

Dyer and Butler Limited  
Annual report and financial statements  
for the year ended 31 March 2023

Registered number 01450372



# **Dyer and Butler Limited**

## **Annual report and financial statements for the year ended 31 March 2023**

| <b>Contents</b>  | <b>Page</b> |
|--|-------------|
| Company Information .....  | 1           |
| Strategic report for the year ended 31 March 2023 .....                      | 2           |
| Directors' report for the year ended 31 March 2023 .....                     | 7           |
| Independent auditor's report to the members of Dyer and Butler Limited ..... | 11          |
| Statement of Profit and Loss Account for the year ended 31 March 2023 .....  | 14          |
| Balance sheet as at 31 March 2023 .....                                      | 16          |
| Statement of changes in equity for the year ended 31 March 2023 .....        | 17          |
| Notes to the financial statements for the year ended 31 March 2023 .....     | 18          |

# **Dyer and Butler Limited**

## **Company Information**

|                            |   |
|----------------------------|---|
| <b>Directors</b>           | J H Davies<br>A R Findlay<br>C Keen<br>A Loosveld<br>M J D Evans<br>J Yarr<br>A J Steer |
| <b>Company secretary</b>   | I Evans   |
| <b>Registered office</b>   | Abel Smith House<br>Gunnels Wood Road<br>Stevenage<br>Hertfordshire<br>SG1 2ST          |
| <b>Registered number</b>   | 01450372  |
| <b>Independent auditor</b> | Deloitte LLP<br>3 Victoria Square<br>Victoria Street<br>St Albans<br>AL1 3TF            |

# **Dyer and Butler Limited**

## **Strategic report for the year ended 31 March 2023**

The Directors present their strategic report together with the audited financial statements of the Company for the year ended 31 March 2023.

### **Principal activities**

The principal activity of the Company during the year was that of providers of repair, maintenance, replacement and construction services to the airport, rail and highways sectors in the UK.

### **Review of the business**

The year has seen us deliver a challenging set of results, with the Rail and Aviation sectors performing well on the contracts delivered in the year. That said, revenue was down year on year from £160.7m in 2022 to £132.6m in 2023 as the transport sector's rebound after Covid-19 has been slower than anticipated. At the year end the Company had an order book of £93.5m (2022: £128.5m). The company maintains a prudent approach to valuing outstanding accounts.

Following the M Group Transport acquisition of Skanska UK's infrastructure services operation (renamed Milestone Infrastructure Limited) on 30 April 2021, the strategic decision was made for Dyer and Butler Limited to focus on the Aviation and Rail sectors, with new Highways works have been delivered through Milestone Infrastructure Limited. Existing Highways projects continue to be delivered through Dyer and Butler Limited. As a result, Highways revenue fell from £36.1m in 2022 to £20.8m in 2023.

Our focus is to deliver works through long-term framework arrangements and, where appropriate, to augment this work with discrete standalone projects in the regulated transport market. In addition, we provide specialist construction services to other sectors including Defence, Energy and other Adjacent Markets.

Across the Aviation sector we continue to build on the strong reputation achieved in our key markets and are building on this reputation to establish relationships with new clients. We have recently successfully renewed The Heathrow framework agreement (H7), which gives the Company the opportunity to undertake varied projects on the airport including cargo tunnel updates, taxiway renewals and installation of surveillance equipment.

Heathrow's annual 'winter resilience' programme ensures that it is fully prepared to manage all weather extremes such as heavy snow and ice and, for over eight years, the Company has provided experienced labour to operate Heathrow's vehicles and the hand workers who assist in clearing snow from the airfield.

Whilst the majority of our Aviation work comes through Heathrow and Gatwick airports, we also provide civils and electrical projects across the regional airports. A notable project saw Dyer and Butler deliver the design and construction of the south pier stands at Birmingham Airport.

Within the Rail division we continue to operate the frameworks to maintain and enhance the railway for Network Rail. These included three reactive and minor works contracts in Sussex, Wessex and South-Wales, and a project framework in Wessex. The three reactive frameworks involve 24/7 on-call response services, delivering inspections, maintenance and repairs. The project framework focuses on planned project works on the existing Network Rail infrastructure.

Our Rail delivery team has provided a range of preventative intervention and reactive response services including embankment strengthening, flooding protection and drainage repairs following heavy rainfall across Network Rail's Kent, Sussex & Wessex Route.

As well as providing preventative and reactive works for Network Rail, Dyer and Butler have also completed a number of complex civils projects in the year, the most notable being the replacement of the Paignton Road overbridge in Torbay, where a life expired bridge was replaced whilst keeping existing buried communications cabling 'in-situ' during the reconstruction of the rest of the bridge.

# Dyer and Butler Limited

## Strategic report for the year ended 31 March 2023 (continued)

### Review of the business (continued)

We have also completed significant capital projects for West Midland Trains, delivering a number of high-profile platform extensions across the West Midlands. We are also working with a number of other Train Operating Companies delivering similar station upgrades.

Following the acquisition of the Skanska UK infrastructure portfolio, the structural maintenance contracts with Transport for London were novated to Dyer and Butler Limited, further enhancing our relationship with TfL, providing essential preventative and reactive maintenance across the rail network in London. These frameworks have been successfully extended during the year.

