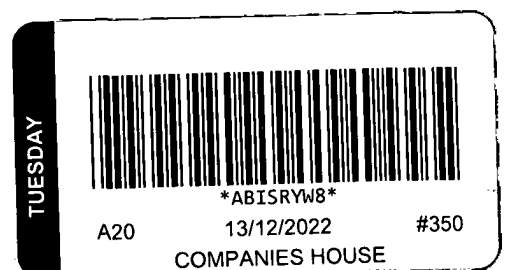


**AMENDED**

**Morrison Energy Services Limited**  
**Annual report and financial statements**  
**for the period 31 October 2019 to 31 March 2021**

Registered number 12291202



# **Morrison Energy Services Limited**

## **Annual report and financial statements for the period ended 31 March 2021**

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# **Morrison Energy Services Limited**

## **Company information**

<b>Directors</b>	J M Arnold S Best P V Carolan A R Findlay C Keen A H P Loosveld D Smith J R A Whitelaw J R Winnicott
<b>Company secretary</b>	I Evans (appointed 15 September 2022)
<b>Registered office</b>	Abel Smith House Gunnels Wood Road Stevenage Hertfordshire SG1 2ST
<b>Registered number</b>	12291202
<b>Independent auditor</b>	Deloitte LLP 1 New Street Square London EC4A 3HQ

# **Morrison Energy Services Limited**

## **Strategic report for the period ended 31 March 2021**

The directors present their strategic report together with the audited financial statements for the period ended 31 March 2021.

### **Principal activities**

No trading has taken place during the period from 31 October 2019 to 31 March 2021.

### **Review of the business**

The Company was incorporated in October 2019 and no trading has taken place during the period from 31 October 2019 to 31 March 2021. The Company received intercompany financing during the period.

### **Future development**

After the period end, energy-related contracts were transferred to the Company from Morrison Water Services Limited (formerly Morrison Utility Services Limited) on 1 April 2021. The Company made good progress in securing new framework contracts and extending existing contracts and is focussed on supporting the move to a Net Zero economy. Following a strategic review of the legal structure of the Minerva Equity Limited group, on 20 May 2022 100% of the Company's share capital was sold by Morrison Water Services Limited to fellow subsidiary MGS Energy Limited.

### **Key performance indicators (KPIs)**

The company has not commenced trading during this period and as a result no key performance indicators are monitored. The directors consider the company's performance to be satisfactory.

### **Principal risks and uncertainties**

#### *Health and safety*

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

#### *Environment*

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

#### *Credit risk*

Credit risk arising from the Company's trade debtors is managed by regular reviews of outstanding trade receivables, setting appropriate credit limits and payment terms and by maintaining a diverse customer base to avoid over-reliance on any one customer.

#### *Increased costs*

The Company may be subject to operating cost increases outside of its control. Fuel prices, in particular, represent a significant expense to the Company. To mitigate the risk, the Company maintains flexible pricing with a number of key customers that would allow it to pass on any significant increases in the sales price.

#### *Economic conditions*

Much of the Company's activities operate within framework agreements which do not provide guaranteed levels of turnover. Economic conditions impact our clients and our contracts. In addition, our clients rely on borrowing in the financial markets to finance their operations. There is a risk that clients will seek to reduce expenditure or extend payment terms in order to manage their cash

# Morrison Energy Services Limited

## Strategic report for the period ended 31 March 2021

### Principal risks and uncertainties (continued)

#### *Economic conditions (continued)*

resources. We engage in regular dialogue with our clients to continually assess these risks and adjust our resources accordingly.

#### *Business interruption*

Extraneous events such as pandemic, significant IT failure or cyber-attack, could result in a significant degree of business interruption. There is a risk that the Company may not be able to adapt to a changed environment and suffers significant and prolonged disruption to its activities. The Company has developed crisis management plans to mitigate the impact of such events.

