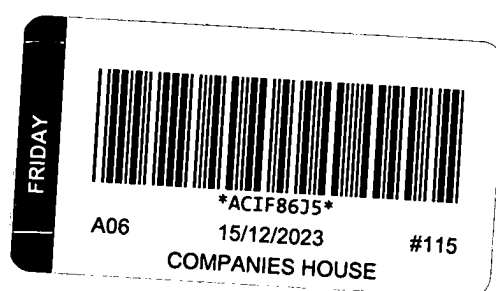


Registration number: 05539272

# MSS Facilities Services Limited

Annual Report and Financial Statements

for the Year Ended 31 March 2023



# **MSS Facilities Services Limited**

## **Contents**

Company Information	1
Strategic Report	2 to 6
Directors' Report	7
Statement of Directors' Responsibilities	8
Independent Auditor's Report	9 to 12
Profit and Loss Account	13
Balance Sheet	14
Statement of Changes in Equity	15
Notes to the Financial Statements	16 to 30

# **MSS Facilities Services Limited**

## **Company Information**

**Directors**           A S Draper  
                          C Knighton  
                          W D Mayne  
                          A A Ryder

**Company secretary** S Evans

**Registered office**   Spring Lodge  
                          172 Chester Road  
                          Helsby  
                          Cheshire  
                          WA6 0AR

**Auditors**            UHY Ross Brooke  
                          Chartered Accountants and Registered Auditors  
                          Suite 1 Windrush Court  
                          Abingdon Business Park  
                          Abingdon  
                          Oxfordshire  
                          OX14 1SY

## **MSS Facilities Services Limited**

### **Strategic Report for the Year Ended 31 March 2023**

The directors present their strategic report for the year ended 31 March 2023.

#### **Principal activity**

The principal activity of the company is the provision of facilities management services including cleaning, security and maintenance in critical, complex and hazardous environments to clients in the chemical, oil, specialist manufacturing and pharmaceutical industries.

#### **Fair review of the business**

The Company continued to deliver projects, providing best in class solutions to its clients, across many sectors and geographies.

#### **Results for the year**

Turnover and operating profit both increased slightly to £15.3m (2022: £15.1m) and £0.6m (2022: £0.5m) respectively. The Directors of the Company are confident that the Company will build on its successes and deliver growth in the current financial year, providing a valuable contribution to the RSK Group.

#### **Future developments**

Through the acquisition of the Company, RSK Group has entered the facilities sector. The directors have exciting plans to grow the Company and the RSK Group, to build the largest privately owned integrated Environmental, Engineering and Technical Services firm in Europe. The RSK Group aspire to build over a five year period, a business employing 10,000 people, delivering annual sales of £1 billion and EBITDA of £100 million, with the Company as an integral part.

#### **Key performance indicators**

The directors monitor several Key Performance Indicators (KPIs) and debate the company performance relative to those KPI at board meetings and divisional meetings. KPIs include:

- Carbon Emissions;
- Training;
- Net Fee income;
- Accidents and Near Misses;
- Positive Interventions to improve safety performance;
- Customer Feedback - both praise and complaints;
- Staff Turnover;
- Utilisation of Staff;
- Gender Pay Gap;
- Cash at Bank; and
- Debtor and Creditor days.

The directors are pleased to report that performance of the company in respect of all KPIs monitored is satisfactory.

## **MSS Facilities Services Limited**

### **Strategic Report for the Year Ended 31 March 2023**

#### **Corporate responsibility**

RSK is a diverse group of environmental, engineering and technical services businesses, connected by a shared commitment to finding environmental and socially sustainable ways to fix challenging problems. In doing so, we have found commercial success while making a positive contribution to the world around us. The Company supports the wider group's ambitions through its service delivery to clients and corporate responsibility and sustainability activities.

#### **Sustainability in all that we do**

RSK has recognised and championed the importance of environmental and social impact since its inception over 30 years ago, with "promoting the concept of sustainability in all that we do" being one of the group's nine business principles.

As a fast-growing global business, RSK can play a part in tackling the environmental, economic, and social challenges faced around the world. Our work is aligned with the United Nations' 17 Sustainable Development Goals (SDGs), a universal call to action to end poverty, protect the planet and ensure that all people enjoy peace and prosperity. It is not just about climate action, but it is also about providing affordable and clean energy, sustainable infrastructure, protecting life on land and below water, ending poverty and famine, and ensuring water supply and sanitation are available to all people.