We have also expanded our adjacent markets portfolio, adding a key new long term framework with Fluor Corporation for the installation of temporary facilities and general civil engineering.

We have closed out the commercial positions on a number of challenging contracts, reducing future risk and improving the cash position of the company.

This strategy is underpinned by our exceptional health and safety culture. The health and safety policy and operational arrangements of the Company have remained fully enforced throughout the year and as such the cultural maturity and stability of the business has provided firm foundations on which to base further safety improvements.

During the year several initiatives that focused on health and safety improvement continued, including behavioural safety programme enhancements and occupational health management improvements. Good progress has been made in these areas. The Company continues to be focused on continual improvement and has identified key objectives to meet in the forthcoming year, which include implementing a behavioural safety leadership improvement programme and improving our service avoidance system.

We continue to invest heavily in all aspects of health and safety and in addition we have had an increased focus on the environmental impact of our business and have strengthened our team in this respect. This will enable the business to ensure all parts of our business including those in our supply chain receive the ongoing training to equip them with the right behaviours and tools to perform their duties safely. We also continue to work closely with our clients to help develop and deliver their safety requirements.

### 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 (earnings before interest, taxation, depreciation and amortisation), operating profit, order book, cash flow and accident frequency rate.

The following table provides a reconciliation from operating profit to EBITDA and the calculation of EBITDA:

|   | Year ended 31<br>March 2023<br>£000 | Year ended 31<br>March 2022<br>£000 |
|---|-------------------------------------|-------------------------------------|
| Operating profit                            | 1,777                               | 8,622                               |
| Amortisation on intangible assets (Note 11) | 1,037                               | 950                                 |
| Depreciation on tangible assets (Note 12)   | 243                                 | 174                                 |
| <b>EBITDA</b>                               | <b>3,057</b>                        | <b>9,746</b>                        |

# **Dyer and Butler Limited**

## **Strategic report for the year ended 31 March 2023 (continued)**

### **Principal risks and uncertainties**

#### *Economic conditions*

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

#### *Business interruption*

Extraneous events such as a pandemic, climate, 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.

#### *Skills shortages*

The Company operates in a market where skill shortages prevail and consequently it invests heavily in training and developing people 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.

### **Future developments**

We have a strong long term order book, with much of this being generated from the frameworks. We have also maintained a quality pipeline of future opportunities for frameworks and standalone projects. By focussing our resources within regulated industries, we are able to build off the back of our existing frameworks into more profitable areas.

We will also seek to establish new work streams with clients we do not currently work for pursuing those areas that will provide long term revenue opportunities. In order to build on our continued success, the business is recruiting in key senior positions to facilitate the growth in both our current and new markets.

We remain focused on the quality of our service and delivering works which align to our core competencies. We expect our approach to working with clients in a collaborative way to help deliver further growth opportunities whilst ensuring we maintain our ethos which has safety, service delivery and customers at the heart of our business.

# **Dyer and Butler Limited**

## **Strategic report for the year ended 31 March 2023 (continued)**

### **Section 172 statement**

Section 172 of the Companies Act 2006 requires each director of a company to act in the way he or she considers, in good faith, would most likely promote the success of the company for the benefit of its members as a whole but having regard to a range of factors set out in section 172(1)(a)-(f) in the Companies Act 2006. In discharging our section 172 duty, we have regard for these factors taking them into consideration when decisions are made.

In addition, we also have regard to other factors which we consider relevant to the decisions being made. Those factors for example include the interest and views of our clients and their end users, regulatory bodies, and our relationship with our lenders. We delegate authority for day-to-day management of the Company to the Executive directors and engage management in setting, approving and overseeing execution of the business strategy and related policies. Board meetings are held periodically at which the Directors consider the Company's activities and make decisions.

### **Stakeholder engagement**

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

Our success depends on forging positive relationships with the people, communities and organisations that have an interest in our business and may be impacted by the decisions we make. We actively engage with our stakeholders to understand their views. The views of our stakeholders assist in shaping our strategy and business model. We set out below how we engage with our main stakeholders and our impact.

#### *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 8.

It is key that we continue to engage and listen to all feedback to harness the talent that we already have within the group and Company and also ensure there exists a working environment that allows people to flourish. The People Opinion Survey takes place annually enabling us to address areas for improvement to make the company a better place to work.

#### *Clients*

We have long-term relationships with our clients across multiple contracts. We aim to meet the specific needs of each of our clients to deliver best in class solutions. During the year we continued to have key account support and face-to-face meetings to continue to invest in these relationships.

#### *Suppliers and subcontractors*

Dialogue with suppliers and subcontractors is important to mitigate supply chain risk and to ensure we have access to the most cost effective and reliable products and services. During the year we worked with our supply chain to ensure we can meet our business requirements in a sustainable way.

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

# Dyer and Butler Limited

## Strategic report for the year ended 31 March 2023 (continued)

### Stakeholder engagement (continued)

#### *Communities and the environment*

During the year we continued to collaborate with local schools in order to encourage an interest in STEM (science, technology, engineering and mathematics) subjects, among school students, to help to raise awareness of careers in our sector.

Through our workshops many students get a taste of the challenges our staff face and an understanding of the practical application of STEM subjects. Our aim is to increase the number of school workshops that are delivered, and reach a larger audience of students. This will support our future talent recruitment and ensure young people gain meaningful employment.

