

MRO Plus Solutions Group Ltd

Registered number: 11105636

Annual report and financial statements

For the year ended 30 September 2021



MRO PLUS SOLUTIONS GROUP LTD

COMPANY INFORMATION

Directors	M J Cattell J A G Douglas M Kerins N Murray J M Naylor-Leyland
Registered number	11105636
Registered office	Flotech House Stuart Road Bredbury Stockport SK6 2SR
Independent auditor	Mazars LLP Chartered Accountants & Statutory Auditor Park View House 58 The Ropewalk Nottingham NG1 5DW

MRO PLUS SOLUTIONS GROUP LTD

CONTENTS

	Page
Group strategic report	1 - 3
Directors' report	4 - 5
Independent auditor's report	6 - 9
Consolidated profit and loss account	10
Consolidated balance sheet	11
Company balance sheet	12
Consolidated statement of changes in equity	13
Company statement of changes in equity	14
Consolidated statement of cash flows	15 - 16
Analysis of net debt	17
Notes to the financial statements	18 - 41

MRO PLUS SOLUTIONS GROUP LTD

GROUP STRATEGIC REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2021

Introduction

The Directors present their strategic report on MRO Plus Solutions Group Ltd ("the Company") for the year ended 30 September 2021.

Business review

The financial year continued to present challenges resulting from the impact of the COVID pandemic, alongside sustained supply chain issues seen in the year across multiple industries and the deferral of capital projects by major customers. Despite this, the Group has delivered solid results and an improved quality of earnings position in FY21. Key highlights are:

- The Group expanded the product line in FY20 to deliver much needed PPE equipment to both industry and the NHS. This has continued into FY21 and has delivered £550k of revenue (£1.3m in FY20).
- Gross margin has increased by 2% (from 28% in FY20 to 30% in FY21).
- The core business (i.e. revenue excluding PPE sales) has remained relatively flat at £21m (21.1m FY20), despite FY20 containing 6 months of "non-COVID" periods.
- The Group successfully completed a restructuring exercise with minimal impact on operations, generating overhead savings of £0.5m in FY21.
- Secured several large contracts which are forecast to deliver additional revenue of £1.5m in FY22.

Financial key performance indicators

The Group has developed a range of KPI measures relevant to its needs and reports on them regularly. Relevant decisions and actions are taken based on the results which not only give actual performance but also give comparisons to previous periods and targets.

The key measures are shown below:

	FY21	FY20	+/-
Turnover	21,488	22,431	-4.20%
Gross Margin	30%	28%	1%
*Overheads	6,018	6,512	-494
EBITDA	170	-760	930
*Adjusted EBITDA	384	-272	656

*Adjusted EBITDA and overheads exclude foreign exchange differences, restructuring costs, costs relating to discontinued operations, profit or loss on sale of assets, costs associated with issue of share capital and amortisation of loan arrangement fees.

MRO PLUS SOLUTIONS GROUP LTD

GROUP STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2021

Principal risks and uncertainties

The spread of COVID over recent months has created substantial market uncertainty. MRO Plus Solutions Group Ltd has continued to adopt a coordinated and proactive response, ensuring that all branches remain open, providing critical components to many key industries (e.g. Healthcare, Energy, Food Manufacturing).

The Group has seen a reduction in demand driven by customer production downtime and the deferral of capital projects into 2022 and onwards, thereby shrinking the addressable market of the business in the short term. Other possible effects are potential customer failure, changes in consumer behaviour, availability of materials; and longer term, potential downturn in production and manufacturing volumes.

In terms of mitigation, the Group services many "key" industries and these are likely to remain resilient throughout the pandemic and has a diverse customer base across many end market sectors. The Group is strictly following local government and public health guidelines including social distancing measures at all sites. The Directors have performed a stress test on the business to confirm that it can continue to operate as a going concern further details are provided on page 19.

Foreign Exchange Rates

The Group does not generally sell products or services in a foreign currency but does purchase certain products in Euros, US Dollars and Swiss Francs. Formal hedging contracts are not entered into due to the relatively low level of exposure.

Economic and Political Unrest

The Group mainly trades in the UK albeit purchases certain products from Europe and the US. It monitors political and economic developments in the areas with which it trades in order that it is able to take appropriate action should it be deemed necessary.

Changes in law, regulation or decisions by government bodies

There are a wide range of laws, regulations and government bodies that impact on the way the Group trades, but they are all reported, closely monitored and taken seriously throughout the Group, including at Director level.

Major failure of IT systems

The Group has recently invested in its IT systems and infrastructure and believes it has a robust, fit for purpose system that is regularly backed up and a contingency plan is in place for any unforeseen failures.

Going concern

As a result of the market uncertainty due to the ongoing COVID-19 pandemic, the Directors have performed a detailed stress test to confirm that the business will be able to operate for at least the following 12 months. This involves assessing the headroom against available credit facilities in a stressed scenario. Under all scenarios, the Directors are confident in the availability of sufficient headroom.

As at the date of this report, the Directors have reasonable expectation that the Company and Group have adequate resources to continue in business for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing the annual financial statements.


MRO PLUS SOLUTIONS GROUP LTD

**GROUP STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

Impact of the United Kingdom leaving the European Union

Longer lead times caused by new customs "bottlenecks" and courier delays are now commonplace in the industry as a result of BREXIT. Despite this the business has been successful at maintaining both service levels and margins. We expect this to continue into FY22 and we are reviewing and monitoring the impact of this on an ongoing basis.

This report was approved by the board and signed on its behalf.


Natalie Murray (Mar 7, 2022 13:37 GMT)

N Murray
Director

Date: Mar 7, 2022

MRO PLUS SOLUTIONS GROUP LTD

**DIRECTORS' REPORT
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

The Directors present their report and the financial statements for the year ended 30 September 2021.