Governments, businesses, organisations and individuals are embracing these goals, seeking the support from businesses, like those within RSK, to help them play their part. These fundamental drivers will have great impact on the RSK Group and the Company in the future, both on how we operate ourselves, but also how we support our clients.

#### **Our holistic strategy**

Our Sustainability Route Map integrates business and sustainability performance into a holistic strategy structured around five key pillars: safety, health and quality; our people and ethics; environment and communities; our clients and suppliers; financial and governance.

These five pillars provide the framework to align our business strategy to the SDGs and are key to our business's success. To measure our progress, the Route Map sets out clear milestones each year which keep us moving towards our overarching goals.

#### **Key principles**

The directors continue to run the business according to nine key principles:

- Hiring, retaining and rewarding talented and dedicated people;
- Building enduring client relationships;
- Encouraging continuous improvement and innovation;
- Promoting a learning culture in a positive work environment;
- Making strategic investments for sustainable growth;
- Committing to strong, predictable financial performance;
- Maintaining unwavering commitment to health and safety;
- Promoting the concept of sustainability in all that we do; and
- Encouraging staff consultation and clear communication.

## **MSS Facilities Services Limited**

### **Strategic Report for the Year Ended 31 March 2023**

#### **Employees**

The directors recognise that our people are the key to our success as an organisation, and we strive to engage with all our employees, making sure everyone is involved in the development of our business and is proud to be part of it.

#### **Equal opportunities**

The Company is committed to equality, diversity and inclusion which is core to our company culture. This is integral to the success of our business and supports our corporate responsibility and sustainability efforts. To help the Company fully embrace equality, diversity and inclusion, The Company has pledged the following:

- Champion equality, diversity and inclusion from the top of the organisation.
- Acknowledge and tackle unconscious bias.
- Communicate and educate about the importance of equality, diversity and inclusion at all levels of our business, making this part of our everyday conversations.
- Empower our workforce through the introduction of employee networks.

We believe in equal opportunities for all employees and applicants and oppose all forms of unlawful or unfair discrimination in relation to a protected characteristic. All employees and applicants, whether part time, full time or temporary, will be treated fairly and with respect.

The Company is committed to ensuring that every employee has a working environment that promotes dignity and respect, and where individual differences and contributions of employees are recognised and valued.

As directors it is also important to us that we look after the wellbeing of our employees, so we subscribe to the group's wellbeing policy which is built on five interconnected wellbeing pillars: physical, mental, social, financial and environmental. This policy is delivered through a diverse calendar of activities aimed at engaging, educating and connecting employees.

#### **Principle risks and uncertainties**

The directors are required to identify risks that might adversely affect the Company's business in the medium and long-term. The directors have considered the risks to the business and means to manage those risks. The primary risks, and means of risk management, are:

- Failure to maintain a sufficient employee resource at appropriate levels of seniority and experience. The directors recognise that having a sufficient resource to undertake projects is critical to the continued success of the company. To that end, we are committed to all the components of Investors In People and seek to be an employer of choice. We aim to hire the most talented of people; we communicate widely and openly to create a sense of community across the group; we provide learning and development opportunities; and we strive to empower every employee to meet their full potential. In this way we plan to look after our clients' needs in an exemplary fashion. The directors monitor people metrics, including retention statistics to identify any trends or issues.

## **MSS Facilities Services Limited**

### **Strategic Report for the Year Ended 31 March 2023**

- Termination of projects or failure to win work in our core markets. We strive to delight our clients and keep abreast of their requirements and expectations through regular communication, project reviews, client satisfaction surveys and wider market assessments. We want to work to the highest technical and health and safety standards and to these ends, we operate in accordance with ISO 9001, ISO 14001 and ISO 45001 and, where applicable, comply with the various specific industry codes of practice and standards.

- Financial risk management. The company's operations expose it to a variety of financial risks and these risks need to be considered throughout the lifetime of a project. The directors operate an internal review process so that tenders are reviewed before submission to a client. Risk of late payment by clients and bad debts could result in the company having insufficient cash to pay suppliers in a timely fashion. The directors have considered this and have adequate working capital facilities, allowing for late payments by clients and pressure from creditors for more prompt settlement of accounts. A primary strategy employed by the directors to minimise financial risk is one of diversity of operations as set out above with a mix of services, clients, projects and geographical spread of operations.

