

MORGAN SINDALL INVESTMENTS LIMITED

ANNUAL REPORT AND

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

MORGAN SINDALL INVESTMENTS LIMITED

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MORGAN SINDALL INVESTMENTS LIMITED

COMPANY INFORMATION FOR THE YEAR ENDED 31 DECEMBER 2022

Directors	S P Crummett R J Dixon J C Morgan
Company Secretary	C Sheridan
Registered Office	Kent House 14–17 Market Place London W1W 8AJ
Independent Auditor	Ernst & Young LLP 1 More London Place London SE1 2AF

MORGAN SINDALL INVESTMENTS LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2022

Principal activities

Morgan Sindall Investments Limited (the 'Company') is the parent company of entities that previously formed part of Morgan Sindall Group plc's (the 'Group') Investments division prior to the division being restructured at the start of 2021. The Company continues to operate as a holding company for its subsidiaries and joint ventures and earns management fees from its joint ventures.

Business review

The results for the year for the Company were as follows:

	Year to 31 December 2022	Year to 31 December 2021 (restated)
	£000	£000
Revenue	1,249	1,126
Profit/(loss) before tax	871	(644)
Net assets	3,644	2,811
Cash	371	1,357

Financial position and liquidity

The financial position of the Company is presented in the Balance Sheet. The total shareholder's funds at 31 December 2022 were £3.6m (2021: £2.8m (restated)). The Company had net current assets of £3.6m (2021: £2.2m).

A profit was recognised in 2022 due to recovery of backdated recharges for Claymore Roads directors fees of £203,000 (2021: £nil), previously not recorded as it was not probable that these would be recovered due to the Claymore Roads project being in default, and dividends received from investments in subsidiaries of £300,000 (2021: £nil). During the year, the Company transferred its lease for 100 St John's Street to Lovell Partnerships Limited, another subsidiary of the Group, with a profit on transfer of £129,000.

The Company participates in the Group's banking arrangements (under which it is a cross guarantor). As at 31 December 2022 the Group had cash balances of £354.6m (2021: £358m). The Group also had £15m of committed loan facilities maturing in 2024 and £165m of committed loan facilities maturing in 2025, which were entirely undrawn as at 31 December 2022 and 2021.

Future developments

The Company will continue to operate as a holding company for its subsidiaries and joint ventures and earn management fees from these joint ventures.

Key performance indicators

The Company's financial key performance indicators are described in the business review above. No other key performance indicators are deemed necessary to explain the development, performance or position of the Company.

Principal risks and uncertainties

The key business risks and uncertainties affecting the Company are considered to be credit and liquidity risk.

Financial risk management objectives and policies

The Company's operations expose it to a variety of financial risks that include credit risk, liquidity risk and interest rate risk.

MORGAN SINDALL INVESTMENTS LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2022

Credit risk

The Company has no significant concentration of credit risk, with exposure spread over a number of counterparties which form part of the Group.

Liquidity risk

This is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company aims to manage liquidity by ensuring that it will always have sufficient resources to meet its liabilities when they fall due, under both normal and stress conditions, without incurring unacceptable losses or risking damage to the Company's reputation. Liquidity is provided through cash balances and access to the Group's committed bank loan facilities.

Interest rate risk

In respect of interest rate risk the Company has interest bearing assets and liabilities. Interest bearing assets and liabilities include cash balances and overdrafts, all of which have interest rates applied at floating market rates.

Section 172 statement

Section 172 of the Companies Act 2006 requires a director to have regard to the following matters, among others, when discharging their duty: the likely consequences of any decision in the long term; the interests of the Company's employees; the need to foster the Company's business relationships with suppliers, customers and others; the impact of the Company's operations on the community and the environment; the desirability of the Company maintaining a reputation for high standards of business conduct; and the need to act fairly with members of the Company.

The Company is wholly owned by Morgan Sindall Group plc and has no employees. As a subsidiary holding company within the Morgan Sindall Group ('the Group'), the directors consider the impact of the Company's activities on its shareholder, its subsidiaries, the Group's businesses and partners that have an interest in the Company's investments and other stakeholders.

The directors maintain high standards of business conduct by complying with the Group's governance framework and Code of Conduct. The Code of Conduct states a commitment to the Group's human rights policy and provides practical guidance on upholding the Group's Core Values and delivering on our Total Commitments to being a responsible business.

The directors engage with our shareholder on an ad hoc basis on requests for investment and financial matters, including additional capital distributions or funding. The directors assess such requests in light of the Company's minimum capital requirements to maintain profitability in the long term. Any decisions taken will be aligned to the Group's purpose, strategy and standards and made in the best interests of all stakeholders.