Additionally, during the year we continued to actively partner with the armed forces to provide employment to suitable ex services personnel seeking a career after their time in the services. We continue to expand our apprentice and graduate intake as well as creating new programmes for the long-term unemployed. We are committed to minimising our environmental impact, promoting good environmental practice across all our operations. See page 9.

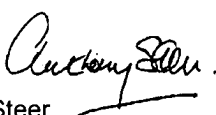
#### *Shareholders*

The Company is a wholly-owned subsidiary of Minerva Equity Limited, a company registered in England and Wales, whose ultimate controlling party is PAI Partners, a private equity firm registered in France. Shareholders are represented on the Board of Directors of Minerva Equity Limited. Strategic direction and regular monitoring and reporting of financial and operational information is discussed in these meetings.

Our shareholders aim to increase the long-term strategic value of the Company in partnership with the management team. We target long term profitable growth, both organically and through acquisitions that enable a broadening of the Company's service offering.

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

On behalf of the board,



A J Steer  
**Director**  
26 July 2023

Registered Number: 01450372

Abel Smith House  
Gunnels Wood Road  
Stevenage  
Hertfordshire  
SG1 2ST



# Dyer and Butler Limited

## Directors' report for the year ended 31 March 2023

The Directors present their Annual report together with the audited financial statements of the Company for the year ended 31 March 2023.

### Information disclosed within the Strategic report

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

### Dividends

£17.3m dividends were paid on 27<sup>th</sup> May 2022 to M Group Transport Limited (2022: £nil). The directors do not recommend the payment of a final dividend (2022: £nil).

### Directors

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

|                |   |
|----------------|---|
| J M Arnold     | (resigned 1 January 2023)                                 |
| S D Broom      | (resigned 15 September 2022)                              |
| J H Davies     |   |
| A R Findlay    |   |
| M S Foster     | (resigned 15 September 2022)                              |
| C Keen         | (appointed 15 September 2022)                             |
| A H P Loosveld | (appointed 15 September 2022)                             |
| A J Steer      | (resigned 15 September 2022 and reappointed 10 July 2023) |
| R J Walker     | (resigned 19 December 2022)                               |
| C I Watt       | (resigned 15 September 2022)                              |
| J R Winnicott  | (resigned 28 February 2023)                               |
| M J D Evans    | (appointed 26 June 2023)                                  |
| J Yarr         | (appointed 26 June 2023)                                  |

### Third party indemnity

The Company's directors are covered by qualifying third party indemnity insurance taken out by M Group Services Limited as allowed by section 234 of the Companies Act 2006. These insurances were in force throughout the year to 31 March 2023 and continue to the date of approval of the financial statements.

### Going concern

The Directors have undertaken the going concern assessment for the Company for a minimum of 12 months from the date of signing these financial statements. The Directors have taken into account the outlook for the Company including the resilient sectors in which it operates, the nature of the essential services that we provide to critical national infrastructure, and the strong long-term order book with blue-chip clients. The Directors have also taken into account uncertainties in preparing financial projections and assessing the future prospects of the Company. These included the impact of the high inflationary environment, which is considered low risk given the nature of the Company's framework agreements, the majority of which have indexation mechanisms.

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. As at 31 March 2023 the Company had net current assets of £20.0m (2022: £17.6m) and net assets of £20.9m (2022: £36.8m).

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.

# **Dyer and Butler Limited**

## **Directors' report for the year ended 31 March 2023 (continued)**

### **Going concern (continued)**

The Company 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.

### **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 5 to 6.

Employees are kept informed of matters affecting them. The Company operates a systematic approach to communication 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.

### **Disabled employees**

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.

### **Stakeholders engagement – Other stakeholders**

Based on our engagement with and feedback from stakeholders, we factor their views into the decision making of the Board. 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 5 to 6.

### **Financial risk management objectives and policies**

Financial risk faced by the Company include liquidity and funding risk, market risk including interest rate risk, and credit risk. The Company reviews these risks on an ongoing basis in accordance with internal policies.

#### *Liquidity risk*

Liquidity and funding risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities. 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. The Company is focussed on reducing debtor days and also the timeliness of billing customers.

#### *Market risk*

The Company is exposed to various elements of market risk, which include interest rate risk and inflation risk. The Company is not exposed to significant foreign exchange risk as it operates in the UK and has no overseas subsidiaries. Interest rate risk is the risk that debt issued at variable interest rates will give rise to cash flow risk, management reviews debt commitments and cash flow forecasts on a regular basis to manage this risk. Inflation risk is the risk that inflationary uplifts in rates will give rise to cash flow risk, the Company manages this risk mainly via framework agreements with a contractual allowance for annual inflationary uplift.

# **Dyer and Butler Limited**

## **Directors' report for the year ended 31 March 2023 (continued)**

### **Financial risk management objectives and policies (continued)**

#### *Credit risk*

Credit risk represents the risk that a counterparty will not meet its obligations leading to a financial loss for the Company. Credit risk arises from cash at bank, and debtors. For debtors, the Company's credit risk is managed by engaging with a diverse portfolio of blue-chip clients. Maximum exposure to credit risk at the end of the reporting period reflects the carrying amount of the Company's financial assets, cash at bank and debtors.