- Global economy. Rising inflation and the risk of recession present risk to all businesses. To mitigate this risk, we remain as diverse as possible, strengthening our offer in sectors which we consider most resilient. The Company is also very nimble, able to make decisions very quickly and pivot to different market sectors when required. We closely manage costs to remain competitive in the marketplace.

#### **Section 172 statement**

The directors of the Company must act in accordance with a set of general duties as detailed in section 172 of the UK Companies Act 2006. A director of a company must act in the way they consider, in good faith, would be most likely to promote the success of the company for the benefits of its members as a whole, and in doing so have regard to:

- the likely consequences of any decision in the long term,
- the interests of the company's employees,
- the need to foster the company's business relationships with suppliers, customers and others,
- the impact of the company's operations on the community and the environment,
- the desirability of the company maintaining a reputation for high standards of business conduct, and
- the need to act fairly as between members of the company.

All RSK directors are required to complete a directors' duty training module which provides them with an overview of the general duties and further support is provided by the RSK Group company secretary.

As a large organisation, the directors fulfil their duties through a governance framework that delegates day to day responsibilities to its employees, with appropriate review and assurance processes in place. A strategy is in place which covers the period to 2025 and annual business plans are in place.

## MSS Facilities Services Limited

### Strategic Report for the Year Ended 31 March 2023

The directors have regard to the likely consequences of any decision in the long term in all aspects of the business. This is highlighted by the Group's strategy to 2025 in terms of its plan for both acquisition and organic growth. The "Risk and Uncertainty" section in the Company's Strategic Report sets out the Company's approach to management of risks that might adversely affect the Company's business in the medium and long-term.

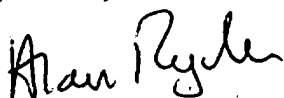
The Company is committed to being a responsible employer, our directors recognising that our people are the key to success. We strive to engage with all our employees, making sure everyone is involved in the development of our business and feels pride in it. Please refer to the "Our Commitment to our People" section of the Company's Strategic Report for more details.

The directors regularly review our business relationships. The group has driven significant organic growth through selling services to new and existing customers. This would not be possible without high levels of customer satisfaction. The Company operates many long-term partnership arrangements with key suppliers.

Our directors appreciate that the communities in which we operate are a key stakeholder and our engagement with such communities is detailed in our Corporate Responsibility and Sustainability Route Map.

A reputation for high standards of business conduct is crucial to the business and its future success. This underpins everything we do and influences the decisions that the directors make.

Approved by the Board on 13/12/23 and signed on its behalf by:



.....  
A A Ryder  
Director



## **MSS Facilities Services Limited**

### **Directors' Report for the Year Ended 31 March 2023**

The directors present their report and the financial statements for the year ended 31 March 2023.

#### **Directors of the company**

The directors who held office during the year were as follows:

A S Draper (appointed 10 June 2022)

C Knighton (appointed 10 June 2022)

W D Mayne

A A Ryder (appointed 10 June 2022)

J L Jones (resigned 10 June 2022)

R Little (resigned 10 June 2022)

#### **Dividends**

No ordinary dividends were paid. The directors do not recommend payment of a final dividend.

#### **Disclosure of information to the auditors**

Each director has taken steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information. The directors confirm that there is no relevant information that they know of and of which they know the auditors are unaware.

Approved by the Board on 13/12/23 and signed on its behalf by:



.....  
A A Ryder  
Director

## **MSS Facilities Services Limited**

### **Statement of Directors' Responsibilities**

The directors acknowledge their responsibilities 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). 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 apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable United Kingdom 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.

## **MSS Facilities Services Limited**

### **Independent Auditor's Report to the Members of MSS Facilities Services Limited**

#### **Opinion**

We have audited the financial statements of MSS Facilities Services Limited (the 'company') for the year ended 31 March 2023, which comprise the Profit and Loss Account, Balance Sheet, Statement of Changes in Equity, and Notes to the Financial Statements, including a summary of significant accounting policies. 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).

In our opinion the financial statements:

- 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; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### **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 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 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 director's 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 original financial statements were 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 directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. 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.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

## **MSS Facilities Services Limited**

### **Independent Auditor's Report to the Members of MSS Facilities Services Limited**

We have nothing to report in this regard.