The key activities of the Company's directors during the year included the approval of the financial statements for the year ended 31 December 2021.

Further information, including the Group's Section 172 statement, engagement with stakeholders and activities with regard to improving the environment, can be found in the Group's 2022 annual report and accounts at www.morgansindall.com.

Approved by and on behalf of the Board:

R Dixon
Director



29 September 2023

MORGAN SINDALL INVESTMENTS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2022

The directors present their annual report and the audited financial statements for the year ended 31 December 2022. The annual report comprises the strategic report and directors' report, which together provide the information required by the Companies Act 2006. The financial statements have been prepared under United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including Financial Reporting Standard 101 Reduced Disclosure Framework.

Going concern

The directors have reviewed the performance of the Company during the year as set out in these accounts and, after taking account of possible changes that can reasonably be envisaged in trading performance, have considered the cashflow forecasts and future liquidity requirements of the Company.

Having regards to the above and after making enquiries, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for a period of 12 months from the date the financial statements are authorised for issue. Thus, they continue to adopt the going concern basis in preparing the financial statements.

Directors

The directors who served during the year and to the date of this report are shown on page 1. None of the directors had any interest in the shares of the Company during the year ended 31 December 2022 (2021: none).

Directors' indemnities

The Company indemnifies the directors in its Articles of Association to the extent allowed under section 232 of the Companies Act 2006. Furthermore, Morgan Sindall Group plc (ultimate parent company) maintains liability insurance for its directors and officers and those of its directors and officers of its associated companies. The Group has also indemnified certain directors of its Group companies to the extent permitted by law against any liability incurred in relation to acts or omissions arising in the ordinary course of their duties.

The Company has not made qualifying third-party indemnity provisions for the benefit of its directors during the year (2021: none).

Dividends

The directors do not recommend the payment of a final dividend (2021: £nil).

Post balance sheet events

In August 2020, Community Solutions Partnership Services Limited (a subsidiary of Morgan Sindall Investments Limited) made a distribution to the Company which constituted the making of an unlawful distribution. In order to regularise the distribution, on 17th April 2023, Morgan Sindall Investments Limited made a capital contribution to Community Solutions Partnership Services Limited for one share of £0.50 in the capital of Community Solutions Partnership Services Limited at a subscription price of £200,000.

On 20th June 2023, Community Solutions (Hub West Scotland) Limited, previously Wellspring Partnership Limited, a company which Morgan Sindall Investments Limited had a direct investment of 80% and an indirect investment of 10% through Community Solutions Management Services Limited, sold its investment of 60% in the following companies for £1.5m:

Hub West Scotland (Holdco 1) Limited
Hub West Scotland (Holdco 2) Limited
Hub West Scotland (Holdco 3) Limited
Hub West Scotland (Holdco 4) Limited
Hub West Scotland (Holdco 5) Limited

MORGAN SINDALL INVESTMENTS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2022

Hub West Scotland (Holdco 6) Limited
Hub West Scotland (Holdco 7) Limited

The Company's indirect investment in following entities (wholly owned subsidiaries of the Holdcos) was also disposed of as a result of the above transaction:

Hub West Scotland Project Company (No 1) Limited
Hub West Scotland Project Company (No 2) Limited
Hub West Scotland Project Company (No 3) Limited
Hub West Scotland Project Company (No 4) Limited
Hub West Scotland Project Company (No 5) Limited
Hub West Scotland Project Company (No 6) Limited
Hub West Scotland Project Company (No 7) Limited

On the same day, Apollo (Hub Investment) Limited and GCP Asset Backed Income (UK) Limited transferred their shares in Wellspring Finance Company Limited to Morgan Sindall Investments Limited at a nominal consideration. Morgan Sindall Investments Limited then sold its investment in Wellspring Finance Company Limited to Foresight for a nominal consideration of £2 resulting in an overall loss on disposal of £110,000.

Also on the same day, Wellspring Finance Company Limited transferred its investment in Wellspring Sub Debt Limited to Morgan Sindall Investments Limited for £5,000.

Political contributions

The Company made no political contributions during the year (2021: none).

Independent auditor and disclosure of information to the independent auditor

Each of the persons who is a director at the date of approval of this report confirms that:

- So far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- Each director has 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.

This confirmation is given and should be interpreted in accordance with the provisions of section 418 of the Companies Act 2006.

Ernst & Young LLP have expressed their willingness to continue in office as auditor and pursuant to Section 487 of the Companies Act 2006, Ernst & Young LLP is deemed to be reappointed as auditor.

Directors' responsibilities statement

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Practice (United Kingdom Accounting Standards and applicable law) including FRS 101 "Reduced Disclosure Framework". 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.