Directors' responsibilities statement

The Directors are responsible for preparing the group strategic report, the Directors' report and the consolidated 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 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 the Group and of the profit or loss of the Group for that period.

In preparing these financial statements, the Directors are required to:

- select suitable accounting policies for the Group's financial statements and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group 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 the Group and to 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 the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Principal activity

The principal activities of the Group are the supply of process instrumentation, valves & controls, pipes, fittings, flanges, gaskets, stud-bolts, fastenings and engineering consumables to organisations across the UK, serving them from 5 strategic locations around the country.

The Group has distribution agreements with a range of leading brands in the sector and works closely with both the manufacturers and end users to ensure the most effective solution is delivered by our industry leading sales engineers.

The principal activity of the Company is that of a holding company.

Results and dividends

The loss for the year, after taxation, amounted to £3,020,614 (2020 - loss £3,469,146).

MRO PLUS SOLUTIONS GROUP LTD

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

Directors

The Directors who served during the year were:

M J Cattell
J A G Douglas
M Kerins
N Murray
J M Naylor-Leyland
B I G W Woods (resigned 31 May 2021)

Future developments

The Directors monitor internal processes, procedures and controls in order to mitigate risk wherever possible and continue to invest in any areas highlighted as requiring improvement.

Director's indemnity

The Company has granted an indemnity to one or more of its Directors against liability in respect of proceedings brought by third parties, subject to the conditions set out in section 234 of the Companies Act 2006. Such qualifying third party indemnity provision remains in force as at the date of approving the Directors' report.

Matters covered in the strategic report

The Company has chosen in accordance with section 414C(11) of the Companies Act 2006 (Strategic Report and Director's Report) Regulations 2013 to set out certain information in the strategic report as required by schedule 7 of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, including future developments of the business and all risk management policies.

Disclosure of information to auditor


Each of the persons who are Directors at the time when this Directors' report is approved has confirmed that:

- so far as the Director is aware, there is no relevant audit information of which the Company and the Group's auditor is unaware, and
- the Director has taken all the steps that ought to have been taken as a Director in order to be aware of any relevant audit information and to establish that the Company and the Group's auditor is aware of that information.

Auditor

The auditor, Mazars LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board and signed on its behalf.


Natalie Murray (Mar 7, 2022 13:37 GMT)

N Murray
Director

Date: Mar 7, 2022

MRO PLUS SOLUTIONS GROUP LTD

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MRO PLUS SOLUTIONS GROUP LTD

Opinion

We have audited the financial statements of MRO Plus Solutions Group Ltd (the 'Group and Parent Company') for the year ended 30 September 2021 which comprise the consolidated profit and loss account, the consolidated and Company balance sheets, the consolidated statement of cash flows, the consolidated and Company statement of changes in equity, the consolidated analysis of net debt 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 FRS 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 Group and of the Parent Company's affairs as at 30 September 2021 and of the Group's loss 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's responsibilities for the audit of the financial statements section of our report. We are independent of the Group and of the Parent 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 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 Group's and 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.

MRO PLUS SOLUTIONS GROUP LTD

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MRO PLUS SOLUTIONS GROUP LTD

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 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.

We have nothing to report in this regard.

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 group 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 group strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the Group and of the Parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the group strategic report and the directors' report.

We have nothing to report in respect of the following matters in relation to which 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.

MRO PLUS SOLUTIONS GROUP LTD

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MRO PLUS SOLUTIONS GROUP LTD

Responsibilities of Directors

As explained more fully in the directors' responsibilities statement set out on page 4, 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 intend either 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.

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

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.

Based on our understanding of the Group and its industry, we considered that non-compliance with the following laws and regulations might have a material effect on the financial statements: employment regulation, health and safety regulation, anti-money laundering regulation, non-compliance with implementation of government support schemes relating to COVID-19.

To help us identify instances of non-compliance with these laws and regulations, and in identifying and assessing the risks of material misstatement in respect to non-compliance, our procedures included, but were not limited to:

- Inquiring of management and, where appropriate, those charged with governance, as to whether the company is in compliance with laws and regulations, and discussing their policies and procedures regarding compliance with laws and regulations;
- Inspecting correspondence, if any, with relevant licensing or regulatory authorities;
- Communicating identified laws and regulations to the engagement team and remaining alert to any indications of non-compliance throughout our audit; and
- Considering the risk of acts by the company which were contrary to applicable laws and regulations, including fraud.

We also considered those laws and regulations that have a direct effect on the preparation of the financial statements, such as tax legislation, pension legislation, the Companies Act 2006.

In addition, we evaluated the Directors' and management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to posting manual journal entries to manipulate financial performance, management bias through judgements and assumptions in significant accounting estimates, in particular in relation to useful economic lives of intangible assets and tangible fixed assets, impairment of debtors and stock provision, and significant one-off or unusual transactions.

MRO PLUS SOLUTIONS GROUP LTD

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MRO PLUS SOLUTIONS GROUP LTD

Our audit procedures in relation to fraud included but were not limited to:

- Making enquiries of the directors and management on whether they had knowledge of any actual, suspected or alleged fraud;
- Gaining an understanding of the internal controls established to mitigate risks related to fraud;
- Discussing amongst the engagement team the risks of fraud; and
- Addressing the risks of fraud through management override of controls by performing journal entry testing.

There are inherent limitations in the audit procedures described above and the primary responsibility for the prevention and detection of irregularities including fraud rests with management. As with any audit, there remained a risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls.

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

Use of the audit 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.