#### **Opinion on other matter 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 Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and Directors' Report have been prepared in accordance with applicable legal requirements.

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

In the light of our knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report and the Directors' Report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you 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.

#### **Responsibilities of directors**

As explained more fully in the Statement of Directors' Responsibilities [set out on page 8], 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 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.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

## **MSS Facilities Services Limited**

### **Independent Auditor's Report to the Members of MSS Facilities Services Limited**

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the company through discussions with directors and other management, and from our cumulative audit and commercial knowledge and experience of the company and the sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the company, including the Companies Act 2006, Taxation Legislation, General Data Protection Rules (GDPR), Anti-Bribery Act, Employment Law and Health & Safety legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected, and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with HMRC and analysing legal costs to ascertain if there have been instances of non-compliance with laws and regulations.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities is available on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

## MSS Facilities Services Limited

### Independent Auditor's Report to the Members of MSS Facilities Services Limited

#### 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.



.....  
Caroline Webster FCA (Senior Statutory Auditor)  
For and on behalf of UHY Ross Brooke, Statutory Auditor

Chartered Accountants and Registered Auditors  
Suite 1 Windrush Court  
Abingdon Business Park  
Abingdon  
Oxfordshire  
OX14 1SY

Date:.....13/12/23.....

## MSS Facilities Services Limited

### Profit and Loss Account for the Year Ended 31 March 2023

		(As restated)	
	Note	2023 £	2022 £
Turnover	3	15,295,146	15,143,322
Cost of sales		<u>(3,680,404)</u>	<u>(1,782,153)</u>
Net fee income		11,614,742	13,361,169
Administrative expenses		(11,073,675)	(12,845,225)
Other operating income	4	<u>14,345</u>	<u>-</u>
Operating profit	5	<u>555,412</u>	<u>515,944</u>
Other interest receivable and similar income	6	-	2,175
Interest payable and similar expenses	7	<u>(13,176)</u>	<u>(14,013)</u>
		<u>(13,176)</u>	<u>(11,838)</u>
Profit before tax		542,236	504,106
Tax on profit	11	<u>(99,536)</u>	<u>(99,037)</u>
Profit for the financial year		<u><u>442,700</u></u>	<u><u>405,069</u></u>

The above results were derived from continuing operations.


The company has no recognised gains or losses for the year other than the results above.

The notes on pages 16 to 30 form an integral part of these financial statements.

**MSS Facilities Services Limited**  
**(Registration number: 05539272)**  
**Balance Sheet as at 31 March 2023**

			(As restated)
	Note	2023 £	2022 £
<b>Fixed assets</b>			
Intangible assets	12	11,910	17,952
Tangible assets	13	<u>256,442</u>	<u>338,969</u>
		<u>268,352</u>	<u>356,921</u>
<b>Current assets</b>			
Debtors	14	5,743,820	5,547,869
Cash at bank and in hand		<u>613,754</u>	<u>811,699</u>
		6,357,574	6,359,568
Creditors: Amounts falling due within one year	16	<u>(4,941,720)</u>	<u>(5,396,762)</u>
<b>Net current assets</b>		<u>1,415,854</u>	<u>962,806</u>
<b>Total assets less current liabilities</b>		1,684,206	1,319,727
Creditors: Amounts falling due after more than one year	16	-	(61,051)
Deferred tax liability	17	<u>(54,377)</u>	<u>(71,547)</u>
<b>Net assets</b>		<u>1,629,829</u>	<u>1,187,129</u>
<b>Capital and reserves</b>			
Called up share capital		12,500	12,500
Retained earnings		<u>1,617,329</u>	<u>1,174,629</u>
Shareholders' funds		<u>1,629,829</u>	<u>1,187,129</u>

Approved and authorised by the Board on 13/12/23 and signed on its behalf by:

  
 .....  
 A A Ryder  
 Director



# MSS Facilities Services Limited

## Statement of Changes in Equity for the Year Ended 31 March 2023

	Share capital £	Retained earnings £	Total £
At 1 April 2021	12,500	769,560	782,060
Profit for the year	-	405,069	405,069
At 31 March 2022	12,500	1,174,629	1,187,129

	Share capital £	Retained earnings £	Total £
At 1 April 2022	12,500	1,174,629	1,187,129
Profit for the year	-	442,700	442,700
At 31 March 2023	12,500	1,617,329	1,629,829

The notes on pages 16 to 30 form an integral part of these financial statements.