MORGAN SINDALL INVESTMENTS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2022

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;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements in FRS 101 is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the Company financial position and financial performance;
- state whether applicable United Kingdom Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

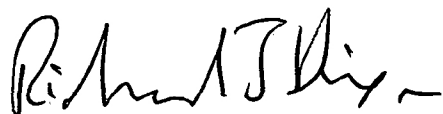
The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with Companies 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.

Streamlined Energy and Carbon Reporting Regulation (SECR)

The Company meets the criteria for a low energy user and therefore disclosures under SECR are not required to be presented.

Approved by the Board and signed on its behalf by:

R Dixon
Director



29 September 2023

MORGAN SINDALL INVESTMENTS LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MORGAN SINDALL INVESTMENTS LIMITED

Opinion

We have audited the financial statements of Morgan Sindall Investments Limited for the year ended 31 December 2022 which comprise the Statement of comprehensive income, the Balance Sheet, the Statement of changes in equity and the related notes 1 to 17, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 101 "Reduced Disclosure Framework (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the company's affairs as at 31 December 2022 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor'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 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 12 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. 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.

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 this report, we do not express any form of assurance conclusion thereon.

MORGAN SINDALL INVESTMENTS LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MORGAN SINDALL INVESTMENTS LIMITED

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 the other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

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

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 5, 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.

MORGAN SINDALL INVESTMENTS LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MORGAN SINDALL INVESTMENTS LIMITED

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.

Explanation as to what extent 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 irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the company and determined that the most significant are those that relate to the reporting framework (FRS 101 "Reduced Disclosure Framework" and the Companies Act 2006) and the relevant tax compliance regulations in the United Kingdom.
- We understood how Morgan Sindall Investments Limited is complying with those frameworks by making enquiries of management including those responsible for legal and compliance procedures and the Company Secretary. We corroborated our enquiries through our review of board minutes, noting the oversight the ultimate parent company's Board and management have over the Company.
- We assessed the susceptibility of the company's financial statements to material misstatement, including how fraud might occur by meeting with management to understand where they considered there was susceptibility to fraud. We considered the processes and controls that the company has established to address risks identified, or that otherwise prevent, deter and detect fraud; and how management monitor those processes and controls.
- Based on this understanding we designed our audit procedures to identify noncompliance with such laws and regulations. Our procedures involved testing any unusual transactions based on our understanding of the business, enquiries of management, review of board meeting minutes and obtaining written representations from the directors of the Company.

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

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

MORGAN SINDALL INVESTMENTS LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MORGAN SINDALL INVESTMENTS LIMITED

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.

Bianca Gill (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
London

29 September 2023

MORGAN SINDALL INVESTMENTS LIMITED

STATEMENT OF COMPREHENSIVE INCOME AS AT 31 DECEMBER 2022

		2022	2021
			(*restated)
	Notes	£000	£000
Revenue	1	1,249	1,126
Cost of sales		(661)	(778)
Gross profit		588	348
Administrative expenses		(90)	(556)
Operating profit/(loss)	2	498	(208)
Other income		75	628
Income from shares in Group undertakings		300	-
Impairment of loan investment in joint ventures		-	(1,000)
Interest receivable	5	11	1
Interest payable	5	(13)	(65)
Profit/(loss) before tax		871	(644)
Tax	6	(38)	410
Profit/(loss) for the financial year attributable to owners of the Company		833	(234)
Other comprehensive income		-	-
Total comprehensive profit/(loss) for the year attributable to owners of the Company		833	(234)

Continuing operations

The profit/(loss) for the current and previous financial years all derive from continuing operations.

*The prior year tax balance has been restated as described in the Principal Accounting Policies on page 14.

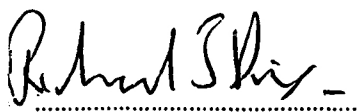
MORGAN SINDALL INVESTMENTS LIMITED

BALANCE SHEET FOR THE YEAR ENDED 31 DECEMBER 2022

		2022	2021
			(*restated)
	Notes	£000	£000
Non-current assets			
Property, plant and equipment	7	-	1,717
Investments	8	110	110
Deferred tax asset	12	316	355
		426	2,182
Current assets			
Trade and other receivables	9	3,573	1,902
Cash and bank balances	10	371	1,357
		3,944	3,259
Total assets		4,370	5,441
Current liabilities			
Trade and other payables	11	(726)	(1,090)
		(726)	(1,090)
Net current assets		3,644	2,169
Non-current liabilities			
Lease liabilities	15	-	(1,540)
		-	(1,540)
Total liabilities		(726)	(2,630)
Net assets		3,644	2,811
Capital and reserves			
Share capital	13	4,806	4,806
Retained loss		(1,162)	(1,995)
Total shareholder's funds		3,644	2,811

*The prior year deferred tax asset, trade and other receivables and retained loss balances have been restated as described in the Principal Accounting Policies on page 14.