Alistair Wesson (Mar 7, 2022 14:39 GMT)

Alistair Wesson (Senior Statutory Auditor)

for and on behalf of

Mazars LLP
Chartered Accountants and Statutory Auditor
Park View House
58 The Ropewalk
Nottingham
NG1 5DW

Date: Mar 7, 2022

MRO PLUS SOLUTIONS GROUP LTD

**CONSOLIDATED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

	Note	2021 £	2020 £
Turnover	4	21,487,748	22,430,564
Cost of sales		(15,085,901)	(16,158,369)
Gross profit		<u>6,401,847</u>	<u>6,272,195</u>
Administrative expenses		(7,463,045)	(8,146,015)
Operating loss	5	<u>(1,061,198)</u>	<u>(1,873,820)</u>
Interest payable and expenses	9	(1,957,380)	(1,778,593)
Loss before taxation		<u>(3,018,578)</u>	<u>(3,652,413)</u>
Tax on loss	10	(2,036)	183,267
Loss for the financial year		<u><u>(3,020,614)</u></u>	<u><u>(3,469,146)</u></u>
Other comprehensive income		-	-
Total comprehensive income for the year		<u><u>(3,020,614)</u></u>	<u><u>(3,469,146)</u></u>


The notes on pages 18 to 41 form part of these financial statements.

MRO PLUS SOLUTIONS GROUP LTD
REGISTERED NUMBER: 11105636

CONSOLIDATED BALANCE SHEET
AS AT 30 SEPTEMBER 2021

	Note	2021 £	2020 £
Fixed assets			
Intangible assets	11	7,024,739	8,087,115
Tangible assets	12	744,657	780,185
		<u>7,769,396</u>	<u>8,867,300</u>
Current assets			
Stocks	14	948,557	1,120,717
Debtors	15	4,577,575	4,387,391
Cash at bank and in hand	16	170,661	160,520
		<u>5,696,793</u>	<u>5,668,628</u>
Creditors: Amounts falling due within one year	17	(8,211,672)	(8,219,283)
Net current liabilities		<u>(2,514,879)</u>	<u>(2,550,655)</u>
Total assets less current liabilities		<u>5,254,517</u>	<u>6,316,645</u>
Creditors: Amounts falling due after more than one year	18	(14,043,914)	(12,069,240)
Net liabilities		<u>(8,789,397)</u>	<u>(5,752,595)</u>
Capital and reserves			
Called up share capital	23	7,775	8,779
Share premium account	24	504,684	504,684
Capital redemption reserve	24	1,004	-
Profit and loss account	24	(9,302,860)	(6,266,058)
		<u>(8,789,397)</u>	<u>(5,752,595)</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:


Natalie Murray (Mar 7, 2022 13:37 GMT)

N Murray
Director

Date: Mar 7, 2022


The notes on pages 18 to 41 form part of these financial statements.

MRO PLUS SOLUTIONS GROUP LTD
REGISTERED NUMBER: 11105636

COMPANY BALANCE SHEET
AS AT 30 SEPTEMBER 2021

	Note	2021 £	2020 £
Fixed assets			
Investments	13	2	2
		<u>2</u>	<u>2</u>
Current assets			
Debtors: Amounts falling due after more than one year	15	434,112	450,300
		<u>434,112</u>	<u>450,300</u>
Creditors: Amounts falling due within one year	17	(2)	(2)
		<u>(2)</u>	<u>(2)</u>
Net current assets		434,110	450,298
Net assets		<u>434,112</u>	<u>450,300</u>
Capital and reserves			
Called up share capital	23	7,775	8,779
Share premium account	24	504,684	504,684
Capital redemption reserve	24	1,004	-
Profit and loss account brought forward		(63,163)	(6,130)
Profit/(loss) for the year		-	(57,033)
		<u>(63,163)</u>	<u>(63,163)</u>
Other changes in the profit and loss account		(16,188)	-
		<u>(16,188)</u>	<u>-</u>
Profit and loss account carried forward		(79,351)	(63,163)
		<u>434,112</u>	<u>450,300</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:


Natalie Murray (Mar 7, 2022 13:37 GMT)

N Murray
Director

Date: Mar 7, 2022

The notes on pages 18 to 41 form part of these financial statements.

MRO PLUS SOLUTIONS GROUP LTD

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

	Called up share capital	Share premium account	Capital redemption reserve	Profit and loss account	Total equity
	£	£	£	£	£
At 1 October 2020	8,779	504,684	-	(6,266,058)	(5,752,595)
Comprehensive income for the year					
Loss for the year	-	-	-	(3,020,614)	(3,020,614)
Total comprehensive income for the year	-	-	-	(3,020,614)	(3,020,614)
Shares repurchased and cancelled during the year	(1,004)	-	1,004	(16,188)	(16,188)
Total transactions with owners	(1,004)	-	1,004	(16,188)	(16,188)
At 30 September 2021	7,775	504,684	1,004	(9,302,860)	(8,789,397)

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 SEPTEMBER 2020**

	Called up share capital	Share premium account	Profit and loss account	Total equity
	£	£	£	£
At 1 October 2019	8,779	504,684	(2,796,912)	(2,283,449)
Comprehensive income for the year				
Loss for the year	-	-	(3,469,146)	(3,469,146)
Total comprehensive income for the year	-	-	(3,469,146)	(3,469,146)
Shares issued during the year	2,528	-	-	2,528
Shares cancelled during the year	(2,528)	-	-	(2,528)
Total transactions with owners	-	-	-	-
At 30 September 2020	8,779	504,684	(6,266,058)	(5,752,595)

The notes on pages 18 to 41 form part of these financial statements.