#### **Environmental**

In the essential infrastructure services sector in which we operate in we continue to promote good environmental practice within the Company. Through our quality and environmental management systems and active ISO accreditation we continually look to develop and introduce sustainable processes and behaviours across each of our businesses, as well as with our clients and supply chains.

### **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 year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland". 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 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; 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.

### **Statement of disclosure of information to auditor**

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 auditor is 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 auditor is aware of that information.

## **Dyer and Butler Limited**

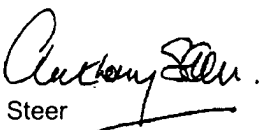
### **Directors' report for the year ended 31 March 2023 (continued)**

#### **Auditor**

Deloitte LLP have expressed their willingness to continue as auditor and appropriate arrangements have been put in place for them to be deemed reappointed as auditor 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 Steer  
**Director**  
26 July 2023

Registered Number: 01450372

Abel Smith House  
Gunnels Wood Road  
Stevenage  
Hertfordshire  
SG1 2ST

# **Dyer and Butler Limited**

## **Independent auditor's report to the members of Dyer and Butler Limited**

### **Report on the audit of the financial statements**

#### **Opinion**

In our opinion the financial statements of Dyer and Butler Limited (the 'Company'):

- give a true and fair view of the state of the company's affairs as at 31 March 2023 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the statement of profit and loss;
- the balance sheet;
- the statement of changes in equity; and
- the related notes 1 to 23.

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.

## **Dyer and Butler Limited**

### **Independent auditor's report to the members of Dyer and Butler 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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

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

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

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

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 employee laws, health and safety, environmental regulations, General Data Protection Regulations ("GDPR") and the Bribery Act.

## **Dyer and Butler Limited**

### **Independent auditor's report to the members of Dyer and Butler Limited (continued)**

We discussed among the audit engagement team including relevant internal specialists such as tax 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 procedures performed to address them are described below:

The Work in progress ("WIP") is recognised based on revenue in the year that has not been billed at the year end. Judgement is applied in determining the recoverability of this balance, and therefore the revenue, and a provision is applied to the portion of WIP that may not be recoverable. The procedures performed included:

- Evaluating management's assessment on the overall customer contract performance during the period to understand any key issues around the contract and determine the impact on the recoverability of the balance;
- Assessing the accuracy of the WIP through testing on a sample basis and agreeing the amount of revenue recognised to the Cost Value Reconciliation and supporting evidence which also included obtaining evidence of cash collections post year end for a sample of contracts.; and
- Obtaining an understanding from respective financial and Commercial Directors of the WIP position at year-end and any judgements around recoverability issues and evaluating residual balances that remain unpaid for collectability.

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

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

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management and [in-house/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 year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

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

## **Dyer and Butler Limited**

### **Independent auditor's report to the members of Dyer and Butler Limited (continued)**

#### **Matters on which we are required to report by exception**

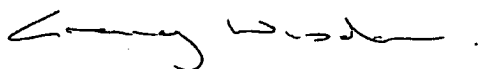
Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

- 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.

#### **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 (Senior statutory auditor)

For and on behalf of Deloitte LLP

Statutory Auditor

St Albans, UK

26 July 2023



## Dyer and Butler Limited

### Statement of Profit and Loss Account for the year ended 31 March 2023

|   | Note | Year ended<br>31 March<br>2023<br>£'000 | Year ended<br>31 March<br>2022<br>£'000 |
|---|------|---|---|
| Turnover  | 5    | 132,556                                 | 160,651                                 |
| Cost of sales   |      | (114,388)                               | (134,445)                               |
| <b>Gross profit</b>   |      | <b>18,168</b>                           | <b>26,206</b>                           |
| Administrative expenses   |      | (18,549)                                | (18,276)                                |
| Other operating income  | 6    | 2,158                                   | 692                                     |
| EBITDA  |      | 3,057                                   | 9,746                                   |
| Depreciation  | 7,12 | (243)                                   | (174)                                   |
| Amortisation  | 7,11 | (1,037)                                 | (950)                                   |
| <b>Operating profit</b>   |      | <b>1,777</b>                            | <b>8,622</b>                            |
| Finance costs - Net   | 9    | (4)                                     | -                                       |
| <b>Profit before taxation</b>   | 7    | <b>1,773</b>                            | <b>8,622</b>                            |
| Tax on profit   | 10   | (286)                                   | (1,829)                                 |
| <b>Profit for the financial year attributable to the equity shareholders of the Company</b> |      | <b>1,487</b>                            | <b>6,793</b>                            |

The accompanying notes on pages 18 to 35 form part of these financial statements.