The financial statements of Morgan Sindall Investments Limited (company number 02544711) were approved by the Board and authorised for issue on 29 September 2023. They were signed on its behalf by:



R J Dixon, Director

MORGAN SINDALL INVESTMENTS LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2022

	Share capital (note 13) £000	Retained loss £000	Total £000
At 1 January 2021	4,806	(1,857)	2,949
Adjustment for correction of an historic error (see principal accounting policies)	-	96	96
As 1 January 2021 (*restated)	4,806	(1,761)	3,045
Total comprehensive loss (*restated)	-	(234)	(234)
At 31 December 2021 (*restated)	4,806	(1,995)	2,811
Total comprehensive income	-	833	833
At 31 December 2022	4,806	(1,162)	3,644

*The prior year balances have been restated as described in the Principal Accounting Policies on page 14.

MORGAN SINDALL INVESTMENTS LIMITED

PRINCIPAL ACCOUNTING POLICIES FOR THE YEAR ENDED 31 DECEMBER 2022

General information

Morgan Sindall Investments Limited (the 'Company') is a private company limited by shares, incorporated and domiciled in the UK and registered in England and Wales. The nature of the Company's operations and its principal activities are set out in the business review on page 2. The address of the registered office is given on page 1.

Basis of accounting

The Company meets the definition of a qualifying entity under FRS 100 (Financial Reporting Standard 100) issued by the Financial Reporting Council. Accordingly, the Company has prepared its financial statements in accordance with FRS 101 (Financial Reporting Standard 101) 'Reduced Disclosure Framework' as issued by the Financial Reporting Council.

As permitted by FRS 101, the Company has taken advantage of the disclosure exemptions available under that standard in relation to share based payments, financial instruments, capital management, presentation of comparative information in respect of certain assets, presentation of a cash flow statement, standards not yet effective and related party transactions. Where required, equivalent disclosures are given in the consolidated accounts of Morgan Sindall Group plc which are available to the public at www.morgansindall.com.

The financial statements have been prepared under the historical cost convention. Historical cost is generally based on the fair value of the consideration given in exchange for the goods and services.

These financial statements are presented to the nearest thousand pound sterling which is the Company's presentational and functional currency.

The directors consider that the immediate and ultimate parent undertaking and ultimate controlling party of this Company is Morgan Sindall Group plc, which is registered in England and Wales. It is the only group into which the results of the Company are consolidated. Copies of the consolidated financial statements of Morgan Sindall Group plc are publicly available from morgansindall.com or from its registered office Kent House, 14-17 Market Place, London W1W 8AJ.

The Company is exempt by virtue of section 400 of the Companies Act 2006 from the preparation of consolidated financial statements because it is included in the Group accounts of Morgan Sindall Group plc. These financial statements are separate financial statements and present information about the Company as an individual undertaking and not of the Group.

Adoption of new and revised standards

During the year, the Company has adopted the following new and revised standards and interpretations. Their adoption has not had any significant impact on the accounts or disclosures in these financial statements.

- Amendments to IFRS 3 'Reference to the Conceptual Framework'
- Amendments to IAS 16 'Property, Plant and Equipment – Proceeds before Intended Use'
- Amendments to IAS 37 'Onerous Contracts – Cost of Fulfilling a Contract'
- Annual Improvements to IFRS Accounting Standards 2018-2020 cycle

Restatement of prior year results

Upon preparing the 2021 tax return it was noted that the tax treatment on the impairment of Claymore Roads (Holdings) Limited joint venture loan of £1m and the provision of Wellspring Finance Company Limited debtor balances for 2020 of £184,000 had been incorrectly applied as non-tax deductible items. The Company has a shareholding of 50% and 49.5% in Claymore Roads (Holdings) Limited, and Wellspring Finance Company Limited respectively, and therefore both of these companies are not considered to be a connected party for tax purposes and hence both the loan impairment and the provision should be treated as tax deductible. Applying 19% tax on both these tax deductible amounts results in a tax credit of £225,000 which has been adjusted as an increase of £35,000 to opening retained

MORGAN SINDALL INVESTMENTS LIMITED

PRINCIPAL ACCOUNTING POLICIES FOR THE YEAR ENDED 31 DECEMBER 2022

earnings as at 01 January 2021 in the statement of changes in equity and £190,000 increase to the tax credit for the year-ended 31 December 2021 which resulted in a decrease to loss after tax for the year by the same amount. The total increase in trade and other receivables due to this adjustment was £225,000.