#### *Competitive risks*

In general terms, the UK marketplace continues to show strong demand and no major signs of slowdown in growth in our core market sector. Within the contracting environment, major contract awards remain very competitive and the business continues to experience strong, price led competition. As a point of differentiation, the Company puts considerable emphasis on its technical competencies and quality standards to maintain its position within the market.

#### *Contract renewals*

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

#### *Skills shortages*

The Company operates in a market where skill shortages prevail and consequently it invests heavily in training and developing employees to their maximum potential. There is a risk that skills shortages may impact on the Company's ability to deliver its services. The Company has been very successful in recruiting from local communities in which it works and in developing and retraining staff.

#### *Reliance on supply chain*

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

### Financial risk

Financial risk faced by the Company includes credit, interest rate and contractual risk. The Company reviews these risks on an ongoing basis.

Credit risk is the risk of financial loss to the Company if a customer fails to meet its contractual obligations. Credit terms are negotiated individually and subsequently monitored closely by the credit control team. The business also regularly reviews publicly available financial information for major customers to ensure there is no significant change in their financial stability.

The Company is exposed to market risk in respect of any changes in interest rates with regard to its cash holdings. Management of cash is supported via the M Group Services Treasury Team as part of the group's overall cash management strategy.

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

# Morrison Energy Services Limited

## Strategic report for the period ended 31 March 2021

### Stakeholders engagement

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

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

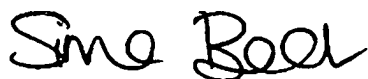
#### *Shareholders*

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

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

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

On behalf of the board,



S Best  
Director  
8 December 2022  
Registered Number: 12291202

Abel Smith House  
Gunnels Wood Road  
Stevenage  
Hertfordshire  
SG1 2ST

# Morrison Energy Services Limited

## Directors' report for the period ended 31 March 2021

The directors present their annual report together with the financial statements for the period ended 31 March 2021. The company was incorporated on 31 October 2019.

These financial statements replace the original financial statements, are now the statutory financial statements and are prepared as they were at the date of the original financial statements.

### Business review and future developments

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

The Company commenced trading on 1 April 2021.

### Dividends

No dividends were paid in the period. The directors do not recommend the payment of a dividend.

### Directors

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

J M Arnold	(appointed 31 October 2019)
M G Beesley	(appointed 31 October 2019 and resigned 22 October 2021)
S Best	(appointed 15 September 2022)
P V Carolan	(appointed 4 December 2020)
W J Cooper	(appointed 31 October 2019 and resigned 15 September 2022)
A R Findlay	(appointed 18 August 2021)
A P Gosnold	(appointed 4 December 2020 and resigned 15 September 2022)
C Keen	(appointed 15 September 2022)
S D Kelly	(appointed 4 December 2020 and resigned 15 September 2022)
A H P Loosveld	(appointed 15 September 2022)
D Smith	(appointed 15 September 2022)
J R A Whitelaw	(appointed 4 December 2020)
J D Wilson	(appointed 4 December 2020 and resigned 15 September 2022)
J R Winnicott	(appointed 31 October 2019)

### Third party indemnity

The Company maintains qualifying third party indemnity insurance for all directors as allowed by section 234 of the Companies Act 2006. These insurances were in force throughout the period to 31 March 2021 and up to the date the financial statements were approved.

### Going concern

The directors have taken into account uncertainties in preparing financial projections and assessing the future prospects of the Company and the Group, being the ultimate parent company Minerva Equity Limited and its subsidiaries. These included the risk of a significant economic shock impacting the UK essential infrastructure market. However, this is considered a low risk as during the economically challenging period as a result of the COVID-19 pandemic, the Group was able to generate positive operating cash flows demonstrating the Group's ability to withstand significant external economic shocks. They also considered the impact of the high inflationary environment, however this is also considered low risk given the nature of the Group's framework agreements, the majority of which have indexation mechanisms. Cash flow has been and continues to be robust, in line with management's expectations. Demand in our resilient markets remains strong and the Group has significant levels of liquidity available.