## **MSS Facilities Services Limited**

### **Notes to the Financial Statements for the Year Ended 31 March 2023**

#### **1 General information**

The company is a private company limited by share capital, incorporated in England and Wales.

The address of its registered office is:

Spring Lodge  
172 Chester Road  
Helsby  
Cheshire  
WA6 0AR  
England

#### **2 Accounting policies**

##### **Summary of significant accounting policies and key accounting estimates**

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

##### **Statement of compliance**

These financial statements were prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland and the Companies Act 2006'.

##### **Basis of preparation**

These financial statements have been prepared using the historical cost convention except that as disclosed in the accounting policies certain items are shown at fair value.

The financial statements are presented in sterling, which is the functional currency of the company.

As permitted by the FRS 102 framework, the company has taken advantage of the disclosure exemptions available under that standard in relation to presentation of a cashflow statement.

These accounts are consolidated into the accounts of RSK Group Ltd.

## **MSS Facilities Services Limited**

### **Notes to the Financial Statements for the Year Ended 31 March 2023**

#### **Going concern**

The Directors have acknowledged the latest guidance on going concern from the Financial Reporting Council and considered various relevant matters noted here.

The company participates in the Group's centralised treasury arrangements and so shares banking arrangements with its subsidiaries. The Group completed a refinancing with funds managed by Ares Management in July 2021 and at this time the funds comprised a £500m committed acquisition facility and a £500m incremental acquisition facility. As at 2nd April 2023, the funds comprise a £750m committed acquisition facility and a £250m uncommitted acquisition facility. A £250m upsize was completed in May 2022 and a further £250m upsize was completed in May 2023. The Group had a £40m revolving credit facility with NatWest bank, which was increased to £50m in May 2023.

The facilities will finance growth, both organic and acquisitive and associated working capital requirements.

After a thorough review, the Group's consolidated business plan, forecasts and projections show that it is expected to operate within its facilities.

The Group has established contracts and master service agreements with several customers across a wide range of sectors and markets and has a significant pipeline of committed work, tenders in progress and opportunities. The Directors believe that the Group will continue to manage its business risks successfully despite uncertain economic conditions in some business sectors and countries.

After making enquiries, the Directors have a reasonable expectation that the Company and the Group have adequate resources to continue to operate for the foreseeable future, being a period of at least twelve months after the date on which the report and financial statements are signed. Accordingly, they have continued to adopt a going concern basis in the preparation of the annual report and financial statements.

## MSS Facilities Services Limited

### Notes to the Financial Statements for the Year Ended 31 March 2023

#### Prior period errors

Historically staff costs have been reported within cost of sales. These have now been reclassified to administrative expenses in line with fellow companies in the RSK Group.

	Relating to the current period disclosed in these financial statements £	Relating to the prior period disclosed in these financial statements £
Cost of sales	-	(9,663,180)
Administrative expenses	-	<u>9,663,180</u>

#### Key sources of estimation uncertainty

The company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have the greatest level of uncertainty are addressed below:

Revenue recognition and amounts recoverable on contracts: £39,951 (2022: £37,285)

The company's revenue policies (set out in revenue recognition policy below) are fundamental to how the Group values the work it has carried out in each reporting period. Contracts are assessed on a contract by contract basis, and estimations are made regarding amounts not invoiced based on the stage of completion of the service.

Impairment of debtors - £3,280,587 (2022: £3,504,276m)

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

## **MSS Facilities Services Limited**

### **Notes to the Financial Statements for the Year Ended 31 March 2023**

#### **Revenue recognition**

Turnover comprises the fair value of the consideration received or receivable for the provision of services in the ordinary course of the Company's activities. Turnover is shown net of sales/value added tax, returns, rebates and discounts and after eliminating sales within the company.

In respect of long-term contracts for on-going services, turnover represents the value of work done in the period, including estimates of amounts not invoiced. Turnover in respect of long-term contracts and contracts for on-going services is recognised by reference to the stage of completion.

Turnover from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of turnover can be measured reliably;
- it is probable that the company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

Long-term contracts are assessed on a contract by contract basis and reflected in the profit and loss account by recording turnover and related costs as contract activity progresses. Turnover represents the value of work done in the period, including estimates of amounts not invoiced, and is recognised by reference to the stage of completion. Operating profit includes attributable profit on long-term completed contracts and amounts recoverable on uncompleted contracts, the latter being included within debtors due within one year.

