

Milestone Infrastructure Limited

Annual report and financial statements

for the year ended 31 March 2023

Registered number 13007933



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

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Company information

Directors	G Bapodra A N Cooke A R Findlay C Keen A Loosveld T R Ryall J Yarr
Company secretary	I Evans
Registered office	Abel Smith House Gunnels Wood Road Stevenage Hertfordshire SG1 2ST
Registered number	13007933
Independent auditors	Deloitte LLP 2 New Street Square, London EC4A 3BZ

Milestone Infrastructure 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 highways, streetlighting and projects sector in the UK.

Review of the business

This year has seen us deliver a strong set of results, with Milestone performing ahead of management's expectations. Company turnover for the year was £378.9m (2022: £312.6m). As at 31 March 2023, the Company had a secured order book of £1.8bn (2022: £1.1bn). Net assets of as at 31 March 2023 were £9.1m (2022: £3.4m).

The majority of the work during the year has been delivered for local authorities, most notably Hampshire County Council, Cambridgeshire County Council, Oxfordshire County Council, and Devon County Council.

Highways market remains strong, the Company has successfully extended several of its current contracts, and secured new, long term maintenance contracts with Wiltshire, Central Bedfordshire and Suffolk. In the street lighting sector, Milestone have been awarded Reading and Thurrock contracts. The capital delivery expenditure with our local authority clients remains buoyant, in year Milestone negotiated an additional £78m of project work direct with existing clients.

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. These are set out in the annual report and consolidated financial statements of M Group Services Limited (the Group).

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

	Year ended 31 March 2023	*Period ended 31 March 2022
	£000	£000
Operating profit	7,098	4,943
Amortisation on intangible assets (Note 9)	6,879	6,073
Depreciation on tangible assets (Note 10)	543	713
EBITDA	14,520	11,729

* The comparative period is shown for 17 months of which the Company was trading for 11 months.

Principal risks and uncertainties

Economic conditions

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

Milestone Infrastructure Limited

Strategic Report for the year ended 31 March 2023 (continued)

Principal risks and uncertainties (continued)

Business interpretation

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.

Contract renewals

The Company's long term contracts periodically come up for renewal. There is a risk that the Company may not renew its framework contracts with existing clients during a competitive tender process, impacting on turnover and profitability. Framework contract renewal risk is mitigated by delivering a quality service, a strong health and safety performance and an effective bid process and has resulted in an excellent renewal track record.

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.

Reliance on supply chain

There is a risk that any disruption to the supply chain would impact the ability of the business to deliver services to its clients. The business mitigates this risk by establishing preferred supplier relationships (which are generally not exclusive) and always seeking to ensure that a balanced and stable supply chain is maintained, which helps to deliver best value to clients.

Health and safety

There is a risk that a significant health and safety failure would impact our ability to conduct our existing business and win new business. Health and safety considerations form a key part of the Company's operational practices and the Company promotes a culture that puts safety first. The Company operates safe and reliable working practices through a policy of honesty, trust and sharing best practices across all business operations.

New Business

The Company is targeting growth in existing and adjacent markets using its core skills. There is a risk that the business is not as efficient or as effective as it might be as key relationships with clients and the supply chain is established. This risk is mitigated by regular strategic and operational review of new activities to ensure resources are deployed appropriately.

Future developments

The Company has a solid platform to build from and is gearing up for organic growth. We maintain a strong long-term order book, with much of this being generated from the frameworks. We also have clear visibility of future opportunities for frameworks and standalone projects with potential to expand our geographic footprint. The Company has invested in its work winning teams, strengthening in numbers and capability, including the appointment of a new strategic development Director.

Milestone Infrastructure 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 people, clients and their end users, regulatory bodies, our relationship with our lenders and our people. 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 Company and also ensure there exists a working environment that allows people to flourish. During the year, a Company wide People Opinion Survey took place 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 need 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 contractors

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 have worked closely with our supply chain to ensure we can meet our business requirements in a sustainable way.