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

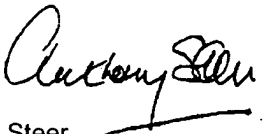
# Dyer and Butler Limited


## Balance sheet as at 31 March 2023

|   | Note | At 31<br>March<br>2023<br>£'000 | At 31<br>March<br>2022<br>£'000 |
|---|------|---------------------------------|---------------------------------|
| <b>Fixed assets</b>                                   |      |                                 |                                 |
| Intangible assets                                     | 11   | 199                             | 1,037                           |
| Tangible assets                                       | 12   | 541                             | 568                             |
| Debtors: amounts falling due after more than one year | 13   | 169                             | 17,585                          |
|   |      | <b>909</b>                      | <b>19,190</b>                   |
| <b>Current assets</b>                                 |      |                                 |                                 |
| Debtors   | 14   | 46,405                          | 45,038                          |
| Cash at bank and in hand                              |      | 6,202                           | 10,045                          |
|   |      | <b>52,607</b>                   | <b>55,083</b>                   |
| <b>Creditors: amounts falling due within one year</b> | 15   | <b>(32,564)</b>                 | <b>(37,515)</b>                 |
| <b>Net current assets</b>                             |      | <b>20,043</b>                   | <b>17,568</b>                   |
| <b>Total assets less current liabilities</b>          |      | <b>20,952</b>                   | <b>36,758</b>                   |
| <b>Net assets</b>                                     |      | <b>20,952</b>                   | <b>36,758</b>                   |
| <b>Capital and reserves</b>                           |      |                                 |                                 |
| Called up share capital                               | 18   | 10                              | 10                              |
| Profit and loss account                               |      | 20,942                          | 36,748                          |
| <b>Shareholders' funds</b>                            |      | <b>20,952</b>                   | <b>36,758</b>                   |

The notes on pages 18 to 35 are an integral part of these financial statements.

The financial statements on pages 15 to 35 were approved and authorised for issue by the board of directors on 26 July 2023 and were signed on its behalf.

  
A J Steer  
Director

  
J H Davies  
Director

Registered Number: 01450372

## Dyer and Butler Limited

### Statement of changes in equity for the year ended 31 March 2023

|                                    | Called up share<br>capital | Profit and loss<br>account | Shareholders'<br>Funds |
|------------------------------------|----------------------------|----------------------------|------------------------|
|                                    | £'000                      | £'000                      | £'000                  |
| <b>Balance as at 1 April 2021</b>  | 10                         | 29,955                     | 29,965                 |
| Profit for the financial year      | -                          | 6,793                      | 6,793                  |
| <b>Balance as at 31 March 2022</b> | <b>10</b>                  | <b>36,748</b>              | <b>36,758</b>          |
| Profit for the financial year      | -                          | 1,487                      | 1,487                  |
| Dividends paid <sup>1</sup>        | -                          | (17,293)                   | (17,293)               |
| <b>Balance as at 31 March 2023</b> | <b>10</b>                  | <b>20,942</b>              | <b>20,952</b>          |

The notes on pages 18 to 35 are an integral part of these financial statements.

---

<sup>1</sup> Dividend declared during the year as part of the reorganisation of the business.

# **Dyer and Butler Limited**

## **Notes to the financial statements for the year ended 31 March 2023**

### **1 General information**

Dyer and Butler 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.

### **2 Statement of compliance**

The individual financial statements of Dyer and Butler 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 the year presented, unless otherwise stated.

#### **Basis of preparation**

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

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 undertaken the going concern assessment for the Company for a minimum of 12 months from the date of signing these financial statements. The Directors have taken into account the outlook for the Company including the resilient sectors in which it operates, the nature of the essential services that we provide to critical national infrastructure, and the strong long-term order book with blue-chip clients. The Directors have also taken into account uncertainties in preparing financial projections and assessing the future prospects of the Company. These included the impact of the high inflationary environment, which is considered low risk given the nature of the Company's framework agreements, the majority of which have indexation mechanisms.

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. As at 31 March 2023 the Company had net current assets of £20.0m (2022: £17.6m) and net assets of £20.9m (2022: £36.8m).

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.

The Company 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.

# Dyer and Butler Limited

## Notes to the financial statements for the year ended 31 March 2023 (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.

#### Foreign currencies

The Company's functional and presentation currency is the pound sterling. Monetary amounts in these financial statements are rounded to the nearest thousand.

#### 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.

For long term project contracts where the outcome of the contract can be measured reliably, revenue is recognised by reference to the stage of completion of the contract activity at the balance sheet date. Where it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately in the profit and loss account.

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

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

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

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

# Dyer and Butler Limited

## Notes to the financial statements for the year ended 31 March 2023 (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 year in which the service is received.

##### *Defined contribution pension plans*

The Company operates defined contribution plans 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 year comprises current and deferred tax recognised in the reporting period. Tax is recognised in the profit and loss account, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case tax is also recognised in other comprehensive income or directly in equity respectively.

Current or deferred taxation assets and liabilities are not discounted.

##### *Current tax*

Current tax is the amount of income tax payable in respect of the taxable profit for the year or prior years. Tax is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the year 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 year end and that are expected to apply to the reversal of the timing difference.

Deferred tax liabilities are presented within provisions for liabilities and deferred tax assets within debtors. Deferred tax assets and deferred tax liabilities are offset only when the Company has a right to set off related current tax assets and tax liabilities, which is generally the case for balances within the same taxable entity.

# Dyer and Butler Limited

## Notes to the financial statements for the year ended 31 March 2023 (continued)

### 3 Summary of significant accounting policies (continued)

#### 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.

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 typically ten years or in the case of the contracts acquired, over the remaining length of time the contract framework.

#### 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 to 10 years |
|----------|-----------------|

Research 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.

#### Impairment of assets

Assets, other than those measured at fair value, are assessed for indicators of impairment at each balance sheet date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss.

