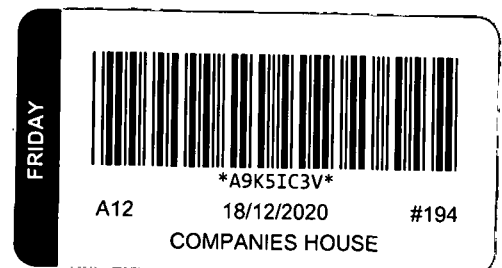


Morrison Data Services Limited  
Annual report and financial statements  
for the year ended 31 March 2020

Registered number 03076187



# **Morrison Data Services Limited**

## **Annual report and financial statements for the year ended 31 March 2020**

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# Morrison Data Services Limited

## Company information

<b>Directors</b>	J M Arnold M G Beesley S Best C H Conolly J R Winnicott
<b>Company secretary</b>	W J Cooper
<b>Registered office</b>	Abel Smith House Gunnels Wood Road Stevenage Hertfordshire SG1 2ST
<b>Registered number</b>	03076187
<b>Independent auditors</b>	PricewaterhouseCoopers LLP Chartered Accountants and Statutory Auditors Central Square South Orchard Street Newcastle upon Tyne NE1 3AZ
<b>Bankers</b>	National Westminster Bank PLC 1 Princes Street London EC2R 8PA

# Morrison Data Services Limited

## Strategic report for the year ended 31 March 2020

The directors present their strategic report for the year ended 31 March 2020.

### Principal activities

Morrison Data Services ('MDS') is based in Newcastle and operates across the UK as the leading provider of energy data collection and data management for UK energy retailers, predominantly to the gas and electricity utility sectors. Its long term contracts with blue-chip clients provide a high degree of revenue visibility. Its activity is supplemented by the provision of installation and maintenance services for smart energy meters.

### Business description

The Company provides the following services:

- Data retrieval and collection services – meter reading, compliance visits and other data collection activity
- Full end to end smart metering and legacy services including procurement of metering assets, installation, remote reading and maintenance
- Data processing services – The largest industry flow provider in the UK managing dataflows that ultimately provide gas and electric suppliers with the ability to bill.

The main market in which the company operates is currently in a period of change driven by the smart metering roll out in the residential sector. Smart metering will eventually reduce the extent of the need for manual meter reading services, but this provides an opportunity to provide installation and maintenance services for the smart meters to be put in place.

### Trading performance

The net assets of the company as at 31 March 2020 were £22.2m (2019: £18.2m).

Turnover in the year was £107.2m which was a decrease of 2.5% when compared to the year ended 31 March 2019 of £110.0m.

EBITDA for the year was £8.9m (2019: £10.8m). The EBITDA margin decreased in the year to 8.3% (2019: decreased to 9.8%). Results were impacted by the stand down of certain services on 23<sup>rd</sup> March in response to the Covid-19 lockdown which impacted revenue earned during March. Data Collection operations continue to transition through the evolving market but this has led to a decrease in profitability in the year. The roll out of the new operating system for Data Collection will complete during the next financial year deploying latest technology to enhance field capabilities.

### COVID 19

The company stood down all Data Collection field services from 23<sup>rd</sup> March 2020 until mid-June following government advice during the lockdown period, which led to the furlough of a substantial number of employees. The company is actively working with customers to safely remobilise Data Collection activities, in accordance with Government guidelines, as restrictions are lifted.

Installation Services were reduced to emergency services only as customers chose to pause the roll out of Smart Meters during the lockdown period. The business is now working with customers to remobilise as lock down restrictions are lifted.

The Data Management operations were largely unaffected by the consequences of the Covid-19 pandemic:

### Future Developments

The directors are optimistic that future growth is available by continuing to pursue the current strategy, which is supported by new contract wins in Data Collection since the 31<sup>st</sup> March 2020,

MDS will continue to seek new opportunities primarily in the utilities market, leveraging the core business competencies around data collection and data management.

In addition to the core offerings around data services, MDS intend to extend its service range to become a leading provider of support services to the residential smart metering market.

# Morrison Data Services Limited

## Strategic report for the year ended 31 March 2020 (continued)

### Future Developments (continued)

After the year end, the Data Management trade and assets previously in MDS were transferred to the subsidiary Callisto Data Limited. This is part of the continued investment in its already well established products and services as well as considering the future needs of a changing customer base and market.

### Key performance indicators

The company utilises a wide range of operational performance measures across its business activities. However, these are all activity or contract specific. The company's directors do not believe that further key performance indicators, in addition to the financial measures referred to above, are necessary or appropriate for an understanding of the development, performance or position of the business as a whole.

### Going concern

Based on the company's financial projections and the current expectations of the directors about the prospects of the company, the financial statements have been prepared on the going concern basis. Based on these projections, 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.

### Principal business risks

#### *Economic conditions*

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

#### *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.

#### *Contract renewals*

The company's long term 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 in developing and retraining staff. In order to help tackle ongoing skills shortages, the company has been actively involved in apprentice schemes and training the long-term unemployed.

#### *Reliance on supply chain*

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

# Morrison Data Services Limited

## Strategic report for the year ended 31 March 2020 (continued)

### Principal business risks (continued)

#### *Health and safety*

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

#### *New Business*

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

### Stakeholders engagement

Effective engagement of stakeholder groups supports the principles of Section 172 of the Companies Act 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 assist in shaping our strategy and business model. We set out below how we engage with our main stakeholders and our impact.