Furthermore, an adjustment of £128,000 was made to increase the deferred tax asset balance as at 31 December 2021 due to recognition of previously omitted deferred tax balances on capital allowances and remeasurement of closing deferred tax balances at the tax rates substantively enacted at the balance sheet date. The resulting adjustment has been a £61,000 increase to opening retained earnings as at 01 January 2021 in statement of changes in equity and a £67,000 increase to the tax credit for the year ended 31 December 2021 which resulted in a decrease to loss after tax for the year by the same amount.

The resulting impact as a result of correction of these prior period errors on net assets and total equity was an increase of £353,000 and £96,000 as at 31 December 2021 and 1 January 2021, respectively.

In accordance with disclosure exemptions available under FRS 101, a restated balance sheet at 1 January 2021 is not presented.

Going concern

The directors have reviewed the performance of the Company during the year as set out in these accounts and, after taking account of possible changes that can reasonably be envisaged in trading performance, have considered the cashflow forecasts and future liquidity requirements of the Company.

Having regards to the above and after making enquiries, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for a period of 12 months from the date the financial statements are authorised for issue. Thus, they continue to adopt the going concern basis in preparing the financial statements.

The accounting policies as set out below have been applied consistently to all periods presented in these consolidated financial statements.

Cash

The Company participates in the Group's centralised treasury arrangements and shares banking arrangements, including the provision of cross guarantees, with its ultimate parent Morgan Sindall Group plc and fellow subsidiaries. Bank overdrafts repayable on demand are included within current liabilities.

Property, plant and equipment

Leasehold property, plant, machinery and equipment are stated at cost less accumulated depreciation and any recognised impairment loss. Depreciation is provided in equal annual instalments at rates calculated to write off the cost of the assets, less estimated residual value, over their estimated useful lives as follows:

Plant, equipment, fixtures and fittings	between three and ten years
Right of use – Leasehold buildings	the period of the lease

Investments in subsidiaries and joint ventures and other investments

Investments held as non-current assets are stated at cost less provision for impairment. Long term joint venture loans are recognised as part of investments. Investments are reviewed for impairment at the earlier of the Company's reporting date or where an indicator of impairment is identified. The carrying value of assets are reviewed for impairment if events or changes in circumstances indicate the carrying value may not be recoverable, and are written down immediately to their recoverable amount.

Revenue

Revenue is measured at the transaction price agreed in the contract with the customer. Management and project fee

MORGAN SINDALL INVESTMENTS LIMITED

PRINCIPAL ACCOUNTING POLICIES FOR THE YEAR ENDED 31 DECEMBER 2022

revenues are recognised over the period the services are provided. Recharges to subsidiary companies are recognised as development management fees as they are expensed and incurred.

Financial instruments

Financial assets and financial liabilities are recognised in the Company's balance sheet when the Company becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value and are subsequently measured at amortised cost using the effective interest rate method. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition.

Dividend income

Dividend income is recognised when the right to receive payment is established.

Interest receivable and interest payable

Interest receivable and interest payable are recognised on an accruals basis, by reference to the principal outstanding, and at the effective interest rate applicable.

Leases

Where the Company is a lessee, a right-of-use asset and lease liability are recognised at the outset of the lease other than those that are less than one year in duration or of a low value.

The lease liability is initially measured at the present value of the lease payments that are not paid at that date based on the Company's expectations of the likelihood of lease extension or break options being exercised. In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. The lease liability is subsequently adjusted to reflect imputed interest, payments made to the lessor and any lease modifications.

The right-of-use asset is initially measured at cost, which comprises the amount of the lease liability, any lease payments made at or before the commencement date, less any lease incentives received, any initial direct costs incurred by the Company and an estimate of any costs that are expected to be incurred at the end of the lease to dismantle or restore the asset. The right-of-use assets are presented within the property, plant and equipment line in the balance sheet and depreciated in accordance with the Company's accounting policy on property, plant and equipment. The amount charged to the income statement comprises the depreciation of the right-of-use asset and the imputed interest on the lease liability.

Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

Income tax

The income tax expense represents the current and deferred tax charges. Income tax is recognised in the statement of comprehensive income except to the extent that it relates to items recognised directly in equity.

Current tax is the Company's expected tax liability on taxable profit for the year using tax rates enacted or substantively enacted at the reporting date and any adjustments to tax payable in respect of previous years.

Taxable profit differs from that reported in the statement of comprehensive income because it is adjusted for items of income or expense that are assessable or deductible in other years and is adjusted for items that are never assessable or deductible.