# **Morrison Energy Services Limited**

## **Directors' report for the period ended 31 March 2021 (continued)**

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

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

The directors consider that the Company can meet its obligations as they fall due for a period of at least twelve months from the date of the directors' approval of these financial statements.

### **Post balance sheet events**

After the period end, energy-related contracts were transferred to the Company from Morrison Water Services Limited (formerly Morrison Utility Services Limited) on 1 April 2021. Following a strategic review of the legal structure of the Minerva Equity Limited group, on 20 May 2022 100% of the Company's share capital was sold by Morrison Water Services Limited to fellow subsidiary MGS Energy Limited.

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

Based on our engagement with and feedback from stakeholders, we factor their views into the decision making of the Board. Our statement describing how the Board has had regard to the matters set out in section 172 (1) (a) to (f) of the Companies Act 2006 when performing its duty under section 172 is set out on page 2.

### **Greenhouse gas emissions and energy use**

In accordance with the requirements of Streamlined Energy and Carbon Reporting (SECR), the Company's greenhouse gas emissions and energy use data has been disclosed in the consolidated financial statements of parent company M Group Services Limited.

### **Statement of directors' responsibilities**

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 102 "The Financial Reporting Standard Applicable in the UK and Republic of Ireland". Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

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

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.



# **Morrison Energy Services Limited**

## **Directors' report for the period ended 31 March 2021 (continued)**

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

In the case of each director in office at the date the Directors' Report is approved:

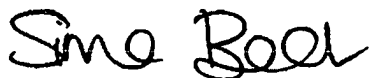
- so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

### **Auditor**

During the year Deloitte LLP were appointed as the Company's auditor and they have also confirmed willingness to remain in office.

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

On behalf of the board,



S Best  
**Director**  
8 December 2022

Registered number: 12291202

Abel Smith House  
Gunnels Wood Road  
Stevenage  
Hertfordshire  
SG1 2ST

# **Morrison Energy Services Limited**

## **Independent auditor's report to the members of Morrison Energy Services Limited**

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

#### **Opinion**

In our opinion the financial statements of Morrison Energy Services Limited (the 'Company'):

- give a true and fair view of the state of the Company's affairs as at 31 March 2021 and of its result for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the statement of comprehensive income;
- the balance sheet;
- the statement of changes in equity; and
- the related notes 1 to 11.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

#### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Conclusions relating to going concern**

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

#### **Other information**

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

# **Morrison Energy Services Limited**

## **Independent auditor's report to the members of Morrison Energy Services Limited (continued)**

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

We have nothing to report in this regard.

### **Responsibilities of directors**

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

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

### **Auditor's responsibilities for the audit of the financial statements**

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

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

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

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

We considered the nature of the Company's industry and its control environment, and reviewed the Company's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management about their own identification and assessment of the risks of irregularities.

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

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included UK Companies Act, tax legislation, pension legislation; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the Company's ability to operate or to avoid a material penalty. These included Bribery Act, Criminal Finances Act, Data Protection Act, Health and Safety Act.

## **Morrison Energy Services Limited**

### **Independent auditor's report to the members of Morrison Energy Services Limited (continued)**

We discussed among the audit engagement team including relevant internal specialists such as tax, pensions and IT specialists regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

As a result of performing the above, we identified the greatest potential for fraud in existence and valuation of intercompany payable balance, and our specific procedures performed to address them are described below:

- Documenting our understanding of the design of the key controls surrounding intercompany transactions;
- Verifying the balance from the intercompany matrix and reconciling the balance with company's records;
- Obtaining the confirmation from the counter party of the balance at the period end; and
- Obtaining that evidence for valuation and classification of the balance at the period end.

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

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

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management and external legal counsel concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance.