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

Communities and the environment

We are committed to creating positive value for the economies, communities, and places where we work. Integrating in the communities where we work is key in creating a positive legacy, by establishing targeted relationships with charities and organisations Milestone can provide great outcomes.

Milestone Infrastructure Limited

Strategic Report for the year ended 31 March 2023 (continued)

Section 172 statement (continued)

Stakeholder engagement (continued)

Communities and the environment (continued)

Taking a localised approach each contract and region has identified a partnered charity or community organisation that they can build a relationship with. This focussed approach allows for flexibility in addressing community needs, as well as inspiring employees to take local ownership in issues which matter most to them. Such as on our Cambridgeshire contract whose team voted to partner with East Anglia Children's Hospices (EACH) in raising both money and awareness, whilst additionally volunteering where the local team can make a marked impact.

During the year we continued to collaborate with local schools in order to encourage an interest in STEM (science, technology, engineering and maths) subjects among the students and raise awareness of careers in our sector. Through the 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 ex-offenders and care leavers.

We are committed to minimising our environmental impact, promoting good environmental practice across all our operations. Refer to the Environmental section of the Strategic Report on page 9.

Shareholders

The Company is a wholly owned subsidiary of Minerva Equity Limited, a United Kingdom incorporated company which is owned by management and Blueprint Investments Sarl (Luxembourg). Blueprint Investments Sarl (Luxembourg) is indirectly controlled by PAI Europe VI, a private equity fund which is ultimately controlled by PAI Partners. Monthly reporting of performance is discussed by management and PAI.

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

Lenders

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

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

Milestone Infrastructure Limited

Strategic Report for the year ended 31 March 2023 (continued)

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

On behalf of the board,



G Bapodra

Director

17 July 2023

Registered Number: 13007933

Abel Smith House
Gunnels Wood Road
Stevenage
Hertfordshire
SG1 2ST

Milestone Infrastructure 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

No dividends were paid in the year (2022: £nil). The Directors do not recommend the payment of a final dividend (2022: £nil).

Directors

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

J M Arnold	(resigned 1 January 2023)
G Bapodra	
A Cooke	
A R Findlay	
C Keen	(appointed 15 September 2022)
A Loosveld	(appointed 15 September 2022)
T Ryall	
J R Winnicott	(resigned 28 February 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. Cash flow has been and continues to be robust, in line with managements' expectations.

As at 31 March 2023 the Company had net current liabilities of £3.2m (2022: £56.4m). Subsequent to year end, the company had net current assets of £1.0m as at 30 June 2023.

Accordingly, based on the Company's financial projections and the current expectations of the Directors about the prospects of the Company, the financial statements have been prepared on the going concern basis.

The Company has 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.

Milestone Infrastructure Limited

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

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. To mitigate the risk the Company has entered into a fixed interest rate loan with the Group. 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.

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.

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 4 to 6. Employees are kept informed on matters affecting them. The Company communicates through regular briefings, presentations, electronic mailings, an intranet and the wide circulation of publications, to achieve awareness of all employees in relation to the financial and economic factors that affect the performance of the Company. Reward and recognition schemes are in place to encourage participation in the Company's performance, highlight the achievements and successes of our people and to thank them for their hard work and dedication. Employees are encouraged to participate in a confidential opinion survey carried out annually.

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.

Post balance sheet event

There were no post balance sheet events.

Milestone Infrastructure Limited

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

Modern Slavery and Human Rights

The Company supports and carries out its business in a manner compatible with the protection of individuals' human rights. The Company does this through its compliance with relevant legislation and through its insistence on ethical business practices. The Company has policies that reflect the rights granted to individuals under the Human Rights Act 1998, such as the areas of non-discrimination, data protection, dignity at work and health and wellbeing. Furthermore, the Company is committed to preventing modern slavery and human trafficking in all its activities and ensures that its supply chains are free from slavery and human trafficking, as set out in our most recent Modern Slavery Statement available here: www.mgroupservices.com/corporate-responsibility/modern-slavery-human-trafficking-statement/.

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 4 to 6.

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 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; 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.