MRO PLUS SOLUTIONS GROUP LTD

**COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

	Called up share capital	Share premium account	Capital redemption reserve	Profit and loss account	Total equity
	£	£	£	£	£
At 1 October 2020	8,779	504,684	-	(63,163)	450,300
Shares repurchased and cancelled during the year	(1,004)	-	1,004	(16,188)	(16,188)
Total transactions with owners	(1,004)	-	1,004	(16,188)	(16,188)
At 30 September 2021	7,775	504,684	1,004	(79,351)	434,112

**COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 SEPTEMBER 2020**

	Called up share capital	Share premium account	Profit and loss account	Total equity
	£	£	£	£
At 1 October 2019	8,779	504,684	(6,130)	507,333
Comprehensive income for the year				
Loss for the year	-	-	(57,033)	(57,033)
Total comprehensive income for the year	-	-	(57,033)	(57,033)
Shares issued during the year	2,528	-	-	2,528
Shares cancelled during the year	(2,528)	-	-	(2,528)
Total transactions with owners	-	-	-	-
At 30 September 2020	8,779	504,684	(63,163)	450,300

The notes on pages 18 to 41 form part of these financial statements.

MRO PLUS SOLUTIONS GROUP LTD

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

	2021 £	2020 £
Cash flows from operating activities		
Loss for the financial year	(3,020,614)	(3,469,146)
Adjustments for:		
Amortisation of intangible assets	1,062,376	944,975
Depreciation of tangible assets	168,840	168,437
Loss on disposal of tangible assets	8,774	1,819
Interest paid	1,957,380	1,778,593
Taxation charge	2,036	(183,267)
Decrease/(increase) in stocks	172,160	(153,056)
(Increase)/decrease in debtors	(209,500)	564,686
(Decrease)/increase in creditors	(583,360)	48,474
Corporation tax received/(paid)	17,280	(2,103)
Deal fee amortisation	-	21,922
Net cash from operating activities	(424,628)	(278,666)
Cash flows from investing activities		
Purchase of tangible fixed assets	(155,830)	(128,176)
Sale of tangible fixed assets	13,744	31,353
HP interest paid	(6,988)	(11,183)
Net cash from investing activities	(149,074)	(108,006)
Cash flows from financing activities		
New bank loans	500,000	1,500,000
Repayment of bank loans	(25,000)	(795,651)
New loan notes	-	500,000
Finance lease capital repayment	(79,556)	(28,656)
Interest paid	(158,051)	(142,970)
Change in invoice financing	278,685	(674,802)
Shares repurchased	(16,188)	-
New finance leases	83,953	-
Net cash from financing activities	583,843	357,921
Net increase/(decrease) in cash and cash equivalents	10,141	(28,751)
Cash and cash equivalents at beginning of year	160,520	189,271
Cash and cash equivalents at the end of year	170,661	160,520

MRO PLUS SOLUTIONS GROUP LTD

CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2021

	2021 £	2020 £
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	170,661	160,520
	<u>170,661</u>	<u>160,520</u>

The notes on pages 18 to 41 form part of these financial statements.

MRO PLUS SOLUTIONS GROUP LTD

**CONSOLIDATED ANALYSIS OF NET DEBT
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

	At 1 October 2020 £	Cash flows £	New finance leases £	Other non- cash changes £	At 30 September 2021 £
Cash at bank and in hand	160,520	10,141	-	-	170,661
Debt due after 1 year	(11,984,389)	(484,193)	-	(1,492,341)	(13,960,923)
Debt due within 1 year	(2,431,153)	(283,720)	-	(300,000)	(3,014,873)
Finance leases	(160,481)	79,556	(83,953)	-	(164,878)
	<u>(14,415,503)</u>	<u>(678,216)</u>	<u>(83,953)</u>	<u>(1,792,341)</u>	<u>(16,970,013)</u>

The notes on pages 18 to 41 form part of these financial statements.

MRO PLUS SOLUTIONS GROUP LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2021

1. General information

MRO Plus Solutions Group Ltd presents its financial statements for the year ended 30 September 2021.

The Company is a private Company, limited by shares and is registered in England. The Company registered number is 11105636 and the address of the registered office is Flotech House, Stuart Road, Bredbury, Stockport, England, SK6 2SR.

The principal activity of the Company is that of a holding company.

The principal activity of the Group is that of the supply of process instrumentation, valves & controls, pipes, fittings, flanges, gaskets, stud-bolts, fastenings and engineering consumables to organisation across the UK, serving them from 5 strategic locations around the country.

The presentation currency for the financial statements is Pounds Sterling (£) as this is the currency of the primary economic environment in which the Company operates and is rounded to the nearest pound.

A summary of the Group's accounting policies, which have been consistently applied, are set out below:

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires Group management to exercise judgement in applying the Group's accounting policies (see note 3).

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own profit and loss account in these financial statements.

FRS102 allows a qualifying entity certain disclosure exemptions, subject to certain conditions, which have been complied with, including notification of, and no objection to, the use of exemptions by the Company's shareholders.

In preparing the financial statements, the Company has taken advantage of the following exemptions:

- from disclosing key management personnel compensation, as required by paragraph 7 of Section 33 'Related Party Disclosures'; and
- from presenting a statement of cashflows, as required by Section 7 'Statement of Cash Flows'

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

2. Accounting policies (continued)

2.2 Basis of consolidation

The consolidated financial statements present the results of the Company and its own subsidiaries ("the Group") as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the consolidated balance sheet, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the consolidated profit and loss account from the date on which control is obtained. They are deconsolidated from the date control ceases.

2.3 Going concern

As a result of the market uncertainty due to the ongoing COVID-19 pandemic, the Directors have performed a detailed stress test to confirm that the business will be able to operate for at least the following 12 months. This involves assessing the headroom against available credit facilities in a stressed scenario. Under all scenarios, the Directors are confident in the availability of sufficient headroom.