#### **Report on other legal and regulatory requirements**

##### **Opinions on other matters prescribed by the Companies Act 2006**

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

- the information given in the strategic report and the directors' report for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

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

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

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

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

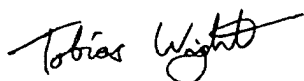
We have nothing to report in respect of these matters.

## **Morrison Energy Services Limited**

### **Independent auditor's report to the members of Morrison Energy Services Limited (continued)**

#### **Use of our report**

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Tobias Wright, FCA (Senior statutory auditor)

For and on behalf of Deloitte LLP

Statutory Auditor

London, United Kingdom

8 December 2022

# Morrison Energy Services Limited

## Statement of comprehensive income for the period ended 31 March 2021

	Notes	Period to 31 March 2021 £'000
<b>Turnover</b>		-
Cost of sales		-
<b>Gross profit</b>		-
Administrative expenses		-
EBITDA		-
Depreciation		-
<b>Operating result</b>		-
<b>Result before taxation</b>	5	-
Tax on result		-
<b>Result for the financial period</b>		-
Other comprehensive income		-
<b>Total comprehensive result for the financial period</b>		-

The accompanying notes on pages 15 to 19 form part of these financial statements.

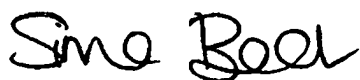
# Morrison Energy Services Limited

## Balance sheet as at 31 March 2021

	Note	At 31 March 2021 £'000
<b>Current assets</b>		
Cash at bank and in hand		350
		<hr/> 350
Creditors: amounts falling due within one year	6	(350)
		<hr/>
<b>Net current assets</b>		-
		<hr/>
<b>Capital and reserves</b>		
Called up share capital	7	-
		<hr/>
<b>Total equity</b>		-
		<hr/>

The notes on pages 15 to 19 form part of these financial statements.

The financial statements on pages 12 to 19 were approved and authorised for issue by the board of directors on 8 December 2022 and were signed on its behalf by:



S Best  
Director



D Smith  
Director

Registered number: 12291202

## Morrison Energy Services Limited

### Statement of changes in equity for the period ended 31 March 2021

	Called up share capital	Profit and loss account	Total equity
	£'000	£'000	£'000
<b>Balance as at 31 October 2019</b>	-	-	-
Total comprehensive result for the financial period	-	-	-
<b>Balance as at 31 March 2021</b>	-	-	-

The notes on pages 15 to 19 form part of these financial statements.



# **Morrison Energy Services Limited**

## **Notes to the financial statements for the period ended 31 March 2021**

### **1 General Information**

Morrison Energy Services Limited is a private company limited by shares incorporated in England in the United Kingdom. The address of its registered office is Abel Smith House, Gunnels Wood Road, Stevenage, Hertfordshire, SG1 2ST.

The company was incorporated on 31 October 2019. These financial statements are for the period from incorporation to 31 March 2021.

### **2 Statement of compliance**

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

### **3 Summary of significant accounting policies**

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. The Company has adopted FRS 102 in these financial statements.

#### **Basis of accounting**

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

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

#### **Going concern**

The directors have taken into account uncertainties in preparing financial projections and assessing the future prospects of the Company and Group, being the ultimate parent company Minerva Equity Limited and its subsidiaries. These included the risk of a significant economic shock impacting the UK essential infrastructure market. However, this is considered a low risk as during the economically challenging period as a result of the COVID-19 pandemic, the Group was able to generate positive operating cash flows demonstrating the Group's ability to withstand significant external economic shocks. They also considered the impact of the high inflationary environment, however this is also considered low risk given the nature of the Group's framework agreements, the majority of which have indexation mechanisms. Cash flow has been and continues to be robust, in line with management's expectations. Demand in our resilient markets remains strong and the Group has significant levels of liquidity available.

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

The directors consider that the Company can meet its obligations as they fall due for a period of at least twelve months from the date of the directors' approval of these financial statements.