Milestone Infrastructure Limited

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

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.

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,



G Bapodra

Director

17 July 2023

Registered Number: 13007933

Abel Smith House
Gunnels Wood Road
Stevenage
Hertfordshire
SG1 2ST

Independent auditor's report to the members of Milestone Infrastructure Limited

Report on the audit of the financial statements

Opinion

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

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

We have audited the financial statements which comprise:

- the statement of comprehensive income;
- the balance sheet;
- the statement of changes in equity; and
- the related notes 1 to 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.

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

Other information

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

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

We have nothing to report in this regard.

Responsibilities of directors

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

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

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.

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

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

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

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included UK Companies Act and tax legislation; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the group's ability to operate or to avoid a material penalty. These included employee laws, health and safety, environmental regulations, Data protection 2018 and the Bribery Act.

We discussed among the audit engagement team including relevant internal specialists such as tax 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.

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:

- Valuation of contract work in progress in relation to highway contracts and amounts accrued in relation to these contracts at the year-end. The procedures performed to address this risk included:
 - Obtaining an understanding from the commercial teams as to the composition of the WIP, and challenging judgements that they have taken in terms of valuation on a sample of contracts; and
 - Obtaining evidence of post year end cash collection or ongoing negotiations in relation to the recoverability of WIP 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, legal counsel and internal audit concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance.

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

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 their environment obtained in the course of the audit, we have not identified any material misstatements in the strategic report or the directors' report.

Matters on which we are required to report by exception

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

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

We have nothing to report in respect of these matters.

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, BA FCA (Senior statutory auditor)

For and on behalf of Deloitte LLP

Statutory Auditor

London, UK

17 July 2023

Milestone Infrastructure Limited

Statement of comprehensive income for the year ended 31 March 2023

	Note	Year ended 31 March 2023 £'000	*Period ended 31 March 2022 £'000
Turnover	5	378,824	312,579
Cost of sales		(348,402)	(287,430)
Gross profit		30,422	25,149
Administrative expenses		(23,324)	(20,206)
EBITDA		14,520	11,729
Depreciation	6,10	(543)	(713)
Amortisation	6,9	(6,879)	(6,073)
Operating profit		7,098	4,943
Profit before taxation	6	7,098	4,943
Tax on profit	8	(1,441)	(1,520)
Profit for the financial year / period		5,657	3,423
Other comprehensive income		-	-
Total comprehensive income for the financial year / period		5,657	3,423

The accompanying notes on pages 18 to 34 form part of these financial statements.

The above results all relate to continuing operations.

*The comparative period is shown for 17 months of which the Company was trading for 11 months.

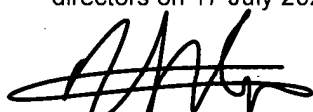
Milestone Infrastructure Limited

Balance sheet as at 31 March 2023

	Note	At 31 March 2023 £'000	At 31 March 2022 £'000
Fixed assets			
Intangible assets	9	53,287	60,064
Tangible assets	10	1,591	1,102
		54,878	61,166
Current assets			
Stocks	11	2,920	2,889
Debtors	12	46,714	34,250
Cash at bank and in hand		27,125	37,811
		76,759	74,950
Creditors: amounts falling due within one year	13	(79,951)	(131,358)
Net current liabilities		(3,192)	(56,408)
Total assets less current liabilities		51,686	4,758
Creditors: amounts falling due after more than one year	14	(41,692)	-
Provisions for liabilities	15	(914)	(1,335)
Net assets		9,080	3,423
Capital and reserves			
Called up share capital	18	-	-
Profit and loss account		9,080	3,423
Shareholders' funds		9,080	3,423

The notes on pages 18 to 34 are an integral part of these financial statements.