As at the date of this report, the Directors have reasonable expectation that the Company and Group have adequate resources to continue in business for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

2.4 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in consolidated profit or loss except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the consolidated profit and loss account within 'finance income or costs'. All other foreign exchange gains and losses are presented in profit or loss within 'other operating income'.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

2. Accounting policies (continued)

2.5 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Sale of goods

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the Group has transferred the significant risks and rewards of ownership to the buyer;
- the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the Group will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

2.6 Operating leases

Rentals paid under operating leases are charged to the consolidated profit or loss on a straight line basis over the lease term.

2.7 Finance costs

Finance costs are charged to the consolidated profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.8 Intangible assets

Goodwill

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of the Group's share of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight line basis to the consolidated profit or loss over its useful economic life.

Other intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

2. Accounting policies (continued)

2.9 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using both the straight-line and reducing balance methods.

Depreciation is provided on the following basis:

Improvements to property	-	2%
Long-term leasehold property	-	20%
Plant and machinery	-	10%
Motor vehicles	-	20%
Fixtures and fittings	-	15%
Office equipment	-	20%
Computer equipment	-	25%

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the consolidated profit or loss.

2.10 Impairment of fixed assets and goodwill

Assets that are subject to depreciation or amortisation are assessed at each balance sheet date to determine whether there is any indication that the assets are impaired. Where there is any indication that an asset may be impaired, the carrying value of the asset (or cash-generating unit to which the asset has been allocated) is tested for impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's (or CGU's) fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (CGUs). Non-financial assets that have been previously impaired are reviewed at each balance sheet date to assess whether there is any indication that the impairment losses recognised in prior periods may no longer exist or may have decreased.

2.11 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.12 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis.

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

2. Accounting policies (continued)

2.13 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at transaction value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.14 Financial instruments

Financial assets and liabilities are recognised when the Group becomes party to the contractual provisions of the financial instrument. The Group hold only basic financial instruments, which comprise cash and cash equivalents, debtors and creditors. The Company has chosen where applicable to apply the measurement and recognition provisions of Section 11 Basic Financial Instruments and Section 12 Other Financial Instrument Issues in full.

Financial assets - Classified as basic instruments

Financial assets are defined as cash or any asset from another entity, or a contractual right to receive cash or another financial asset from another entity, or a contractual right to exchange financial instruments with another entity under conditions that are potentially favourable, or an equity instrument of another entity. The category of financial assets held by the Group comprise of amounts owed by group undertakings.

Debtors are assets with fixed or determinable payments that are not quoted on an active market, other than those that are categorised as financial assets at transaction value through profit and loss. These are initially recognised at the transaction price. At each balance sheet date, they are subsequently measured at amortised cost, with interest income recognised to consolidated profit and loss using the effective interest method.

Financial liabilities - Classified as basic instruments

Financial liabilities are defined as any liability that is contractual obligation to deliver cash or another financial asset to another entity, or to exchange financial instruments with another entity under conditions that are potentially unfavourable. There are no financial liabilities held by the Group. Interest charges are recognised in consolidated profit and loss using the effective interest method. The only category of financial liability held by the Group is those measured at amortised cost using the effective interest method.

2.15 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the consolidated statement of cash flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Group's cash management.

2.16 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at transaction value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

2. Accounting policies (continued)

2.17 Pensions

Defined contribution pension plan

The Group operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. Once the contributions have been paid the Group has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the balance sheet. The assets of the plan are held separately from the Group in independently administered funds.

2.18 Provisions for liabilities

Provisions are made where an event has taken place that gives the Group a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to consolidated profit or loss in the year that the Group becomes aware of the obligation, and are measured at the best estimate at the balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the balance sheet.

2.19 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in consolidated profit or loss except that a charge 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.

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 and the Group operate and generate income.

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;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the Group can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

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 differences between the fair values 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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

3. Significant management judgements and key sources of estimation uncertainty

Preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not apparent from other sources. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

Significant management judgements

There are no management judgements in applying the accounting policies of the organisation that have had a significant effect on the amounts recognised in the financial statements.

Estimation uncertainty

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

Useful economic lives of intangible assets and tangible fixed assets

The annual amortisation/depreciation charge for intangible/tangible assets are sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are reassessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets. See accounting policy note 2.8 and 2.9 for the useful economic lives for each class of assets.

Impairment of debtors

The Group 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.

Stock provision

Stock provisions are recognised when the Group has an obligation at the reporting date as a result of a past event which it is probable will result in the transfer of economic benefits and the obligation can be estimated reliably.

Stock provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

MRO PLUS SOLUTIONS GROUP LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

4. Turnover

The whole of the turnover is attributable to the sale of goods.

	2021	2020
	£	£
United Kingdom	20,397,544	22,051,963
Rest of Europe	115,110	329,102
Rest of the world	975,094	49,499
	<u>21,487,748</u>	<u>22,430,564</u>

5. Operating loss

The operating loss is stated after charging:

	2021	2020
	£	£
Loss on disposal on tangible fixed assets	8,774	1,819
Exchange differences	15,648	19,994
Other operating lease rentals	282,582	510,587
Amortisation of intangible assets	1,018,182	944,975
Depreciation of tangible fixed assets	168,840	168,437
Defined contribution pension costs	<u>208,929</u>	<u>230,418</u>

MRO PLUS SOLUTIONS GROUP LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

6. Auditor's remuneration

	2021 £	2020 £
Fees payable to the Group's auditor and its associates for the audit of the Group's annual financial statements	38,075	37,250
Fees payable to the Group's auditor and its associates in respect of:		
Taxation compliance services	9,465	9,250
All other services	13,500	13,125
Preparation of financial statements	6,650	6,500
Corporate finance services	41,750	39,375
	<u>71,365</u>	<u>68,250</u>

Audit and non-audit fees for the Company are borne by M J Wilson Group Limited, a wholly owned subsidiary company.