#### **People**

We endeavour to listen to our people, to provide feedback and keep them engaged and informed. Successful performance can be delivered through a high level of engagement ensuring our people share the company's core values and feel supported by our culture. We are committed to creating an environment in which our people feel valued, supported and fulfilled.

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

#### **Clients**

We understand our clients' needs through focused key account management led by our Executive Directors and their management teams.

We have long-term relationships with our clients across multiple contracts. We are able to meet the specific needs of each of our clients to deliver best in class solutions.

#### **Suppliers**

Dialogue with suppliers is important to mitigate supply chain risk and to ensure we have access to the most cost effective products and services. We work closely with our suppliers to ensure we can meet our business requirements in a cost effective sustainable way.

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

# Morrison Data Services Limited

## Strategic report for the year ended 31 March 2020 (continued)

### Stakeholder engagement (continued)

#### Communities

We have a partnership with a national charity and support our people to participate in local community events to raise money to support that charity.

Through the Covid 19 period we have supported and enabled our people to become volunteer workers delivering vital support to local communities

The support of the business and our people to raise funds contributes to the work delivered to communities nationally by our charity partner.

By facilitating the use of company vehicles during the lockdown period, our people were able to undertake vital roles such as NHS responders and supporting local foodbanks during the Covid-19 crisis.

#### Shareholders

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

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

#### Lenders

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

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

By order of the board



C Conolly  
Director

17 December 2020

Registered Number: 03076187

Abel Smith House  
Gunnels Wood Road  
Stevenage  
Hertfordshire  
SG1 2ST

# Morrison Data Services Limited

## Directors' report for the year ended 31 March 2020

The directors present their annual report together with the audited financial statements, for the year ended 31 March 2020.

### Business review

The principal activity of the company, principal business risks and review of the business, including future developments, are disclosed within the Strategic Report.

### Employee Engagement

Our statement describing how the Board has had regard to the matters set out in section 172 (1) (a) to (f) of the Companies Act 2006 when performing its duty under section 172 is set out on pages 4 & 5.

Employees are kept informed of matters affecting them. The Company operates a systematic approach to communication through regular briefings, presentations, electronic mailings and the wide circulation of magazines, to achieve a common awareness among all employees in relation to the financial and economic factors that affect the performance of the Company. Recognition and reward schemes are in place to encourage participation in the Company's performance, highlight the achievements and successes of our people and to thank them for their hard work and dedication.

To further our endeavour to listen to our people and drive business improvement, employees are encouraged to participate in a confidential opinion survey carried out annually.

The Company is an equal opportunities employer and applications from disabled persons are fully and fairly considered, having regard to the aptitudes and abilities of the applicant. In the event of disability, every effort is made to ensure that employment continues and appropriate training is given. Career development and promotion of disabled people is, as far as possible, identical to that of other employees.

### Stakeholders engagement – Other stakeholders

Based on our engagement with and feedback from stakeholders, we factor their views into the decision making of the Board. Our statement describing how the Board has had regard to the matters set out in section 172 (1) (a) to (f) of the Companies Act 2006 when performing its duty under section 172 is set out on pages 4 & 5.

### Statement of Corporate Governance

Under the Companies (Miscellaneous Reporting) Regulations 2018, the Company is required to provide a statement of corporate governance arrangements in the Directors' report for years beginning on or after 1 January 2019. The Company has adopted the Wates Corporate Governance Principles for Large Private Companies (published by the Financial Reporting Council in December 2018), which will apply to our reporting for the year ended 31 March 2020 and subsequent years. We set out below how the Principles were applied during the year.

#### Principle 1 – Purpose and leadership

Our vision is to support the changing needs of our energy customers by providing the most effective data solutions that utilise our unique field capability. Morrison Data Services has become synonymous with 'Delivering what we promise', both to our clients and our people.

As part of this ongoing commitment, we are excited to share our vision and values. Clear, simple and focussed, the aim is to make sure that our people and our clients really understand what is driving us and our common goals.

- People: Engaging and empowering everyone to deliver and grow
- Safety: Putting the safety, health and wellbeing of people first
- Delivery: Helping deliver our clients business needs
- Integrity: Conducting ourselves respectfully, being open, accountable and honest in all our operations
- Embrace Change: Adapting to the ever-changing needs of the industry and our customers

# Morrison Data Services Limited

## Directors' report for the year ended 31 March 2020 (continued)

### Statement of Corporate Governance (continued)

#### Principle 2 – Board composition

The Board is made up of the directors listed on page 8 who have broad industry experience and therefore all views are considered in the decision-making process.

Although there are no independent directors on the Board, the Directors are highly experienced business leaders and frequently consider the interests of a broad range of stakeholders in their decision-making processes.

Since the Company is an intermediate holding company within the Group, the Directors believe that the Board is of an appropriate size given that it works closely with the board of directors of the Company's parent, M Group Services Ltd.

#### Principle 3 – Directors' responsibilities

Directors are supported in the discharge of their duties by the Company Secretary. All directors receive guidance on their statutory duties including section 172 and were briefed on the reporting requirements introduced by the Companies (Miscellaneous Reporting) Regulations 2018 in advance of the effective date.

The Directors receive detailed information relating to the operations and performance of the company through monthly meetings and full Board meetings when required. Guidance on documenting decisions through board minutes has been refreshed to ensure these are recorded in a consistent manner.

#### Principle 4 – Opportunity and risk

The role of the Board is to promote the long-term sustainable success of Morrison Data Services Ltd.