MORGAN SINDALL INVESTMENTS LIMITED

PRINCIPAL ACCOUNTING POLICIES FOR THE YEAR ENDED 31 DECEMBER 2022

Deferred tax is recognised using the balance sheet method, providing for temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and the corresponding tax bases used in tax computations. Deferred tax is not recognised for the initial recognition of assets or liabilities in a transaction that is not a business combination and affects neither accounting nor taxable profits, or differences relating to investments in subsidiaries and joint ventures to the extent that it is probable that they will not reverse in the foreseeable future.

Deferred tax is recognised on temporary differences which result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at the tax rates expected to apply when they reverse, based on the laws that have been enacted or substantively enacted at the reporting date. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted and are only offset where this is a legally enforceable right to offset current tax assets and liabilities.

Critical accounting judgements and key sources of estimation uncertainty

The preparation of financial statements requires the Company's management to make judgements, assumptions and estimates that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expense. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

There were no critical judgements or key sources of estimation uncertainty that are expected to have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year.

MORGAN SINDALL INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

1. Revenue

All revenue is generated in the United Kingdom from the provision of management services to the Company's joint ventures and is stated exclusive of VAT.

2. Operating profit/(loss)

	2022 £000	2021 £000
Operating profit/(loss) is stated after charging/(crediting):		
Depreciation:		
- owned tangible fixed assets	-	11
- Right of use assets	50	228
(Gain)/loss on disposal of right of use assets	(129)	22

The Company's audit fee of £16,500 (2021: £15,000) was borne by Morgan Sindall Group plc.

3. Staff costs

	2022 £000	2021 £000
Wages and salaries	-	947
Social security costs	-	157
Redundancy costs	-	594
Pension costs	-	10
	-	1,708

	No.	No.
The average number of employees (including executive directors) during the year was:	-	2

During 2021, the remaining 2 employees left the company.

4. Directors' remuneration

	2022 £000	2021 £000
Directors' remuneration		
Emoluments	-	303
Compensation for loss of office	-	69
Company contributions to money purchase pension scheme	-	11
	-	383

Remuneration of the highest paid director		
Emoluments	-	167
Compensation for loss of office	-	69
Company contributions to money purchase pension scheme	-	5

MORGAN SINDALL INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

4. Directors' remuneration (continued)

	2022 No.	2021 No.
The number of directors who:		
- are members of money purchase pension schemes	-	2
- exercised options over shares in the ultimate Group	-	1

Total emoluments exclude amounts in respect of share options (granted and/or exercised), pension contributions, benefits under pension schemes and benefits under long term incentive plans. Three (2021: two) current directors of the Company received no emoluments (2021: £nil) in their capacity as directors of this Company. These individuals are remunerated by another company in the Group.

5. Net interest (payable)/receivable

	2022 £000	2021 £000
Bank interest receivable	11	1
Interest receivable	11	1
Bank interest payable	(1)	(8)
Lease liabilities	(12)	(57)
Interest payable	(13)	(65)
Net interest payable	(2)	(64)

6. Tax

	2022 £000	2021 (restated*) £000
UK corporation tax	(70)	171
Adjustment in respect of previous years	70	214
Total current tax credit	-	385
<i>Origination and reversal of timing differences</i>		
Current year	(38)	(47)
Effect of change in tax rate used to calculate deferred tax balances	-	72
Total deferred tax (charge)/credit (note 12)	(38)	25
Total tax (charge)/credit	(38)	410

Corporation tax is calculated at 19% (2020: 19%) of the estimable taxable profit for the year. The actual tax charge for the current and preceding year differs from the standard rate for the reasons set out in the following reconciliation.

	2022 £000	2021 (restated*) £000
Profit/(loss) before tax	871	(644)
Tax (charge)/credit on profit/(loss) at corporation tax rate	(166)	122
<i>Factors affecting the (charge)/credit for the year:</i>		
Dividend income for which no tax liability is due	58	-
Adjustments to tax in respect of prior periods	70	214
Effect of change in tax rate used to calculate deferred tax balances	-	72
Other permanent differences	-	2
Total tax (charge)/credit	(38)	410

MORGAN SINDALL INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

6. Tax (continued)

*The prior year balances have been restated as described in the Principal Accounting Policies on page 14.

During 2021 it was announced that the UK Corporation tax rate will increase from 19% to 25% from 1 April 2023. Consequently, at the balance sheet date, the applicable tax rate for the Company is expected to be 23.5% in 2023, and 25% in 2024 (and beyond). Deferred tax balances as at 31 December 2022 are measured at the enacted rates that are expected to apply to the unwind of each asset or liability. Accordingly deferred tax balances as at 31 December 2022 have been calculated at a mix of 23.5% and 25%.