The financial statements on pages 15 to 34 were approved and authorised for issue by the board of directors on 17 July 2023 and were signed on its behalf by:



A Cooke
Director



G Bapodra
Director

Registered Number: 13007933

Milestone Infrastructure Limited

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

	Called up share capital	Profit and loss account	Shareholders' funds
	£'000	£'000	£'000
Balance as at 10 November 2020	-	-	-
Issued share capital	-	-	-
Profit and total comprehensive income for the financial period	-	3,423	3,423
Balance as at 31 March 2022	-	3,423	3,423
Profit and total comprehensive income for the financial year	-	5,657	5,657
Balance as at 31 March 2023	-	9,080	9,080

The notes on pages 18 to 34 are an integral part of these financial statements.

Milestone Infrastructure Limited

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

1 General information

Milestone Infrastructure 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 Milestone Infrastructure Limited have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS 102") and the Companies Act 2006.

3 Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

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.

The notes to the statement of comprehensive income for the comparative period is shown for 17 months of which the Company was trading for 11 months.

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. Cash flow has been and continues to be robust, in line with managements' expectations.

As at 31 March 2023 the Company had net current liabilities of £3.2m (2022: £56.4m). Subsequent to year end, the company had net current assets of £1.0m as at 30 June 2023.

Accordingly, based on the Company's financial projections and the current expectations of the Directors about the prospects of the Company, the financial statements have been prepared on the going concern basis.

The Company has 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.

Milestone Infrastructure Limited

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

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, street lighting and projects. Under these contracts revenue is recognised in line with each separate supply of goods and services completed. Where losses are foreseeable in respect of future supplies committed under these framework contracts, appropriate provisions are made. In addition, an accrual is maintained for future remedial works that may be required in respect of supplies already made.

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

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

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.

Milestone Infrastructure Limited

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

3 Summary of significant accounting policies (continued)

Taxation

Taxation expense for the year comprises current and deferred tax recognised in the reporting year. 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. 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.

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 estimated to be ten years.

Milestone Infrastructure Limited

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

3 Summary of significant accounting policies (continued)

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

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

Tangible assets

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

Plant and equipment and leasehold property

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

Depreciation and residual values

Depreciation of assets is calculated at rates expected to write off cost less the estimated residual value of the relevant assets over their expected economic lives. The expected useful lives of the assets to the business are reassessed periodically in light of experience. The expected economic lives used are principally as follows:

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

Derecognition

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

Provisions and contingencies

Provisions

A provision is recognised when the Company has a present legal or constructive obligation as a result of a past event for which it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated.

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.

Milestone Infrastructure Limited

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

3 Summary of significant accounting policies (continued)

Provisions and contingencies (continued)

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.

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.

Finance leased assets

Lease of assets that transfer substantially all the risks and rewards incidental to ownership are classified as finance leases.

Finance leases are capitalised at commencement of the lease as fixed assets at the fair value of the leased asset, or if lower, the present value of the minimum lease payments calculated using the interest rate implicit in the lease. Where the implicit rate cannot be determined the Company's incremental borrowing rate is used. Incremental direct costs, incurred in negotiating and arranging the lease, are included in the cost of the asset.

Assets are depreciated over the shorter of the lease term and the estimated useful life of the asset. Assets are assessed for impairment at each reporting date.

The capital element of lease obligations is recorded as a liability on inception of the arrangement. Lease payments are apportioned between capital repayment and finance charge, using the effective interest rate method, to produce a constant rate of charge on the balance of the capital repayments outstanding.

Stocks

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

Milestone Infrastructure Limited

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

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 and loss account.

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

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

Financial liabilities

Basic financial liabilities, including trade and other creditors, bank loans and loans from fellow group companies, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period to which it relates.

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

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

Offsetting

Financial assets and liabilities are offset, and the net amounts presented in the financial statements when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle to liability simultaneously.

Milestone Infrastructure Limited

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

3 Summary of significant accounting policies (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 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 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 provisioning and unbilled or unagreed accrued work in progress (WIP)

The Company delivers complex infrastructure projects to both public and private sectors in the UK. Consistent with its revenue recognition policy, the Company makes an estimate to value work in progress for portion of revenue where work is performed but is not billed and/or agreed with the customers as at the year-end. As at the year-end, an estimate of the recoverable value has been made and a provision is recorded for any known or anticipated losses. See note 12 for the net carrying amount of amounts recoverable on contract.