We seek to capitalise on opportunities, while mitigating risks where possible, by ensuring that the Company has the expertise, industry knowledge and IT solutions to deliver innovative solutions that help our clients manage their customer base and uphold their regulatory obligations.

#### Principle 5 – Remuneration

One objective of the company is to attract and retain people with the skills and experience, who can help us to continually develop the scope of our core capabilities and meet our commitments to customers. As part of this, the company regularly reviews remuneration strategies across all roles including benchmarking against other industry players where appropriate.

Across the business, a range of recognition and reward schemes are designed to incentivise the workforce to deliver sustainable performance based on strategic objectives.

#### Principle 6 – Stakeholders

The board understands the importance of forging positive relationships with the stakeholders of the business and considers how they are impacted as part of the decision-making process. The Section 172 Statement on pages 4 and 5 sets out how we engage with some of our key stakeholders, including our workforce, clients, suppliers, local communities and shareholders.

# **Morrison Data Services Limited**

## **Directors' report for the year ended 31 March 2020 (continued)**

### **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. The credit risk has heightened in the Energy Retail market in the last 12 months due to changes in legislation which led to an unprecedented number of energy retailers entering administration and a consolidation of the market.

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.

### **Environmental matters**

The company's business is not one that has a significant direct impact on the environment. However, the company recognises the importance of its responsibilities to reduce environmental impact in such areas as energy usage, recycling, environmentally-friendly products and paper products.

### **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.

### **Dividends**

The company paid a dividend of £nil (2019: £nil). The directors do not recommend any final dividend payment is made (2019: £nil).

### **Political donations**

The company made no donations to a registered political party during the year (2019: £nil).

### **Directors**

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

J M Arnold  
M G Beesley  
S Best  
C H Conolly  
J R Winnicott

### **Directors' indemnities**

As permitted by the Articles of Association, the Directors have the benefit of an indemnity which is a qualifying third party indemnity provision as defined by Section 234 of the Companies Act 2006. The indemnity was in force throughout the last financial year and is currently in force. The company also purchased and maintained throughout the financial year Directors' and Officers' liability insurance in respect of itself and its Directors.

### **Post balance sheet events**

After the year end, the Data Management trade and assets previously in MDS were transferred to the subsidiary Callisto Data Limited. This is part of the continued investment in its already well established products and services as well as considering the future needs of a changing customer base and market.

# Morrison Data Services Limited

## Directors' report for the year ended 31 March 2020 (continued)

### Statement of directors' responsibilities in respect of the financial statements

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

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

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; 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 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.

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.

The directors of the group are responsible for the maintenance and integrity of the Corporate and financial information included on the group's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

### Statement of disclosure of information to auditors

In accordance with section 418 of the Companies Act 2006, each person who is a director at the date of approval of this report confirms that:

- So far as the directors are aware, there is no relevant audit information of which the Company's auditors are unaware; and
- The directors have taken all steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

By order of the board,



C Conolly  
Director

17 December 2020

Registered Number: 03076187

Abel Smith House  
Gunnels Wood Road  
Stevenage  
Hertfordshire  
SG1 2ST

## **Morrison Data Services Limited**

# ***Independent auditors' report to the members of Morrison Data Services Limited***

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

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### **Opinion**

In our opinion, Morrison Data Services Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2020 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual report and financial statements (the "Annual Report"), which comprise: the balance sheet as at 31 March 2020; the profit and loss account, the statement of changes in equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

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### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Independence**

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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

We have nothing to report in respect of the following matters in relation to which ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern.

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### **Reporting on other information**

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of 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 based on these responsibilities.

## **Morrison Data Services Limited**

# ***Independent auditors' report to the members of Morrison Data Services Limited***

### **Reporting on other information (continued)**

With respect to the Strategic Report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

#### *Strategic Report and Directors' Report*

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and Directors' Report for the year ended 31 March 2020 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

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

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### **Responsibilities for the financial statements and the audit**

#### *Responsibilities of the directors for the financial statements*

As explained more fully in the Statement of directors' responsibilities in respect of the financial statements, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they 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.

#### *Auditors' 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 auditors' 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 auditors' report.

#### *Use of this report*

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

## **Morrison Data Services Limited**

### ***Independent auditors' report to the members of Morrison Data Services Limited***

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#### **Other required reporting**

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##### **Companies Act 2006 exception reporting**

Under the Companies Act 2006 we are required to report to you if, in our opinion:

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

We have no exceptions to report arising from this responsibility.



Nicholas Cook (Senior Statutory Auditor)  
for and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
Newcastle upon Tyne  
17 December 2020

## Morrison Data Services Limited

### Profit and loss account for the year ended 31 March 2020

	Note	Year to 31 March 2020 £'000	Year to 31 March 2019 £'000
Turnover	5	107,234	109,999
Cost of sales		(90,564)	(91,742)
<b>Gross profit</b>		<b>16,670</b>	18,257
Administrative expenses		(10,444)	(10,972)
EBITDA (excluding exceptional items)		8,877	10,820
Exceptional items	6	(297)	(1,043)
Amortisation	6,10	(1,589)	(1,734)
Depreciation	6,11	(765)	(758)
<b>Operating profit</b>	6	<b>6,226</b>	7,285
Interest payable and similar expenses	8	(1,451)	(1,358)
<b>Profit before taxation</b>		<b>4,775</b>	5,927
Tax on profit	9	(772)	(1,126)
<b>Profit for the financial year</b>		<b>4,003</b>	4,801

The accompanying notes on pages 16 to 36 form part of these financial statements.