#### 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.

#### *Plant and equipment*

Plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

# Dyer and Butler Limited

## Notes to the financial statements for the year ended 31 March 2023 (continued)

### 3 Summary of significant accounting policies (continued)

#### *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 to 15 years               |
| Leasehold property  | - Remaining life of the lease |

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

#### *Derecognition*

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

#### **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.

#### **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. A provision for onerous contracts is recognised for contracts in which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it.

##### *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.



# Dyer and Butler Limited

## Notes to the financial statements for the year ended 31 March 2023 (continued)

### 3 Summary of significant accounting policies (continued)

#### Financial instruments

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

#### *Financial assets*

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

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

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

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

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

#### *Financial liabilities*

Basic financial liabilities, including trade and other payables, 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 deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period to which it relates.

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

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

#### *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 the liability simultaneously.

# **Dyer and Butler Limited**

## **Notes to the financial statements for the year ended 31 March 2023 (continued)**

### **3 Summary of significant accounting policies (continued)**

#### **Financial instruments (Continued)**

##### **Share capital**

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

##### **Distributions to equity holders**

Dividends and other distributions to Company's shareholders are recognised as a liability in the financial statements in the year 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 within the same group. Where appropriate, transactions of a similar nature are aggregated unless, in the opinion of the Directors, separate disclosure is necessary to understand the effect of the transactions on the Company financial statements.

### **4 Critical accounting judgements and estimation uncertainty**

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

#### **Critical judgements in applying the entity's accounting policies**

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

#### **Critical accounting estimates and assumptions**

The 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 amount of assets and liabilities within the next financial year.

#### **Other areas of judgement and accounting estimates**

While these areas do not meet the definition of significant accounting estimates or critical accounting judgements, the recognition and measurement of certain material assets and liabilities are based on assumptions and/or are subject to longer term uncertainties.

The other areas of judgement and accounting estimates are:

##### *Amounts recoverable on contract*

The Company provides support services to blue-chip clients in the infrastructure sectors in the UK and typically via framework contracts. Consistent with its revenue recognition policy, the Company makes an estimate of the recoverable value and makes a provision for any known or anticipated losses. See note 14 for the net carrying amount of amounts recoverable on contracts.

##### *Revenue recognition*

The Company has pain/gain mechanisms built into certain of 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.

## Dyer and Butler Limited

### Notes to the financial statements for the year ended 31 March 2023 (continued)

#### 5 Turnover

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

#### 6 Other operating income

|  | Year ended<br>31 March<br>2023<br>£'000 | Year ended<br>31 March<br>2022<br>£'000 |
|--|---|---|
| R&D expenditure credit                                 | 2,158                                   | 597                                     |
| Grants received under Coronavirus Job Retention Scheme | -                                       | 95                                      |
|  | <b>2,158</b>                            | <b>692</b>                              |

#### 7 Profit before taxation

Profit before taxation for the year is stated after charging:

|   | Year ended<br>31 March<br>2023<br>£'000 | Year ended<br>31 March<br>2022<br>£'000 |
|---|---|---|
| Operating lease rentals   | 553                                     | 573                                     |
| Depreciation (Note 12)  | 243                                     | 174                                     |
| Amortisation (Note 11)  | 1,037                                   | 950                                     |
| <b>Services provided by the Company's auditor</b>                               |   |   |
| Fees payable to the Company's auditor for the audit of the financial statements | 103                                     | 78                                      |

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.

# Dyer and Butler Limited

## Notes to the financial statements for the year ended 31 March 2023 (continued)

### 8 Employees and directors

The aggregate remuneration comprised:

|                               | Year ended<br>31 March<br>2023<br>£'000 | Year ended<br>31 March<br>2022<br>£'000 |
|-------------------------------|---|---|
| Wages and salaries            | 30,331                                  | 34,780                                  |
| Social security costs         | 3,580                                   | 3,654                                   |
| Other pension costs (Note 17) | 557                                     | 1,113                                   |
| Staff costs                   | 34,547                                  | 39,547                                  |

The average monthly number of employees (including executive directors) was:

|                            | Year ended<br>31 March<br>2023<br>Number | Year ended<br>31 March<br>2022<br>Number |
|----------------------------|--|--|
| Management and supervisory | 318                                      | 351                                      |
| Operational employees      | 185                                      | 228                                      |
|                            | 503                                      | 579                                      |

#### Directors' remuneration

|                              | Year ended<br>31 March<br>2023<br>£'000 | Year ended<br>31 March<br>2022<br>£'000 |
|------------------------------|---|---|
| Aggregate emoluments         | 938                                     | 678                                     |
| Pension contributions        | 39                                      | 21                                      |
|                              | 977                                     | 699                                     |
| <b>Highest paid director</b> |   |   |
| Total emoluments             | 175                                     | 151                                     |
| Pension contributions        | 5                                       | 17                                      |
|                              | 180                                     | 168                                     |

Retirement benefits are accruing to seven directors under a defined contribution scheme (2022: five).