## **MSS Facilities Services Limited**

### **Notes to the Financial Statements for the Year Ended 31 March 2023**

#### **Tax**

The tax expense for the period comprises current and deferred tax. Tax is recognised in the profit and loss account, except that a change attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

#### **Current tax**

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generate income.

#### **Deferred tax**

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax balances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the difference between the fair value of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

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

#### **Tangible assets**

Tangible assets are stated in the balance sheet at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

#### **Depreciation**

Depreciation is charged so as to write off the cost of assets, other than land and properties under construction over their estimated useful lives, as follows:

<b>Asset class</b>	<b>Depreciation method and rate</b>
Plant and machinery	25% straight line
Fixtures and fittings	25% straight line
Office equipment	25% straight line
Motor vehicles	25% straight line

## **MSS Facilities Services Limited**

### **Notes to the Financial Statements for the Year Ended 31 March 2023**

#### **Goodwill**

Goodwill arising on the acquisition of an entity represents the excess of the cost of acquisition over the company's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the entity recognised at the date of acquisition. Goodwill is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is held in the currency of the acquired entity and revalued to the closing rate at each reporting period date. Goodwill is amortised over its useful life, which shall not exceed ten years if a reliable estimate of the useful life cannot be made.

#### **Amortisation**

Amortisation is provided on intangible assets so as to write off the cost, less any estimated residual value, over their useful life as follows:

<b>Asset class</b>	<b>Amortisation method and rate</b>
Goodwill	5% straight line

#### **Investments**

Investments in equity shares which are not publicly traded and where fair value cannot be measured reliably are measured at cost less impairment.

Dividends on equity securities are recognised in income when receivable.

#### **Cash and cash equivalents**

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

#### **Debtors**

Short-term debtors are measured at transaction price, less any impairment.

#### **Creditors**

Creditors are recognised initially at fair value and subsequently measured at amortised cost using the effective interest rate method.

#### **Borrowings**

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the profit and loss account over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

## **MSS Facilities Services Limited**

### **Notes to the Financial Statements for the Year Ended 31 March 2023**

#### **Leases**

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee.

Assets held under finance leases are recognised at the lower of their fair value at inception of the lease and the present value of the minimum lease payments. These assets are depreciated on a straight-line basis over the shorter of the useful life of the asset and the lease term. The corresponding liability to the lessor is included in the Balance Sheet as a finance lease obligation.

Lease payments are apportioned between finance costs in the Profit and Loss Account and reduction of the lease obligation so as to achieve a constant periodic rate of interest on the remaining balance of the liability.

Leases in which substantially all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to profit or loss on a straight-line basis over the period of the lease.

#### **Share capital**

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

#### **Defined contribution pension obligation**

A defined contribution plan is a pension plan under which fixed contributions are paid into a pension fund and the company has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised as employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

#### **Financial instruments**

##### *Financial assets*

Basic financial assets, including trade and other receivables, loans receivable from other group companies, investments in subsidiary companies and cash and cash equivalents, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of future receipts discounted at the market rate of interest. Such assets are subsequently carried at amortised cost using the effective interest method.

##### *Financial liabilities*

Basic financial liabilities, including trade and other payables, bank loans, hire purchase contracts and loans payable to other 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 future payments discounted at the market rate of interest. Debt instruments are subsequently carried at amortised cost using the effective interest method.



## MSS Facilities Services Limited

### Notes to the Financial Statements for the Year Ended 31 March 2023

#### 3 Turnover

The analysis of the company's turnover for the year from continuing operations is as follows:

	2023 £	2022 £
General industrial services	<u>15,295,146</u>	<u>15,143,322</u>

#### 4 Other operating income

The analysis of the company's other operating income for the year is as follows:

	2023 £	2022 £
Research and development expenditure credits	<u>14,345</u>	<u>-</u>

#### 5 Operating profit

Arrived at after charging/(crediting)

	2023 £	2022 £
Depreciation expense	159,077	148,224
Amortisation expense	6,042	6,042
Operating lease expense - plant and machinery	<u>12,468</u>	<u>49,556</u>