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

The Company has no other comprehensive income / expense other than those included in the results above, and therefore no separate statement of comprehensive income has been presented.

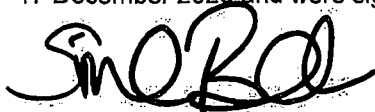
# Morrison Data Services Limited

## Balance sheet as at 31 March 2020

	Note	At 31 March 2020 £'000	At 31 March 2019 £'000
<b>Fixed assets</b>			
Intangible assets	10	4,337	5,150
Tangible assets	11	706	1,322
Investments	12	21,485	21,485
		<b>26,528</b>	<b>27,957</b>
<b>Current assets</b>			
Inventories	13	621	508
Debtors	14	32,897	24,026
Cash at bank and in hand		11,139	14,279
		<b>44,657</b>	<b>38,813</b>
Creditors: amounts falling due within one year	15	(21,815)	(21,630)
<b>Net current assets</b>		<b>22,842</b>	<b>17,183</b>
<b>Total assets less current liabilities</b>		<b>49,370</b>	<b>45,140</b>
Creditors: amounts falling due after more than one year	16	(24,671)	(23,361)
Provisions for liabilities	18	(2,502)	(3,585)
<b>Net assets</b>		<b>22,197</b>	<b>18,194</b>
<b>Capital and reserves</b>			
Called up share capital	21	100	100
Retained earnings		22,097	18,094
<b>Total equity</b>		<b>22,197</b>	<b>18,194</b>

The notes on pages 16 to 36 are an integral part of these financial statements.

The financial statements on pages 13 to 36 were authorised for issue by the board of directors on 17 December 2020 and were signed on its behalf.



S Best  
Director



C Conolly  
Director

Morrison Data Services Limited  
Registered Number: 03076187

## Morrison Data Services Limited

### Statement of changes in equity for the year ended 31 March 2020

	Called up share capital	Hedging reserve	Retained earnings	Total equity
	£'000	£'000	£'000	£'000
<b>Balance as at 1 April 2018</b>	<b>100</b>	<b>1</b>	<b>13,292</b>	<b>13,393</b>
Profit for the financial year	-	-	4,801	4,801
Total comprehensive income for the year	-	-	4,801	4,801
Hedging reserve release	-	(1)	1	-
<b>Balance as at 31 March 2019 / 1 April 2019</b>	<b>100</b>	<b>-</b>	<b>18,094</b>	<b>18,194</b>
Profit for the financial year	-	-	4,003	4,003
Total comprehensive income for the year	-	-	4,003	4,003
<b>Balance as at 31 March 2020</b>	<b>100</b>	<b>-</b>	<b>22,097</b>	<b>22,197</b>

# **Morrison Data Services Limited**

## **Notes to the financial statements for the year ended 31 March 2020**

### **1 General Information**

Morrison Data 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.

### **2 Statement of compliance**

The individual financial statements of Morrison Data 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, under the provision of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 (SI 2008/410).

### **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 preparation**

The financial statements are prepared on a going concern basis under the historical cost convention with consistently applied accounting standards applicable in the United Kingdom and in accordance with the Companies Act 2006.

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.

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

The company has taken advantage of certain disclosure exemptions in FRS 102, in part because the financial statements are included in the consolidated financial statements of Minerva Equity Limited. Copies of the financial statements can be obtained by writing to the Company Secretary, Abel Smith House, Gunnels Wood Road, Stevenage, Hertfordshire, SG1 2ST.

These disclosure exemptions relate to:

- The requirement of FRS 102.7 'Statement of Cash Flows';
- Comparative information for the movement from the beginning to the end of the period in respect of intangible assets, property, plant and equipment, and the number of shares;
- Certain disclosures required by FRS 102.11 and FRS 102.12 for financial instruments held at fair value; and
- Certain related party disclosures on key management compensation and transactions entered into between two or more wholly-owned members of a group.

# Morrison Data Services Limited

## Notes to the financial statements for the year ended 31 March 2020 (continued)

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

#### Consolidated financial statements

In accordance with Section 400 of the Companies Act 2006, the company has not prepared group financial statements. The results of the company and its subsidiaries are consolidated in the financial statements of Minerva Equity Limited, a company registered in England. A copy of which can be obtained from the company Secretary, Abel Smith House, Gunnels Wood Road, Stevenage, Hertfordshire, SG1 2ST

#### 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 year 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.

#### Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the company and that these benefits can be measured reliably. Revenue is measured at the fair value of the consideration received or receivable for goods and services provided and net of discounts and value added taxes. Revenue is recognised to reflect the period in which the service is provided.

#### Exceptional items

Where it is considered that items of income or expense are material and are considered 'one off' or non recurring in nature, their nature and amount is disclosed separately on the face of the profit and loss account where this enhances the understanding of the company's financial performance.

#### Employee Benefits

##### *Short term benefits*

Short term benefits, including holiday pay and other similar non-monetary benefits, are recognised as an expense in the period in which the service is received.

##### *Defined contribution pension plans*

Payments to the defined contribution schemes are charged as an expense as they fall due and represent contributions payable to the schemes for the period. Where the company is a member of a state managed or public sector scheme payments are dealt with as payments to a defined contribution scheme where the company's obligations under the scheme are equivalent to those arising in a defined retirement benefit scheme.