# Dyer and Butler Limited

## Notes to the financial statements for the year ended 31 March 2023 (continued)

### 9 Finance costs

|   | Year ended<br>31 March<br>2023<br>£'000 | Year ended<br>31 March<br>2022<br>£'000 |
|---|---|---|
| Interest payable on overdrafts and bank loans | 4                                       | -                                       |

### 10 Tax on profit

The tax charge comprises

|   | Year ended<br>31 March<br>2023<br>£'000 | Year ended<br>31 March<br>2022<br>£'000 |
|---|---|---|
| Current tax:  |   |   |
| UK Corporation tax on Profit for the year                         | 358                                     | 1,720                                   |
| Adjustment in respect of previous years due to UK Corporation Tax | 161                                     | 111                                     |
| Total current tax   | 519                                     | 1,831                                   |
| Deferred Tax (Note 16):   |   |   |
| Origination and reversal of timing differences                    | (29)                                    | (3)                                     |
| Adjustments in respect of previous years                          | (138)                                   | 5                                       |
| Effect of changes in tax rates                                    | (66)                                    | (4)                                     |
| Total deferred tax credit   | (234)                                   | (2)                                     |
| <b>Total tax on profit</b>  | <b>286</b>                              | <b>1,829</b>                            |

## Dyer and Butler Limited

### Notes to the financial statements for the year ended 31 March 2023 (continued)

#### 10 Tax on profit (continued)

##### Reconciliation of tax charge

The tax assessed for the year is lower (2022: higher) than the standard rate of corporation tax in the UK of 19% (2022: 19%). The differences are explained below:

|  | Year ended<br>31 March<br>2023<br>£'000 | Year ended<br>31 March<br>2022<br>£'000 |
|--|---|---|
| Profit before taxation   | 1,773                                   | 8,622                                   |
| Profit before taxation multiplied by the standard UK rate of tax 19% (2022: 19%) | 337                                     | 1,638                                   |
| Effects of:  |   |   |
| Expenses not deductible for tax purposes   | 6                                       | 194                                     |
| Amortisation of goodwill   | 197                                     | -                                       |
| Effects of group relief / other reliefs  | -                                       | (3)                                     |
| Income not taxable in determining taxable profit                                 | (211)                                   | (113)                                   |
| Adjustment to tax charge in respect of previous years                            | 23                                      | 117                                     |
| Effect of changes in tax rates   | (66)                                    | (4)                                     |
| <b>Total tax charge for the year</b>   | <b>286</b>                              | <b>1,829</b>                            |

##### Factors that may affect future tax charges

An increase to the UK corporation tax rate to 25% with effect from 1 April 2023 was enacted by the Finance Act 2021 on 14 May 2021. Deferred tax is provided at the rates timing differences are expected to reverse in accordance with FRS 102.

## Dyer and Butler Limited

### Notes to the financial statements for the year ended 31 March 2023 (continued)

#### 11 Intangible assets

|  | Goodwill       | Software<br>development | Total          |
|--|----------------|-------------------------|----------------|
| Cost                                     | £'000          | £'000                   | £'000          |
| At 1 April 2022                          | 1,987          | -                       | 1,987          |
| Additions                                | -              | 199                     | 199            |
| <b>At 31 March 2023</b>                  | <b>1,987</b>   | <b>199</b>              | <b>2,186</b>   |
| Accumulated amortisation at 1 April 2022 | (950)          | -                       | (950)          |
| Charge for the year                      | (1,037)        | -                       | (1,037)        |
| <b>At 31 March 2023</b>                  | <b>(1,987)</b> | <b>-</b>                | <b>(1,987)</b> |
| <b>Net book value at 31 March 2023</b>   | <b>-</b>       | <b>199</b>              | <b>199</b>     |
| Net book value at 31 March 2022          | 1,037          | -                       | 1,037          |

During the year the company developed an asset management platform which has been capitalised and will be amortised over the term of the contract.

## Dyer and Butler Limited

### Notes to the financial statements for the year ended 31 March 2023 (continued)

#### 12 Tangible assets

|  | Leasehold<br>Improvements | Plant and<br>equipment | Total        |
|--|---------------------------|------------------------|--------------|
| Cost                                     | £'000                     | £'000                  | £'000        |
| At 1 April 2022                          | 292                       | 495                    | 787          |
| Additions                                | 187                       | 29                     | 216          |
| <b>At 31 March 2023</b>                  | <b>479</b>                | <b>524</b>             | <b>1,003</b> |
| Accumulated depreciation at 1 April 2022 | (54)                      | (165)                  | (219)        |
| Charge for the year                      | (87)                      | (156)                  | (243)        |
| <b>At 31 March 2023</b>                  | <b>(141)</b>              | <b>(321)</b>           | <b>(462)</b> |
| <b>Net book value at 31 March 2023</b>   | <b>338</b>                | <b>203</b>             | <b>541</b>   |
| Net book value at 31 March 2022          | 238                       | 330                    | 568          |

#### 13 Debtors: amounts falling due after more than one year

|   | At 31<br>March 2023 | At 31<br>March 2022 |
|---|---------------------|---------------------|
|   | £'000               | £'000               |
| <b>Amounts owed by group undertakings</b> | <b>169</b>          | <b>17,585</b>       |

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

Amounts owed by group undertakings are intended for the continuing use of the borrowing companies as part of the capital structure of those companies. As such they represent long term assets of Dyer and Butler Limited.