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.

Milestone Infrastructure Limited

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

5 Turnover

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

6 Profit before taxation

	Year ended 31 March 2023 £'000	Period ended 31 March 2022 £'000
Operating lease rentals	498	359
Depreciation – owned (note 10)	543	713
Amortisation (note 9)	6,879	6,073
Services provided by the Company's auditor		
Fees payable to the Company's auditor for the audit of the financial statements	284	198
Fees payable to the Company's auditor for non-audit services	-	-
Total amount payable to the Company's auditor and their associates	284	198

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

7 Employees and directors

The aggregate remuneration comprised:

	Year ended 31 March 2023 £'000	Period ended 31 March 2022 £'000
Wages and salaries	66,313	51,531
Social security costs	6,979	5,084
Other pension costs (note 17)	3,647	2,799
Staff costs	76,939	59,414

Milestone Infrastructure Limited

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

7 Employees and directors (continued)

The average monthly number of employees (Including executive directors):

	Year ended 31 March 2023	Period ended 31 March 2022
	Number	Number
Management and supervisory	836	695
Operational employees	649	716
	1,485	1,411

Directors' remuneration

	Year ended 31 March 2023	Period ended 31 March 2022
	£'000	£'000
Aggregate emoluments	804	804
Pension contributions	37	73
	841	877

Highest paid director

Emoluments	402	341
Pension contributions	14	34
	416	375

Retirement benefits are accruing to 3 directors under a defined contribution scheme (2022: 3). None are accruing under a defined benefit scheme (2022: None).

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

Milestone Infrastructure Limited

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

8 Tax on profit

Tax charge included in profit or loss	Year ended 31 March 2023 £'000	Period ended 31 March 2022 £'000
Current tax:		
UK Corporation tax on profits for the year / period	1,861	1,576
Adjustments in respect of prior period	(54)	-
Total current tax charge	1,807	1,576
Deferred tax:		
Origination and reversal of timing differences	(72)	(77)
Adjustments in respect of prior period	(141)	-
Impact of change in tax rate	(153)	21
Total deferred tax credit	(366)	(56)
Tax on profit	1,441	1,520

Milestone Infrastructure Limited

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

8 Tax on profit (continued)

Reconciliation of tax charge

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

	Year ended 31 March 2023 £'000	Period ended 31 March 2022 £'000
Profit before taxation	7,098	4,943
Profit before taxation multiplied by the standard UK rate of tax 19% (2022:19%)	1,349	939
Effects of:		
Items not deductible for tax purposes	7	64
Amortisation of goodwill	1,187	1,088
Transfer pricing adjustments	(754)	(592)
Adjustments in respect of prior period	(195)	-
Tax rate changes	(153)	21
Total tax charge for the year / period	1,441	1,520

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.

Milestone Infrastructure Limited

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

9 Intangible assets

	Goodwill	Software	Total
	£'000	£'000	£'000
At 1 April 2022	62,460	3,677	66,137
Additions	-	102	102
At 31 March 2023	62,460	3,779	66,239
Accumulated amortisation at 1 April 2022	(5,725)	(348)	(6,073)
Charge for the year	(6,246)	(633)	(6,879)
At 31 March 2023	(11,971)	(981)	(12,952)
Net book value at 31 March 2023	50,489	2,798	53,287
Net book value at 31 March 2022	56,735	3,329	60,064

10 Tangible assets

	Leasehold improvements	Plant and equipment	Total
		£'000	£'000
At 1 April 2022	175	1,589	1,764
Additions	282	750	1,032
At 31 March 2023	457	2,339	2,796
Accumulated depreciation at 1 April 2022	(57)	(605)	(662)
Charge for the year	(62)	(481)	(543)
At 31 March 2023	(119)	(1,086)	(1,205)
Net book value at 31 March 2023	338	1,253	1,591
Net book value at 31 March 2022	118	984	1,102

During the year the Company entered into a finance lease agreement for the purchase equipment valued at £221,880. The net book value of the Company's tangible assets held under finance lease at 31 March 2023 included in plant and machinery was £218,182.