##### *Defined benefit pension plan*

With respect to the defined benefit pension schemes, the pension charge recognised in the income statement represents the contributions payable to the scheme for the year. The net surplus/deficit of the plan is reviewed annually and recognised on the balance sheet once it is determined to be material to the accounts.

# Morrison Data Services Limited

## Notes to the financial statements for the year ended 31 March 2020 (continued)

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

#### Taxation

Taxation expense for the period comprises current and deferred tax recognised in the reporting period. Tax is recognised in the profit and loss account, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case tax is also recognised in other comprehensive or directly in equity respectively.

Current or deferred taxation assets and liabilities are not discounted.

#### *Current tax*

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

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

#### *Deferred tax*

Deferred tax arises from timing differences that are differences between taxable profits and total comprehensive income as stated in the financial statements. These timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements.

Deferred tax is recognised on all timing differences at the reporting date except for certain exceptions.

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

Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the period end and that are expected to apply to the reversal of the timing difference.

#### **Intangible assets**

##### *Acquired intangible assets*

Intangible assets on acquisition that are either separable or arising from contractual rights are recognised at fair value at the date of acquisition. Such acquired intangible assets include trademarks, technology, customer contracts and customer relationships. The fair value of acquired intangible assets is determined by reference to market prices of similar assets, where such information is available, or by the use of appropriate valuation techniques, including the royalty relief method and the excess earning method.

Acquired intangible assets are amortised by equal annual instalments over their expected lives. The director's review acquired intangible assets on an ongoing basis and, where appropriate provide for any impairment in value.

The estimated useful lives are as follows:

Customer contracts and customer relationships – up to a maximum of ten years

# Morrison Data Services Limited

## Notes to the financial statements for the year ended 31 March 2020 (continued)

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

#### Intangible assets (continued)

##### *Other intangible assets*

Capitalised computer software is stated at cost, net of accumulated depreciation and any provision for impairment. Intangible assets are stated at cost less accumulated amortisation and accumulated impairment losses. Amortisation is calculated using the straight line method to allocate the depreciable amount of the assets to their residual value over their estimated useful lives up to a maximum of eight years.

The assets are reviewed for impairment if the above factors indicate that the carrying amount may be impaired.

#### Tangible assets

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

##### *Plant and equipment*

Vehicles, plant, fixtures, fittings and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

##### *Depreciation and residual values*

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

Short leasehold land and buildings	term of the lease
Plant and equipment	1-10 years

##### *Derecognition*

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

# Morrison Data Services Limited

## Notes to the financial statements for the year ended 31 March 2020 (continued)

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

#### Leased assets

At inception the company assesses agreements that transfer the right to use assets to the company. The assessment considers whether the arrangement is, or contains, a lease based on the substance of the arrangement.

#### *Finance leased assets*

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

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

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

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

#### *Operating leased assets*

Leases that do not transfer all the risks and rewards of ownership are classified as operating leases. Payments under operating leases are charged to the profit and loss account on a straight-line basis over the period of the lease.

#### *Lease incentives*

Incentives received to enter into a finance lease reduce the fair value of the asset and are included in the calculation of present value of minimum lease payments.

Incentives received to enter into an operating lease are credited to the profit and loss account, to reduce the lease expense, on a straight line basis over the period of the lease.

#### **Pre-contract costs and mobilisation costs**

Pre-contract costs in respect of major outsourcing contracts, incurred after the point at which the company achieves preferred bidder status (at which point it is considered probable that the contract will be obtained) and before contract mobilisation, are capitalised and expensed over the life of the contract, subject to recoverability criteria. Costs incurred prior to this point are expensed as incurred. Capitalised costs are expensed immediately in the event that preferred bidder status is not followed by the award of the contract, or where these may no longer be expected to be recovered through future profits.

Mobilisation costs are those costs incurred after the signing of a contract with a customer, and prior to the commencement of delivery of the contract. Costs incurred during this stage are generally only capitalised if the criteria to be capitalised as inventories or as property, plant and equipment are met. In all other cases mobilisation costs are expensed as incurred.

# Morrison Data Services Limited

## Notes to the financial statements for the year ended 31 March 2020 (continued)

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

#### Inventories

Inventories are stated at the lower of historical cost and estimated selling price less costs to complete and sell. Inventories are recognised as an expense in the period in which the related revenue is recognised. Cost is calculated on a first-in-first-out basis.

#### 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 current liabilities.

#### Provisions and contingencies

##### *Provisions*

A provision is recognised when the Company has a present legal or constructive obligation as a result of a past event for which it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. The increase in the provision due to passage of time is recognised as a finance cost.

##### *Contingencies*

Contingent liabilities arising as a result of past events are not recognised when (i) it is not probable that there will be an outflow of resources or that the amount cannot be reliably measured at the reporting date or (ii) the existence will be confirmed by the occurrence or non-occurrence of uncertain future events not wholly within the company's control. Contingent liabilities are disclosed in the financial statements unless the probability of an outflow of resources is remote.

Contingent assets are not recognised. Contingent assets are disclosed in the financial statements when an inflow of economic benefits is probable.

#### Financial instruments

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

##### *Financial assets*

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

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

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

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

# Morrison Data Services Limited

## Notes to the financial statements for the year ended 31 March 2020 (continued)

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

#### Financial instruments (continued)

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

#### *Financial liabilities*

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

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

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

#### *Offsetting*

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

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

Dividends and other distributions to company's shareholders are recognised as a liability in the financial statements in the period in which the dividends and other distributions are approved by the company's shareholders. These amounts are recognised in the statement of changes in equity.