#### **Exemptions for qualifying entities under FRS 102**

FRS 102 allows a qualifying entity certain disclosure exemptions, subject to certain conditions which have been complied with. The Company is a qualifying entity as its results are consolidated into the financial statements of Minerva Equity Limited which are publicly available.

# Morrison Energy Services Limited

## Notes to the financial statements for the period ended 31 March 2021 (continued)

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

#### Exemptions for qualifying entities under FRS 102 (continued)

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

- from preparing a statement of cash flows, as allowed by FRS 102 paragraph 1.12(b)
- from disclosing a table of financial instruments as allowed by FRS 102 paragraph 1.12(c)
- from disclosing transactions with entities that are part of the Minerva Equity Limited group where 100% of the voting rights of these entities are controlled within the group as required by FRS 102 paragraph 33.1A.

#### Foreign currencies

Monetary assets and liabilities denoted in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions denominated in foreign currencies during the period are translated into local currency at the rate of exchange ruling on the dates on which the transactions occurred. All differences are taken to the profit and loss account.

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

#### Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts. Bank overdrafts are shown within borrowings in creditors falling due within one year.

#### Financial instruments

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

##### *Financial assets*

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

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

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

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

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

# **Morrison Energy Services Limited**

## **Notes to the financial statements for the period ended 31 March 2021 (continued)**

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

#### **Financial instruments (continued)**

##### *Financial liabilities*

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

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

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

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

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

##### *Offsetting*

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

#### **Share capital**

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

#### **Related party transactions**

The Company discloses transactions with related parties which are not wholly owned with the same group. It does not disclose transactions with members of the same group that are wholly owned.

# Morrison Energy Services Limited

## Notes to the financial statements for the period ended 31 March 2021 (continued)

### 4 Critical accounting judgements and estimation uncertainty

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

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

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

#### Critical accounting estimates and assumptions

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. However, there are no critical estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

### 5 Result before taxation

The Company did not trade during the period ended 31 March 2021.

The Company has no employees. Directors' remuneration is paid by other group companies in respect of their services to the M Group Services group as a whole and no recharges have been made to the Company.

In the current period, the auditors' remuneration was borne by another group undertaking.

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

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

	At 31 March 2021
	£'000
<hr/>	
Amounts owed to group undertakings	350

These amounts are unsecured, interest free and are repayable on demand.

# Morrison Energy Services Limited

## Notes to the financial statements for the period ended 31 March 2021 (continued)

### 7 Called up share capital

At 31 March  
2021

£'000

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#### Allotted, issued and fully paid share capital

1 ordinary share of £1

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During the period, 1 £1 ordinary share was issued at par value.

At the balance sheet date there is a single class of ordinary shares. There are no restrictions on the distribution of dividends and the repayment of capital.

### 8 Contingent liabilities

There exist cross guarantees under a group banking arrangement whereby certain group companies have guaranteed the liabilities of other group companies to their clearing banks. Net indebtedness under this arrangement at 31 March 2021 was £nil. Group bank debt is disclosed in the accounts of Minerva Equity Limited.

### 9 Related party transactions

The company has taken advantage of the exemption under FRS 102.33.1A, and has not disclosed transactions with entities that are part of the M Group Services Limited group, where 100% of the voting rights of these entities are controlled within the group. There were no other related party transactions during the period.

### 10 Controlling parties

At 31 March 2021, the Company's immediate parent undertaking was Morrison Water Services Limited (formerly Morrison Utility Services Limited), a company registered in England and Wales.

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

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

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

### 11 Post balance sheet events

After the period end, energy-related contracts were transferred to the Company from Morrison Water Services Limited (formerly Morrison Utility Services Limited) on 1 April 2021. Following a strategic review of the legal structure of the Minerva Equity Limited group, on 20 May 2022 100% of the Company's share capital was sold by Morrison Water Services Limited to fellow subsidiary MGS Energy Limited.