#### 6 Other interest receivable and similar income

	2023 £	2022 £
Interest income on bank deposits	<u>-</u>	<u>2,175</u>

#### 7 Interest payable and similar expenses

	2023 £	2022 £
Interest on obligations under finance leases and hire purchase contracts	7,354	7,200
Interest expense on other finance liabilities	<u>5,822</u>	<u>6,813</u>
	<u>13,176</u>	<u>14,013</u>

## MSS Facilities Services Limited

### Notes to the Financial Statements for the Year Ended 31 March 2023

#### 8 Staff costs

The aggregate payroll costs (including directors' remuneration) were as follows:

	2023	2022
	£	£
Wages and salaries	8,729,174	8,702,127
Social security costs	835,102	789,841
Other short-term employee benefits	79,320	-
Pension costs, defined contribution scheme	180,594	171,212
	<u>9,824,190</u>	<u>9,663,180</u>

The average number of persons employed by the company (including directors) during the year, analysed by category was as follows:

	2023	2022
	No.	No.
Cleaning and maintenance staff	305	358
Administration and support	24	51
	<u>329</u>	<u>409</u>

#### 9 Directors' remuneration

The directors' remuneration for the year was as follows:

	2023	2022
	£	£
Remuneration	37,950	81,049
Contributions paid to money purchase schemes	-	169
	<u>37,950</u>	<u>81,218</u>

The remuneration in the table above relates to 2 directors (2022: 2) who are remunerated by the company. The other directors' remuneration is borne by the company's ultimate parent, RSK Group Limited. No direct recharge is made to the company for services provided, but an estimate of the cost of these directors' time is incorporated into the management charge charged to the company from RSK Group Limited.

#### 10 Auditors' remuneration

	2023	2022
	£	£
Audit of the financial statements	<u>7,500</u>	<u>5,000</u>

## MSS Facilities Services Limited

### Notes to the Financial Statements for the Year Ended 31 March 2023

#### 11 Taxation

Tax charged/(credited) in the profit and loss account

	2023 £	2022 £
<b>Current taxation</b>		
UK corporation tax	116,706	99,037
<b>Deferred taxation</b>		
Arising from origination and reversal of timing differences	<u>(17,170)</u>	<u>-</u>
Tax expense in the income statement	<u><u>99,536</u></u>	<u><u>99,037</u></u>

The tax on profit before tax for the year is lower than the standard rate of corporation tax in the UK (2022 - higher than the standard rate of corporation tax in the UK) of 19% (2022 - 19%).

The differences are reconciled below:

	2023 £	2022 £
Profit before tax	<u>542,236</u>	<u>504,106</u>
Corporation tax at standard rate	103,025	95,780
Effect of expense not deductible in determining taxable profit (tax loss)	-	7,135
Deferred tax expense relating to changes in tax rates or laws	13,050	17,171
Decrease in UK and foreign current tax from adjustment for prior periods	(12,393)	(19,154)
Tax decrease from effect of capital allowances and depreciation	-	(1,895)
Tax decrease from effect of super deduction	<u>(4,146)</u>	<u>-</u>
Total tax charge	<u><u>99,536</u></u>	<u><u>99,037</u></u>

## MSS Facilities Services Limited

### Notes to the Financial Statements for the Year Ended 31 March 2023

#### 12 Intangible assets

	Goodwill £	Total £
<b>Cost or valuation</b>		
At 1 April 2022	<u>120,845</u>	<u>120,845</u>
At 31 March 2023	<u>120,845</u>	<u>120,845</u>
<b>Amortisation</b>		
At 1 April 2022	102,893	102,893
Amortisation charge	<u>6,042</u>	<u>6,042</u>
At 31 March 2023	<u>108,935</u>	<u>108,935</u>
<b>Carrying amount</b>		
At 31 March 2023	<u>11,910</u>	<u>11,910</u>
At 31 March 2022	<u>17,952</u>	<u>17,952</u>

Goodwill relates to the acquisition of shares in MEM Group Plc on 31 October 2005. Goodwill is being amortised over its estimated economic life of 20 years.