#### **Related party transactions**

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

# Morrison Data Services Limited

## Notes to the financial statements for the year ended 31 March 2020 (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. 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.

##### *Revenue recognition*

The company delivers certain long-term outsourcing services which can be complex in nature and may be governed by unique contractual arrangements. In these cases, revenue is recognised in line with the contract at the fair value of the consideration received or receivable. In such contracts, there can be significant judgements and estimates in relation to variations or claims not specified within the original contract, to interpretation of complex contract wording, and in relation to estimates required to determine future costs to complete and expected margins, including the impact of contractual performance conditions which may give rise to penalties.

##### *Provisions*

The company exercises judgement in measuring and recognising provisions. Where an obligation is identified, an assessment is made of its value. This value and the underlying assumptions are monitored on an ongoing basis. See note 18 for descriptions of the provisions held at the balance sheet date.

##### *Impairment of intangible assets*

The company considers whether intangible assets are impaired. Where an indication of impairment is identified the estimation of recoverable value requires estimation of the recoverable value of the cash generating units. This requires estimation of the future cash flows from the CGUs and also selection of appropriate discount rates in order to calculate the net present value of those cash flows.

##### *Impairment of investments*

The Company has investments in subsidiaries and the directors review investments annually for any indication of impairment. If there is an indication of impairment then the future cash flows would be estimated, using an appropriate discount rate, in order to calculate the net present value to estimate the recoverable value.

### 5 Turnover

At 31 March 2020 and 31 March 2019, the Company had one class of business. The Company has one class of geographic origin and destination – United Kingdom. The analysis by destination is not materially different to that by geographic origin.

## Morrison Data Services Limited

### Notes to the financial statements for the year ended 31 March 2020 (continued)

#### 6 Operating profit

	Year to 31 March 2020	Year to 31 March 2019
	£'000	£'000
Operating profit is stated after charging/(crediting):		
Wages and salaries	43,581	44,524
Social security costs	4,117	4,063
Other pension costs	1,528	1,389
<b>Staff costs</b>	<b>49,226</b>	<b>49,976</b>
Amortisation expense	869	960
Acquisition-related amortisation expense	720	774
Depreciation expense	765	758
Operating lease rentals – property	226	367
Operating lease rentals – other	-	1
Stranded costs related to COVID-19	291	-
- Exceptional costs on business restructure	-	202
- COVID-19	297	-
- Bad debt write off	-	784
- Other	-	57
<b>Exceptional items</b>	<b>297</b>	<b>1,043</b>
<b>Services provided by the Company's auditors</b>		
Fees payable to the Company's auditors for the audit of the financial statements	60	60

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

# Morrison Data Services Limited

## Notes to the financial statements for the year ended 31 March 2020 (continued)

### 6 Operating profit (continued)

#### *Exceptional items*

Exceptional costs include £297,000 (2019: £nil) of incremental costs incurred in relation to the Coronavirus pandemic.

The primary exceptional cost in 2019 of £784,000 relates to a one off increase in bad debt provisions. The energy retail market in the UK was subject to legislative changes during 2018 that created an exceptional set of circumstances that triggered the collapse of 9 energy retailers in that year. Morrison Data Services provided against all outstanding debt for customers who had entered administration during the financial year.

The balance of 2019 exceptional costs incurred relates to the completion of IT system infrastructure changes following the acquisition by M Group Services Limited in December 2017.

### 7 Employees and directors

	Year to 31 March 2020	Year to 31 March 2019
	Number	Number
Average monthly number of full time equivalent management and supervisory staff employed (including executive directors)	77	86
Average monthly number of full time equivalent operational staff employed (including executive directors)	2,028	2,064
	<b>2,105</b>	2,150
<b>Directors' remuneration</b>	<b>Year to 31 March 2020</b>	<b>Year to 31 March 2019</b>
	<b>£'000</b>	<b>£'000</b>
Emoluments	381	403
Contributions to money purchase schemes	35	33
	<b>416</b>	436
<b>Highest paid director</b>		
Emoluments	234	252
Contributions to money purchase schemes	21	20
	<b>255</b>	272

The highest paid director did not participate in any company pension arrangement.

In addition to the emoluments above, there were payments to directors of £nil (2019: £309,000) borne by the group in respect of equity investment of which £nil (2019: £263,000) relates to the highest paid director.

# Morrison Data Services Limited

## Notes to the financial statements for the year ended 31 March 2020 (continued)

### 8 Interest payable and similar expenses

	Year to 31 March 2020	Year to 31 March 2019
	£'000	£'000
<b>Interest payable and similar expenses</b>		
Interest payable to group undertakings	(1,425)	(1,314)
Finance lease interest and hire purchase contracts	(26)	(44)
<b>Total interest payable and similar expenses</b>	<b>(1,451)</b>	<b>(1,358)</b>

### 9 Tax on profit

Tax charge included in profit and loss	Year to 31 March 2020	Year to 31 March 2019
	£'000	£'000
Current tax:		
UK Corporation tax on profits for the year	858	965
Adjustments in respect of prior years	27	(113)
<b>Total current tax</b>	<b>885</b>	<b>852</b>
Deferred tax:		
Origination and reversal of timing differences	69	235
Impact of change in tax rate	(150)	(24)
Adjustments in respect of prior years	(32)	63
<b>Total deferred tax</b>	<b>(113)</b>	<b>274</b>
<b>Tax on profit</b>	<b>772</b>	<b>1,126</b>