A dividend in specie of €17.3m was paid during the year to M Group Transport Limited as part of the reorganisation of the business, resulting in the settlement of a large portion of the amounts owed by Group undertakings in the year.



## Dyer and Butler Limited

### Notes to the financial statements for the year ended 31 March 2023 (continued)

#### 14 Debtors

|   | At 31<br>March 2023 | At 31<br>March 2022 |
|---|---------------------|---------------------|
|   | £'000               | £'000               |
| <b>Amounts falling due within one year:</b> |                     |                     |
| Trade debtors                               | 482                 | -                   |
| Amounts recoverable on contracts            | 42,293              | 44,220              |
| Amounts owed by group undertakings          | 194                 | 163                 |
| Corporation tax                             | 2,333               | -                   |
| Deferred tax asset (note 16)                | 240                 | 7                   |
| Other debtors                               | 357                 | 383                 |
| Prepayments and accrued income              | 506                 | 265                 |
|   | <b>46,405</b>       | <b>45,038</b>       |

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

## Dyer and Butler Limited

### Notes to the financial statements for the year ended 31 March 2023 (continued)

#### 15 Creditors: amounts falling due within one year

|                                    | At 31<br>March 2023<br>£'000 | At 31<br>March 2022<br>£'000 |
|------------------------------------|------------------------------|------------------------------|
| Trade creditors                    | 4,740                        | 1,872                        |
| Amounts owed to group undertakings | 10,000                       | 6,411                        |
| Corporation tax                    | -                            | 1,695                        |
| Other taxation and social security | 1,016                        | 749                          |
| Other creditors                    | 1,714                        | 669                          |
| Contract accruals                  | 12,983                       | 22,283                       |
| VAT liability*                     | 2,111                        | 2,978                        |
| Accruals                           | -                            | 858                          |
|                                    | <b>32,564</b>                | <b>37,515</b>                |

*In the prior year, the VAT liability was presented in aggregate within Other creditors. In the current year, these balances have been disaggregated and presented separately to provide the users of the financial statements with improved disclosure on the nature of the balances.*

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

Included within contract accruals is £374,016 (2022: £550,000) of estimates of accruals for future remedial work.

## Dyer and Butler Limited

### Notes to the financial statements for the year ended 31 March 2023 (continued)

#### 16 Deferred tax asset

Deferred tax is provided as follows:

|  | At 31<br>March 2023<br>£'000 | At 31<br>March 2023<br>£'000 |
|--|------------------------------|------------------------------|
| Brought forward at 1 April                   | 7                            | 5                            |
| Credit for the year                          | 95                           | 7                            |
| Adjustment in respect of previous years      | 138                          | (5)                          |
| <b>Carried forward at 31 March (note 14)</b> | <b>240</b>                   | <b>7</b>                     |

The deferred tax asset consists of the following:

|                                 | At 31<br>March 2023<br>£'000 | At 31<br>March 2023<br>£'000 |
|---------------------------------|------------------------------|------------------------------|
| Fixed asset timing differences  | 222                          | 7                            |
| Other temporary differences     | 18                           | -                            |
| <b>Total deferred tax asset</b> | <b>240</b>                   | <b>7</b>                     |

The amount of deferred tax expected to be reversed in the next 12 months is £240k (2022: £7k).

#### 17 Pensions and similar obligations

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

|                            | Year to<br>31 March<br>2023<br>£'000 | Year to<br>31 March<br>2022<br>£'000 |
|----------------------------|--------------------------------------|--------------------------------------|
| Current year contributions | 557                                  | 1,113                                |

Contributions amounting to £113,000 (2022: £97,000) were outstanding at the year end.

## Dyer and Butler Limited

### Notes to the financial statements for the year ended 31 March 2023 (continued)

#### 18 Called up share capital

|  | At 31<br>March<br>2023<br>£'000 | At 31<br>March<br>2022<br>£'000 |
|--|---------------------------------|---------------------------------|
| <b>Allotted and fully paid share capital</b>     |                                 |                                 |
| 10,000 (2022: 10,000) ordinary shares of £1 each | 10                              | 10                              |

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

#### 19 Financial commitments

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

|                            | At 31 March<br>2023<br>£'000 | At 31 March<br>2022<br>£'000 |
|----------------------------|------------------------------|------------------------------|
| Payments due               |                              |                              |
| Within one year            | 270                          | 203                          |
| Between one and five years | 775                          | 679                          |
| After five years           | 223                          | 389                          |
|                            | 1,268                        | 1,271                        |

#### 20 Contingent liabilities

There exist cross guarantees under a group banking arrangement whereby group companies have guaranteed the liabilities of other group companies to their clearing banks. Net indebtedness under this arrangement at 31 March 2023 was £nil (31 March 2022: £nil). Group bank debt is disclosed in the financial statements of Minerva Equity Limited.

#### 21 Related party transactions

The Company has taken advantage of the exemption under FRS 102.33.1A and has not disclosed transactions with entities that are part of the Minerva Equity Limited group, where 100% of the voting rights of these entities are controlled within the group.

# **Dyer and Butler Limited**

## **Notes to the financial statements for the year ended 31 March 2023 (continued)**

### **22 Immediate and ultimate parent undertaking and controlling party**

At 31 March 2023, 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.

### **23 Post balance sheet event**

There were no post balance sheet events.