7. Property, plant and equipment

	Plant, equipment, fixtures & fittings £000	Right of use assets – Buildings £000	Total £000
Cost			
As at 1 January 2022	1	2,196	2,197
Disposals	-	(2,196)	(2,196)
As at 31 December 2022	1	-	1
Depreciation			
As at 1 January 2022	(1)	(479)	(480)
Charge for the year	-	(50)	(50)
Disposals		529	529
As at 31 December 2022	(1)	-	(1)
Net Book Value			
As at 31 December 2022	-	-	-
As at 31 December 2021	-	1,717	1,717

8. Investments

	Subsidiary shares £000	Joint venture shares £000	Joint venture loans £000	Other Investments £000	Total £000
Cost					
As at 1 January 2022 and 31 December 2022	580	153	2,864	791	4,388
Provisions					
As at 1 January 2022 and 31 December 2022	(470)	(153)	(2,864)	(791)	(4,278)
Carrying amount					
As at 1 January 2022 and 31 December 2022	110	-	-	-	110

The details of the Company's subsidiaries and joint ventures are shown on page 21. The country of incorporation and principal place of business of each entity is the UK and the address of the registered office of each entity is the same as the registered office of this Company unless otherwise indicated.

MORGAN SINDALL INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

8. Investments (continued)

Name of Company	Principal Activity	Direct/ Indirect Investment	Proportion of ordinary shares held
Claymore Roads (Holdings) Limited ⁽¹⁾	Holding company to Claymore Roads Limited	Direct	50%
Claymore Roads Limited ⁽¹⁾	PFI company responsible for the A92 Dundee to Arbroath Road	Indirect	50%
Community Solutions for Education Limited	Holding company for a previous investment into PSBP NW Holdco Limited	Direct	100%
Community Solutions for Regeneration Limited	Holding company with investments in a number of subsidiaries	Direct	100%
Community Solutions For Regeneration (Hertfordshire) Limited	Investment holding and management company	Indirect	100%
Chalkdene Developments LLP ⁽³⁾	Development of affordable homes and homes for sale in the open market	Indirect	50%
Centennial Management Limited ⁽⁵⁾	Provision of business support services	Indirect	50%
Trig Beacon Limited	Managing agent for properties sold as part of Trig Point development	Indirect	50%
Carriage Quarter Management Company Limited	Residential Property Management	Indirect	50%
Wolsey Manor Management Company Limited	Other business support services	Indirect	50%
Towcester Regeneration Limited	Regeneration scheme for Moat Lane around Northamptonshire	Indirect	100%
Community Solutions Management Services Limited	Holding company	Direct	100%
Community Solutions Management Services (Hub) Limited	Holding company	Indirect	100%
Wellspring Partnership Limited ^{(2) (6)}	Investment and management company for joint ventures in West Scotland	Direct	90%
Health Innovation Partners Limited	Holding company to finance Health Innovation Partners (Oxleas) and Health Innovation Partners (Torbay and South Devon)	Indirect	50%
Health Innovation Partners (Oxleas) Limited	Provides development and management services to The Oxleas Property Partnership LLP	Indirect	50%
The Oxleas Property Partnership LLP ⁽³⁾	Provides property development and consultancy services to Oxleas NHS Foundation Trust	Indirect	25%
Community Solutions Partnership Services Limited	Provision of business support services	Direct	100%