## Morrison Data Services Limited

### Notes to the financial statements for the year ended 31 March 2020 (continued)

#### 9 Tax on profit (continued)

##### Reconciliation of tax charge

The tax assessed for the year is lower than (2019: equal to) the standard rate of corporation tax in the UK of 19% (2019: 19%). The differences are explained below:

	Year to 31 March 2020	Year to 31 March 2019
	£'000	£'000
Profit before taxation	4,775	5,927
Profit before taxation multiplied by the standard UK rate of tax 19% (2019: 19%)	907	1,126
Effects of:		
Increase in current tax due to expenses not deductible	20	339
Deferred tax expense following a change in tax rates	(150)	(24)
Decrease in current tax due to income not taxable	-	(265)
Increase/(decrease) in current tax relating to adjustments in respect of prior periods	27	(113)
Deferred tax relating to adjustments in respect of prior periods	(32)	63
<b>Tax charge for the year</b>	<b>772</b>	<b>1,126</b>

As legislated in March 2020, the UK corporation tax rates will remain at 19%. Deferred taxes at the balance sheet date have been measured using these enacted tax rates and reflected in these financial statements.

## Morrison Data Services Limited

### Notes to the financial statements for the year ended 31 March 2020 (continued)

#### 10 Intangible assets

	Purchased contracts	Software	Total
Cost	£'000	£'000	£'000
At 1 April 2019	9,643	6,972	16,615
Additions	-	1,506	1,506
Disposals	(729)	(1,502)	(2,231)
<b>At 31 March 2020</b>	<b>8,914</b>	<b>6,976</b>	<b>15,890</b>
<b>Accumulated amortisation</b>			
At 1 April 2019	(7,427)	(4,038)	(11,465)
Charge for the year	(720)	(869)	(1,589)
Disposals	-	1,501	1,501
<b>At 31 March 2020</b>	<b>8,147</b>	<b>3,406</b>	<b>(11,553)</b>
<b>Net book value at 31 March 2020</b>	<b>767</b>	<b>3,570</b>	<b>4,337</b>
Net book value at 31 March 2019	2,216	2,934	5,150

## Morrison Data Services Limited

### Notes to the financial statements for the year ended 31 March 2020 (continued)

#### 11 Tangible assets

	Short leasehold land and buildings	Plant and equipment	Total
Cost	£'000	£'000	£'000
At 1 April 2019	847	5,016	5,863
Additions	-	149	149
Disposals	(847)	(290)	(1,137)
<b>At 31 March 2020</b>	<b>-</b>	<b>4,875</b>	<b>4,875</b>
<b>Accumulated depreciation</b>			
At 1 April 2019	(847)	(3,694)	(4,541)
Charge for the year	-	(765)	(765)
Disposals	847	290	1,137
<b>At 31 March 2020</b>	<b>-</b>	<b>(4,169)</b>	<b>(4,169)</b>
<b>Net book value at 31 March 2020</b>	<b>-</b>	<b>706</b>	<b>706</b>
Net book value at 31 March 2019	-	1,322	1,322

The net book value of the Company's tangible assets held under finance leases at 31 March 2020 was £210,000 (2019: £360,000).

#### 12 Investments

	Shares
Company	£'000
Cost as at 1 April 2019	21,485
Acquisitions	-
<b>Cost as at 31 March 2020</b>	<b>21,485</b>

## Morrison Data Services Limited

### Notes to the financial statements for the year ended 31 March 2020 (continued)

#### 12 Investments (continued)

The Company holds 100% of the share capital of the following company at 31 March 2020:

Company	Registered country	Company's equity shareholding at 31 March 2020	Principal business
Morrison Data Services (Water) Limited	England (1)	100%	Meter reading
Callisto Data Limited (formerly MDS Data Management Limited)	England (1)	100%	Data processing and handling

(1) company's registered office is: Abel Smith House, Gunnels Wood Road, Stevenage, Hertfordshire, SG1 2ST

#### 13 Inventories

	At 31 March 2020	At 31 March 2019
	£'000	£'000
Finished goods and goods for resale	621	508

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

#### 14 Debtors

	At 31 March 2020	At 31 March 2019
	£'000	£'000
Trade debtors	9,860	11,196
Amounts owed by group undertakings	14,586	6,033
Deferred tax asset (note 20)	1,352	1,239
Other receivables	609	-
Prepayments and accrued income	6,490	5,558
	<b>32,897</b>	<b>24,026</b>

Amounts owed by group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

# Morrison Data Services Limited

## Notes to the financial statements for the year ended 31 March 2020 (continued)

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

	At 31 March 2020	At 31 March 2019
	£'000	£'000
Trade creditors	2,391	3,804
Amounts owed to group undertakings	4,915	2,591
Other taxation and social security	5,035	3,939
Corporation tax	4	963
Other creditors	-	1,026
Obligations under finance leases (note 17)	120	146
Accruals and deferred income	9,350	9,161
	<b>21,815</b>	<b>21,630</b>

Amounts owed to group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

### 16 Creditors: amounts falling due after more than one year

	At 31 March 2020	At 31 March 2019
	£'000	£'000
<b>Amounts falling due between one and five years</b>		
Amounts owed to group undertakings	24,576	23,151
Obligations under finance leases (note 17)	95	210
	<b>24,671</b>	<b>23,361</b>

Amounts owed to group undertakings are unsecured, bear interest at 6% and are repayable on 31 May 2027.