**MSS Facilities Services Limited**

**Notes to the Financial Statements for the Year Ended 31 March 2023**

**13 Tangible assets**

	Fixtures and fittings £	Plant and machinery £	Office equipment £	Motor vehicles £	Total £
<b>Cost or valuation</b>					
At 1 April 2022	313,588	1,068,659	20,712	212,804	1,615,763
Additions	-	76,550	-	-	76,550
At 31 March 2023	<u>313,588</u>	<u>1,145,209</u>	<u>20,712</u>	<u>212,804</u>	<u>1,692,313</u>
<b>Depreciation</b>					
At 1 April 2022	301,097	771,449	20,712	183,536	1,276,794
Charge for the year	921	153,656	-	4,500	159,077
At 31 March 2023	<u>302,018</u>	<u>925,105</u>	<u>20,712</u>	<u>188,036</u>	<u>1,435,871</u>
<b>Carrying amount</b>					
At 31 March 2023	<u>11,570</u>	<u>220,104</u>	<u>-</u>	<u>24,768</u>	<u>256,442</u>
At 31 March 2022	<u>12,491</u>	<u>297,210</u>	<u>-</u>	<u>29,268</u>	<u>338,969</u>

## MSS Facilities Services Limited

### Notes to the Financial Statements for the Year Ended 31 March 2023

#### Assets held under finance leases and hire purchase contracts

The net carrying amount of tangible assets includes the following amounts in respect of assets held under finance leases and hire purchase contracts:

	2023 £	2022 £
Plant and machinery	<u>148,094</u>	<u>203,592</u>

#### 14 Debtors

	2023 £	2022 £
Trade debtors	3,280,587	3,480,678
Amounts owed by related parties	2,243,249	1,728,086
Other debtors	-	160,421
Prepayments	146,778	122,130
Accrued income	39,951	37,285
Corporation tax receivable	<u>33,255</u>	<u>19,269</u>
	<u>5,743,820</u>	<u>5,547,869</u>

#### 15 Cash and cash equivalents

	2023 £	2022 £
Cash at bank	<u>613,754</u>	<u>811,699</u>

#### 16 Creditors

	2023 £	2022 £
<b>Due within one year</b>		
Hire purchase contracts	45,343	65,938
Trade creditors	901,397	566,599
Amounts due to related parties	2,716,381	1,226,986
Social security and other taxes	528,905	503,754
Outstanding defined contribution pension costs	22,186	-
Other payables	381,345	2,334,093
Accruals	213,650	601,549
Group relief payable	<u>132,513</u>	<u>97,843</u>
	<u>4,941,720</u>	<u>5,396,762</u>
<b>Due after one year</b>		
Hire purchase contracts	<u>-</u>	<u>61,051</u>

## MSS Facilities Services Limited

### Notes to the Financial Statements for the Year Ended 31 March 2023

#### 17 Provisions for liabilities

	Deferred tax £	Total £
At 1 April 2022	71,547	71,547
Increase (decrease) in existing provisions	<u>(17,170)</u>	<u>(17,170)</u>
At 31 March 2023	<u>54,377</u>	<u>54,377</u>

#### 18 Pension and other schemes

##### Defined contribution pension scheme

The company operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the company to the scheme and amounted to £180,594 (2022 - £171,212).

Contributions totalling £22,186 (2022 - £Nil) were payable to the scheme at the end of the year and are included in creditors.

#### 19 Share capital

##### Allotted, called up and fully paid shares

	2023		2022	
	No.	£	No.	£
Ordinary shares of £1 each	<u>12,500</u>	<u>12,500</u>	<u>12,500</u>	<u>12,500</u>

#### 20 Obligations under leases and hire purchase contracts

##### Operating leases

The total of future minimum lease payments is as follows:

	2023 £	2022 £
Not later than one year	76,743	15,670
Later than one year and not later than five years	<u>211,850</u>	<u>14,293</u>
	<u>288,593</u>	<u>29,963</u>

The amount of non-cancellable operating lease payments recognised as an expense during the year was £68,218 (2022 - £49,556).

## **MSS Facilities Services Limited**

### **Notes to the Financial Statements for the Year Ended 31 March 2023**

#### **21 Contingent liabilities**

The company is party to cross guarantee arrangements relating to a borrowing facility provided by Ares Management to RSK Group Limited. The amount borrowed under this agreement at 2 April 2023 is £765,384,000 (2022: £467,799,000).

The company is also a guarantor of any trading and other obligations of any RSK Group member that may be a Junior Creditor in the related Subordination Deed.

#### **22 Parent and ultimate parent undertaking**

The company's immediate parent is MSS Group Limited, incorporated in England and Wales.

The ultimate parent is RSK Group Limited, incorporated in England and Wales.

These financial statements are available upon request from Companies House, Crown Way, Cardiff, CF14 3UZ.