7. Employees

Staff costs, including Directors' remuneration, were as follows:

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Wages and salaries	3,756,009	4,722,125	-	-
Social security costs	432,900	744,326	-	-
Cost of defined contribution scheme	208,929	230,418	-	-
	<u>4,397,838</u>	<u>5,696,869</u>	<u>-</u>	<u>-</u>

The average monthly number of employees, including the Directors, during the year was as follows:

	2021 No.	2020 No.
Employees	100	118

The Company has no employees other than the Directors.

MRO PLUS SOLUTIONS GROUP LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

8. Directors' remuneration

	2021	2020
	£	£
Directors' emoluments	450,902	489,606
Cost of defined contribution scheme	16,625	12,018
	<u>467,527</u>	<u>501,624</u>

During the year retirement benefits were accruing to 3 Directors (2020 - 3) in respect of defined contribution pension schemes.

The highest paid Director received remuneration of £199,450 (2020 - £117,232).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid Director amounted to £10,125 (2020 - £9,597).

During the year the the Company paid £19,166 (2020 - £Nil) to Director's in respect of termination benefits.

9. Interest payable and similar expenses

	2021	2020
	£	£
Loan note interest	1,792,341	1,603,935
Other interest	1,074	25,450
Interest on overdue tax	880	-
Finance lease interest	6,988	11,183
Interest on invoice financing	156,097	138,025
	<u>1,957,380</u>	<u>1,778,593</u>

MRO PLUS SOLUTIONS GROUP LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

10. Taxation

	2021 £	2020 £
Corporation tax		
Current tax on profits for the year	(17,280)	-
Total current tax	<u>(17,280)</u>	<u>-</u>
Deferred tax		
Origination and reversal of timing differences	(30,313)	(188,774)
Adjustments in respect of prior periods	70,527	26
Effect of tax rate change on opening balance	(20,898)	5,481
Total deferred tax	<u>19,316</u>	<u>(183,267)</u>
Taxation on loss on ordinary activities	<u>2,036</u>	<u>(183,267)</u>

MRO PLUS SOLUTIONS GROUP LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

10. Taxation (continued)**Factors affecting tax charge for the year**

The tax assessed for the year is higher than (2020 - higher than) the standard rate of corporation tax in the UK of 19% (2020 - 19%). The differences are explained below:

	2021	2020
	£	£
Loss on ordinary activities before tax	(3,018,578)	(3,652,413)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2020 - 19%)	(573,530)	(693,958)
Effects of:		
Non-tax deductible amortisation of goodwill and impairment	177,496	155,191
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	3,855	11,830
Capital allowances for year in excess of depreciation	28,593	27,097
Losses carried back	-	1,941
Adjustments to tax charge in respect of prior periods	53,247	26
Short term timing difference leading to a decrease in taxation	-	21
Other differences	-	(14,898)
Adjust closing deferred tax to average rate	(36,415)	5,352
Deferred tax not recognised	348,790	324,131
Total tax charge for the year	2,036	(183,267)

Factors that may affect future tax charges

The UK Government announced in the 2021 budget that from 1 April 2023, the rate of corporation tax in the United Kingdom will increase from 19% to 25%. Companies with profits of £50,000 or less will continue to be taxed at 19%, which is a new small profits rate. Where taxable profits are between £50,000 and £250,000, the higher 25% rate will apply but with a marginal relief applying as profits increase.

MRO PLUS SOLUTIONS GROUP LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

11. Intangible assets**Group**

	Patents £	Computer software £	Goodwill £	Total £
Cost				
At 1 October 2020	1,520	8,380	10,606,941	10,616,841
At 30 September 2021	1,520	8,380	10,606,941	10,616,841
Amortisation				
At 1 October 2020	251	1,676	2,527,799	2,529,726
Charge for the year	6	1,676	1,060,694	1,062,376
At 30 September 2021	257	3,352	3,588,493	3,592,102
Net book value				
At 30 September 2021	1,263	5,028	7,018,448	7,024,739
At 30 September 2020	1,269	6,704	8,079,142	8,087,115

MRO PLUS SOLUTIONS GROUP LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

12. Tangible fixed assets

Group

	Long-term leasehold property & imprvmnts to property £	Plant and machinery £	Motor vehicles £	Fixtures and fittings £	Office equipment £	Computer equipment £	Total £
Cost							
At 1 October 2020	248,471	300,838	264,113	36,871	155,787	30,244	1,036,324
Additions	-	141,620	7,000	-	6,590	620	155,830
Disposals	-	(24,142)	(9,750)	-	-	-	(33,892)
At 30 September 2021	<u>248,471</u>	<u>418,316</u>	<u>261,363</u>	<u>36,871</u>	<u>162,377</u>	<u>30,864</u>	<u>1,158,262</u>
Depreciation							
At 1 October 2020	44,961	70,621	78,808	4,999	48,276	8,474	256,139
Charge for the year	32,443	39,909	53,383	4,781	32,807	5,517	168,840
Disposals	-	(4,007)	(7,367)	-	-	-	(11,374)
At 30 September 2021	<u>77,404</u>	<u>106,523</u>	<u>124,824</u>	<u>9,780</u>	<u>81,083</u>	<u>13,991</u>	<u>413,605</u>
Net book value							
At 30 September 2021	<u>171,067</u>	<u>311,793</u>	<u>136,539</u>	<u>27,091</u>	<u>81,294</u>	<u>16,873</u>	<u>744,657</u>
At 30 September 2020	<u>203,510</u>	<u>230,217</u>	<u>185,305</u>	<u>31,872</u>	<u>107,511</u>	<u>21,770</u>	<u>780,185</u>