## Morrison Data Services Limited

### Notes to the financial statements for the year ended 31 March 2020 (continued)

#### 17 Loans and other borrowings

	At 31 March 2020	At 31 March 2019
	£'000	£'000
Current liabilities	120	146
Non-current liabilities	95	210
Obligations under finance leases	215	356

#### Finance leases

The future minimum finance lease payments are as follows:	At 31 March 2020	At 31 March 2019
	£'000	£'000
Within one year	120	146
In two to five years	95	210
Carrying amount of liability	215	356

The finance leases relate to data loggers and hand held devices for meter readings.

## Morrison Data Services Limited

### Notes to the financial statements for the year ended 31 March 2020 (continued)

#### 18 Provisions for liabilities

	Dilaps provision	Penalty provision	Vehicle provision	Total
	£'000	£'000	£'000	£'000
At 1 April 2019	23	3,017	545	3,585
Additional provisions	330	-	296	626
Provisions used	-	(1,609)	(100)	(1,709)
<b>At 31 March 2020</b>	<b>353</b>	<b>1,408</b>	<b>741</b>	<b>2,502</b>

#### *Dilapidation provision*

The dilapidation provision relates to potential costs to return the leasehold property, occupied as Morrison Data Services head office, to its original state at the end of the lease. The lease is a ten-year lease due to end during 2028.

#### *Penalty provision*

The penalty provision relates to a provision for contractual under performance and consecutive read performance targets. The penalty provision is made when a contractual under performance occurs, usually on a monthly or quarterly basis. It is resolved on a regular basis following agreement of the penalty level with the relevant customer.

#### *Vehicle provision*

The vehicle provision is a rolling provision which relates to end of contract wear and tear. Invoices for the wear and tear charge will go against this provision.

## Morrison Data Services Limited

### Notes to the financial statements for the year ended 31 March 2020 (continued)

#### 19 Pensions and similar obligations

The company participates in both defined contribution and defined benefit schemes.

The cost of company contributions to defined contribution schemes is recognised in the profit and loss account as incurred.

Historically, when the company was a member of the G4S group, it participated in a group funded defined benefit pension scheme operated by another G4S group company. Following the acquisition of the company by M Group Services Limited, separate defined benefit arrangements were established in a separate section of an independently operated scheme.

The amount contributed by the company to the scheme during the year is recognised as a cost in the profit and loss account. At the balance sheet date, the fair value of plan assets was £495,000 (2019: £365,000) and present value of the defined benefit obligation was £592,000 (2019: £375,000), resulting in an overall deficit on the pension plan of £97,000 (2019: £10,000). This deficit has not been recognised on the balance sheet, as the value is not considered material to the accounts.

Total pension costs of £1,528,000 have been recognised in the profit and loss account for the year (2019: £1,389,000).

#### 20 Deferred tax asset

Deferred tax assets	Year to 31 March 2020	Year to 31 March 2019
	£'000	£'000
Brought forward at 1 April	1,239	1,513
Deferred tax credited / (charged) to profit and loss	81	(211)
Adjustment in respect of prior year	32	(63)
<b>Deferred tax asset (Note 14)</b>	<b>1,352</b>	<b>1,239</b>

## Morrison Data Services Limited

### Notes to the financial statements for the year ended 31 March 2020 (continued)

#### 21 Called up share capital

	At 31 March 2020	At 31 March 2019
	£'000	£'000
Allotted, called up and fully paid share capital		
Ordinary shares 100,000 (2019: nil) of £1 each	100	-
Ordinary A shares nil (2019: 49,000) of £1 each	-	49
Ordinary B shares nil (2019: 51,000) of £1 each	-	51
	100	100

During the year the ordinary A shares and ordinary B shares were re-designated as ordinary shares.

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.

#### 22 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 2020 was £nil (2019: £nil).

There are contingent liabilities in respect of performance bonds, guarantees and claims under contracting and other agreements, entered into in the normal course of business.

# Morrison Data Services Limited

## Notes to the financial statements for the year ended 31 March 2020 (continued)

### 23 Capital and other commitments

At 31 March, the Company had the following future minimum lease payments under non-cancellable operating leases for each of the following periods:

	At 31 March 2020	At 31 March 2019
	£'000	£'000
Payments due		
Within one year	315	36
Between one and five years	487	960
	802	996

The company had no other off-balance sheet arrangements.

The amount of non-cancellable operating lease payments recognised as an expense during the year was £226,000 (2019: £368,000).

### 24 Related party transactions

The Company has taken advantage of the exemption under FRS102.33.1A, and has not disclosed transactions with entities that are part of the Minerva Equity Limited group, where 100% of the voting rights of these entities are controlled within the Group. There were no other related party transactions during the year (2019: £nil).

### 25 Immediate and ultimate parent undertaking and controlling party

At 31 March 2020, the Company's immediate parent undertaking was M Group 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 consolidated financial statements of Minerva Equity Limited and M Group Services Limited can be obtained from the Company Secretary at Abel Smith House, Gunnels Wood Road, Stevenage, Hertfordshire, SG1 2ST.

### 26 Post balance sheet events

After the year end, the Data Management trade and assets previously in MDS were transferred to the subsidiary Callisto Data Limited. This is part of the continued investment in its already well established products and services as well as considering the future needs of a changing customer base and market.