------------|
| Fixed asset timing differences | 115 | 161 |
| Short term timing differences | (5) | (4) |
| Total deferred tax liability | 110 | 157 |

19 Government grants

In the period ended 31 March 2022, the Company received £nil (2021: £79,000) in relation to government grants. No deferred government grants were released in the period (2021: £nil).

20 Post employment benefits

Defined contribution scheme

The Company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the Company in an independently administered fund.

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

| | At 31 March 2022 £'000 | At 30 April 2021 £'000 |
|----------------------------|------------------------------|------------------------------|
| Current year contributions | 559 | 573 |

Contributions amounting to £51,000 (2021: £47,000) were outstanding at the year end.

Z-Tech Control Systems Limited

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

21 Share-based payments

The Company had a share option scheme for certain employees (including directors). Options were exercisable at a price equal to the average market price of the Company's shares on the date of the grant. The options were settled in equity once exercised.

If the options remained unexercised after a period of 10 years from the date of the grant, the options expire. Options were forfeited if the employee leaves the Company before the options vest.

During the year ended 30 April 2018, 475 options were granted at an exercise price of £310 which was considered to be the market value at the time the options were granted.

The Company's share option scheme for certain employees (including directors) all vested on the acquisition of the Company by MGS Water Limited (formerly M Group Utilities Limited).

22 Called up share capital and other reserves

| | At 31 March 2022 | At 30 April 2021 |
|--|---------------------|---------------------|
| | £'000 | £'000 |
| Allotted and fully paid share capital | | |
| 4,855 (2021: 4,380) ordinary shares of £1 each | 5 | 4 |

On 16 December 2021, 475 £1 ordinary shares were issued for £147,000.

Of the 4,855 issued shares, 60 shares of previous called up but unpaid shares were fully paid during the year.

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

The share premium account represents the price paid for the shares in excess of the nominal value of the shares.

The capital redemption reserve represents the nominal value of shares repurchased by the Company.

Z-Tech Control Systems Limited

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

23 Capital and other commitments

Capital expenditure contracted for but not provided for in the financial statements was £nil (2021: £127,000).

Total future minimum lease payments under non-cancellable operating leases are as follows:

| | At 31 March 2022 | At 30 April 2021 |
|----------------------------|---------------------|---------------------|
| | £'000 | £'000 |
| Payments due | | |
| Within one year | 229 | 154 |
| Between two and five years | 540 | 529 |
| | 769 | 683 |

24 Related party transactions

Mr M Swinhoe and Mr J Bull had each provided personal guarantees limited to £150,000 each in respect of financing facilities provided to the Company from third parties. The financing facilities were settled on the 15 December 2021 and both directors resigned on the 16 December 2021.

Dividend paid during the year of £49,248 (2021: £62,334) were made to key management personnel.

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.

25 Immediate and ultimate parent undertaking and controlling parties

At 31 March 2022, the Company's immediate parent undertaking was MGS Water Limited (formerly M Group Utilities Limited), a company registered in England and Wales, and who had acquired the Company on the 16 December 2021.

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

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

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