MRO PLUS SOLUTIONS GROUP LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

12. Tangible fixed assets (continued)

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

	2021 £	2020 £
Plant and machinery	137,409	17,445
Motor vehicles	149,145	161,833
	<u>286,554</u>	<u>179,278</u>

13. Fixed asset investments**Company**

	Investments in subsidiary companies £
Cost	
At 1 October 2020	2
At 30 September 2021	<u>2</u>

MRO PLUS SOLUTIONS GROUP LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

13. Fixed asset investments (continued)**Subsidiary undertakings**

The following were subsidiary undertakings of the Company:

Name	Registered office	Class of shares	Holding
MRO Plus Solutions Midco Limited	Flotech House Stuart Road, Bredbury, Stockport, SK6 2SR	Ordinary	100%
MRO+ Solutions Limited*	Flotech House Stuart Road, Bredbury, Stockport, SK6 2SR	Ordinary	100%
M J Wilson Group Limited*	Flotech House Stuart Road, Bredbury, Stockport, SK6 2SR	Ordinary	100%
Support Instrumentation Limited*	Flotech House Stuart Road, Bredbury, Stockport, SK6 2SR	Ordinary	100%
Helix Tool Company Limited*	Unit 7 United Business Park, Lowfields Road, Leeds, West Yorkshire, LS12 6UB	Ordinary	100%

*denotes indirect subsidiary.

All of the above subsidiaries are included within these consolidated financial statements.

14. Stocks

	Group 2021 £	Group 2020 £
Finished goods and goods for resale	<u>948,557</u>	<u>1,120,717</u>

The difference between purchase price or production cost of stocks and their replacement cost is not material.

MRO PLUS SOLUTIONS GROUP LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

15. Debtors

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Amounts owed by group undertakings	-	-	434,112	450,300

Amounts owed by group undertakings is a loan to MRO+ Solutions Ltd totalling £434,112 (2020 - £450,300), which is interest free and repayable 12 months and 1 day after the balance sheet date.

	Group 2021 £	Group 2020 £
Trade debtors	4,269,807	3,831,304
Other debtors	39,006	38,879
Prepayments and accrued income	151,372	380,502
Deferred taxation (note 22)	117,390	136,706
	4,577,575	4,387,391

16. Cash and cash equivalents

	Group 2021 £	Group 2020 £
Cash at bank and in hand	170,661	160,520
	170,661	160,520

MRO PLUS SOLUTIONS GROUP LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

17. Creditors: Amounts falling due within one year

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Bank loans	333,332	25,000	-	-
Proceeds of invoice financing	2,681,541	2,402,856	-	-
Trade creditors	3,446,544	3,383,193	-	-
Other taxation and social security	779,107	1,078,222	-	-
Obligations under finance lease	81,887	75,630	-	-
Other creditors	225,250	221,568	2	2
Accruals and deferred income	664,011	1,032,814	-	-
	<u>8,211,672</u>	<u>8,219,283</u>	<u>2</u>	<u>2</u>

Secured Loans

The bank loan bears interest at commercial rates and has repayments commencing in September 2021 on a straight line basis.

There is a cross guarantee and debenture for £27,700 between MRO Plus Solutions Midco Ltd, M J Wilson Group Limited, MRO+ Solutions Ltd, MRO Plus Solutions Group Ltd and Barclays Bank PLC dated 5 October 2018 securing a bank overdraft in Helix Tool Company Limited.

Proceeds of invoice financing are secured by a fixed and floating charge upon the trade debts owed to the Company which they relate to.

Obligations under finance lease agreements are secured on the relevant assets.

MRO PLUS SOLUTIONS GROUP LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

18. Creditors: Amounts falling due after more than one year

	Group 2021 £	Group 2020 £
Bank loans	1,605,843	1,421,160
Loan notes	12,355,080	10,563,229
Obligations under finance leases	82,991	84,851
	<u>14,043,914</u>	<u>12,069,240</u>

Interest on the loan notes accrues on the principal amount at a rate of 15% per annum, is rolled up to compound the loan and this is charged in full to the profit and loss account. The loan notes are redeemable in full in January 2025.

Secured Loans

Obligations under finance lease agreements are secured on the relevant assets.

The bank loan bears interest at commercial rates and has repayments commencing in September 2021 on a straight line basis.

The aggregate amount of liabilities repayable wholly or in part more than five years after the balance sheet date is:

	Group 2021 £	Group 2020 £
Bank loan repayable by instalments	<u>1,939,175</u>	<u>1,424,238</u>

MRO PLUS SOLUTIONS GROUP LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

19. Loans

	Group 2021 £	Group 2020 £
Amounts falling due within one year		
Bank loans	333,332	25,000
Proceeds of invoice financing	2,681,541	2,402,856
	<u>3,014,873</u>	<u>2,427,856</u>
Amounts falling due 1-2 years		
Bank loans	399,996	300,000
Amounts falling due 2-5 years		
Bank loans	1,174,988	900,000
Loan notes	12,355,080	10,563,229
Amounts falling due after more than 5 years		
Bank loans	30,859	221,160
	<u>16,975,796</u>	<u>14,412,245</u>

20. Finance leases

Minimum lease payments under hire purchase fall due as follows:

	Group 2021 £	Group 2020 £
Within one year	81,887	75,630
Between 1-5 years	82,991	84,851
	<u>164,878</u>	<u>160,481</u>

MRO PLUS SOLUTIONS GROUP LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

21. Financial instruments

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Financial assets				
Financial assets measured at amortised cost	170,661	160,520	-	-
Financial assets that are debt instruments measured at amortised cost	4,308,813	3,870,183	434,112	450,300
	<u>4,479,474</u>	<u>4,030,703</u>	<u>434,112</u>	<u>450,300</u>
Financial liabilities				
Financial liabilities measured at amortised cost	20,647,590	18,017,006	2	2

Group

Financial assets measured at amortised cost comprises of bank, cash and deposit balances totalling £170,661 (2020 - £160,520).