Milestone Infrastructure Limited

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

11 Stocks

	At 31 March 2023	At 31 March 2022
	£'000	£'000
Raw materials	2,920	2,889

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

12 Debtors

	At 31 March 2023	At 31 March 2022
	£'000	£'000
Trade debtors	4,663	8,432
Amounts recoverable on contracts	34,834	22,176
Amounts owed by group undertakings	1,118	1,310
Other receivables	1,373	1,289
Deferred tax asset (note 16)	194	-
Prepayments and accrued income	4,532	1,043
	46,714	34,250

Amounts owed by group undertakings are unsecured, interest free and are repayable on demand.
Other receivables include £648,362 restricted cash (2022: £1,263,000).

Milestone Infrastructure Limited

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

13 Creditors: amounts falling due within one year

	At 31 March 2023	At 31 March 2022
	£'000	£'000
Payment received on account	6,336	2,305
Trade creditors	3,270	530
Amounts owed to group undertakings	2,946	62,426
Corporation tax	3,383	1,576
Other taxation and social security	1,982	2,448
Other creditors	19,028	15,887
Accruals and deferred income	42,965	46,186
Obligations under finance leases	41	-
	79,951	131,358

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

14 Creditors: amounts falling due after more than one year

	At 31 March 2023	At 31 March 2022
	£'000	£'000
Amounts owed to group undertakings	41,514	-
Obligations under finance leases	178	-
	41,692	-

Amounts owed to group undertakings are loan notes payable in full on 31 March 2028. The loan notes bear interest at 8.3%. Interest is accrued and will be paid on redemption. This agreement was entered into on 14 March 2023. Prior to the agreement being signed, this balance was repayable on demand and as such classified as a current liability. A total of £15.0m was repaid by the Company during the financial period.

Milestone Infrastructure Limited

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

15 Provisions for liabilities

	Deferred tax (see Note 16)	Other provisions	Total
	£'000	£'000	£'000
At 1 April 2022	172	1,163	1,335
Movement for the year	(172)	(249)	(421)
At 31 March 2023	-	914	914

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

16 Deferred tax asset

	At 31 March 2022 £'000	At 31 March 2022 £'000
Brought forward at 1 April	(172)	-
On acquisition	-	228
Adjustment in respect of prior period	141	-
Credit/(charge) to profit or loss	225	(56)
Carried forward at 31 March	194	(172)

The deferred tax asset (2022: liability) consists of the following:

	At 31 March 2023 £'000	At 31 March 2022 £'000
Fixed asset timing differences	110	(172)
Short term timing provisions	84	-
Total deferred tax asset/(liability)	194	(172)

The deferred tax asset is not expected to reverse in the next 12 months (2022: £nil).

Milestone Infrastructure Limited

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

17 Pension and similar obligations

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

	At 31 March 2023	At 31 March 2022
	£'000	£'000
Current year contributions	3,647	2,799

Contributions amounting to £337,674 (2022: £287,000) were outstanding at the year end.

18 Called up share capital

	At 31 March 2023	At 31 March 2022
	£'000	£'000
Allotted and fully paid share capital		
1 (2022: 1) ordinary share of £1	-	-

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 2023	At 31 March 2022
	£'000	£'000
Payments due:		
Within one year	1,558	1,141
Between one and five years	4,020	3,089
After five years	4,980	5,322
	10,558	9,552

Milestone Infrastructure Limited

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

19 Financial commitments (continued)

The future minimum finance lease payments are as follows:

	At 31 March 2023	At 31 March 2022
	£'000	£'000
Payments due:		
Less than one year	52	-
Between one and two years	198	-
Between two and five years	-	-
	249	-
Less: finance charges	(31)	-
Carrying amount of liability	219	-

20 Contingent liabilities

There exist cross guarantees under a group banking arrangement whereby certain group companies have guaranteed the liabilities of other group companies to their clearing banks. Net indebtedness under this arrangement at 31 March 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.

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.