Financial assets that are debt instruments measured at amortised cost comprises of trade debtors totalling £4,269,807 (2020 - £3,831,304) and other debtors totalling £39,006 (2020 - £38,879).

Financial liabilities that are debt instruments measured at amortised cost comprises of trade creditors totalling £3,446,544 (2020 - £3,383,193), proceeds of invoice financing totalling £2,681,541 (2020 - £2,402,856), other creditors totalling £225,250 (2020 - £221,568), bank loans totalling £1,939,175 (2020 - £1,446,160) and loan notes totalling £12,355,080 (2020 - £10,563,229).

Company

Financial assets that are debt instruments measured at amortised cost comprises of amounts owed by group undertakings totalling £434,112 (2020 - £450,300).

Financial liabilities that are debt instruments measured at amortised cost comprises of other creditors totalling £2 (2020 - £2).

MRO PLUS SOLUTIONS GROUP LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

22. Deferred taxation**Group**

	2021 £	2020 £
At beginning of year	136,706	(46,561)
(Charged)/credited to profit or loss	(19,316)	183,267
At end of year	117,390	136,706

The deferred tax asset is made up as follows:

	Group 2021 £	Group 2020 £
Fixed asset timing differences	(106,592)	(79,869)
Short term timing differences	52,668	12,715
Losses and other deductions	171,314	203,860
	117,390	136,706

23. Share capital

	2021 £	2020 £
Allotted, called up and fully paid		
420,059 (2020 - 420,059) Ordinary A shares of £0.01 each	4,200.59	4,200.59
48,235 (2020 - 62,573) Ordinary B shares of £0.07 each	3,376.45	4,380.11
4,941 (2020 - 4,941) Ordinary C shares of £0.03 each	148.23	148.23
Nil (2020 - 5) Ordinary D shares of £0.01 each	-	0.05
4,967 (2020 - 4,959) Deferred shares of £0.01 each	49.67	49.59
	7,774.94	8,778.57

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

23. Share capital (continued)

During the year the Company repurchased 14,338 Ordinary B shares, which were subsequently cancelled.

During the year the Company designated 5 Ordinary D shares to 5 Deferred shares and the Company issued 3 Deferred shares for £0.01 per share.

Ordinary A shares are entitled to attend and vote at general meetings of the Company. Dividends are distributed pari passu amongst the holders of the B and C shares.

Ordinary B shares are entitled to attend and vote at general meetings of the Company. Dividends are distributed pari passu amongst the holders of the A and C shares.

Ordinary C shares are not entitled to attend and vote at general meetings of the Company. Dividends are distributed pari passu amongst the holders of the A and C shares.

Ordinary D shares are not entitled to attend and vote at general meetings of the Company. Holders of the Ordinary D shares are not entitled to dividends.

Deferred shares are not entitled to attend and vote at general meetings of the Company. Holders of the Deferred shares are not entitled to dividends.

24. Reserves

Share premium account

The share premium account is a non-distributable reserve and represents the amount above the nominal value received for shares sold, less any transaction costs associated with the issuing of shares.

Capital redemption reserve

The capital redemption reserve is a non-distributable reserve and represents the amount received above the nominal value paid for shares redeemed, less transaction costs.

Profit and loss account

The profit and loss account represents cumulative profits and losses of the Company.

25. Pension commitments

The Group operates a defined contribution pension scheme, the assets of which are held separately from those of the Group in independently administered funds. The pension cost charge of £208,929 (2020 - £230,418) represents contributions payable by the Group funds. Contributions totalling £9,000 (2020 - £23,652) were included within creditors at the period end and subsequently paid to the fund.

MRO PLUS SOLUTIONS GROUP LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

26. Commitments under operating leases

At 30 September 2021 the Group had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	Group 2021 £	Group 2020 £
Land and buildings		
Not later than 1 year	202,354	206,812
Later than 1 year and not later than 5 years	614,804	723,000
Later than 5 years	173,852	297,649
	<u>991,010</u>	<u>1,227,461</u>
	Group 2021 £	Group 2020 £
Other leases		
Not later than 1 year	127,308	111,424
Later than 1 year and not later than 5 years	171,493	166,700
Later than 5 years	232,064	265,216
	<u>530,865</u>	<u>543,340</u>

27. Related party transactions

MRO Plus Solutions Group Ltd has taken the exemption contained in Section 33 of FRS 102 - "Related Party Disclosures" and therefore has not disclosed transactions or balances with entities wholly owned by MRO Plus Solutions Group Ltd.

The Key Management Personnel of the Parent Company are deemed to be the Directors.

Included within creditors due after more than one year are loan notes amounting to £12,355,080 (2020 - £10,563,229) owed to Cairngorm Capital Partners LLP, the majority shareholder.

28. Controlling party

Funds advised by Cairngorm Capital Partners LLP have a majority shareholding in MRO Plus Solutions Group Ltd. Copies of the financial statements of Cairngorm Capital Partners LLP are available at their registered office at 3rd Floor, 22 Cross Keys Close, Marylebone, London, W1U 2DW.