MORGAN SINDALL INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

Name of Company	Principal Activity	Direct/ Indirect Investment	Proportion of ordinary shares held
Morgan Sindall Consortium LLP ⁽³⁾	Dormant	Direct	33.3%
Morgan Sindall Investments (Newport SDR) Limited	Investment company for Morgan-Vinci Limited	Direct	100%
Morgan-Vinci Limited	PFI* Company responsible for the Newport Southern Distributor road	Indirect	50%
Wellspring Finance Company Limited ✓	Provision of outsourced management services	Direct	49.5%
Wellspring Management Services Limited	Provision of outsourced management services	Indirect	49.5%
Wellspring SubDebt Limited	Provision of financing to associated companies	Indirect	49.5%
Hub West Scotland Holdco (No.1) Limited ⁽⁴⁾ ✓	Holding Company for Hub West Scotland Project Company (No.1) Limited	Indirect	54%
Hub West Scotland Project Company (No.1) Limited ⁽⁴⁾ ✓	DBFM** Company for the Health & Social Care hubs in Eastwood and Maryhill	Indirect	54%
Hub West Scotland Holdco (No.2) Limited ⁽⁴⁾ ✓	Holding Company for Hub West Scotland Project Company (No.2) Limited	Indirect	54%
Hub West Scotland Project Company (No.2) Limited ⁽⁴⁾ ✓	DBFM** Company for the Inverclyde Adult and Older Peoples Continuing Care Beds Facilities	Indirect	54%
Hub West Scotland Holdco (No.3) Limited ⁽⁴⁾ ✓	Holding Company for Hub West Scotland Project Company (No.3) Limited	Indirect	54%
Hub West Scotland Project Company (No.3) Limited ⁽⁴⁾ ✓	DBFM** Company for Barrhead High School	Indirect	54%
Hub West Scotland Holdco (No.4) Limited ⁽⁴⁾ ✓	Holding Company for Hub West Scotland Project Company (No.4) Limited	Indirect	54%
Hub West Scotland Project Company (No.4) Limited ⁽⁴⁾ ✓	DBFM** Company for Our Lady and St Patricks High School	Indirect	54%
Hub West Scotland Holdco (No.5) Limited ⁽⁴⁾ ✓	Holding Company for Hub West Scotland Project Company (No.5) Limited	Indirect	54%
Hub West Scotland Project Company (No.5) Limited ⁽⁴⁾ ✓	DBFM** Company for the Health & Social Care hubs in Gorbals and Woodside	Indirect	54%
Hub West Scotland Holdco (No.6) Limited ⁽⁴⁾ ✓	Holding Company for Hub West Scotland Project Company (No.6) Limited	Indirect	54%
Hub West Scotland Project Company (No.6) Limited ⁽⁴⁾ ✓	DBFM** Company for the Primary Schools in Blairdardie and Carntyne	Indirect	54%
Hub West Scotland Holdco (No.7) Limited ⁽⁴⁾ ✓	Holding Company for Hub West Scotland Project Company (No.7) Limited	Indirect	54%
Hub West Scotland Project Company (No.7) Limited ⁽⁴⁾ ✓	DBFM** Company for Greater Glasgow Health Board	Indirect	54%

MORGAN SINDALL INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

Name of Company	Principal Activity	Direct/ Indirect Investment	Proportion of ordinary shares held
Hub West Scotland Limited (4)	DBFM** Company across West Scotland	Indirect	60%

* PFI – Private Finance Initiative

** DBFM – Design, Build, Finance and Manage

Key:

(1) Registered office is C/o CMS Cameron McKenna, Cannon Place, 78 Cannon Street, London, EC4N 6AF

(2) Registered office is C/o Anderson Strathern, 1 Rutland Court, Edinburgh EH3 8EY

(3) Limited Liability Partnership - % of Membership interests

(4) Registered office is The Lighthouse 2nd Floor, 11 Mitchell Lane, Glasgow, G1 3NU

(5) Registered office is C/o Fairfield Company Secretaries Limited, Queensway House, 11 Queensway, New Milton, Hampshire BH25 5NR

(6) 90% direct holding from 20/06/2023 and name changed to Community Solutions (Hub West Scotland) Limited on 28/06/2023

✓ Sold on 20th June 2023

9. Trade and other receivables

	2022 £000	2021 (restated*) £000
Amounts falling due within one year		
Trade receivables	6	-
Amounts owed by parent company	3,000	-
Amounts owed by Group undertakings	200	296
Amounts owed by Joint Ventures	-	284
Prepayments and accrued income	162	11
Group relief receivable	205	1,311
	3,573	1,902

Amounts owed by parent company and Group undertakings are receivable on demand and are not interest bearing. Included within amounts owed by Group undertakings is a provision for impairment of £6.4m (2021: £6.4m))

Included within amounts owed by joint ventures are provisions for amounts owed from Claymore Roads Limited of £38,000 (2021: £38,000), provision for amounts owed from Wellspring Finance Company Limited of £422,000 (2021: £295,000), provisions for amounts owed from Wellspring Sub-debt limited of £nil (2021: £18,000) and provisions for amounts owed from Wellspring Partnership Limited of £24,000 (2021: £24,000).

*The prior year balances have been restated as described in the Principal Accounting Policies on page 14.

10. Cash and bank

The Company participates in the Group's banking arrangements (under which it is a cross guarantor). As at 31 December 2022 the Group had cash balances of £354.6m (2021: £358m). The Group also had £15m of committed loan facilities maturing in 2024 and £165m of committed loan facilities maturing in 2025, which were entirely undrawn as at 31 December 2022 and 2021.

MORGAN SINDALL INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

The Company is party to a group overdraft facility limit of up to £80m gross and individual company overdraft facility limit of £5m net repayable on demand. The Company also has other facilities available totalling £43m. The facilities have a review date of 31/01/2023 and there have been no subsequent changes to the terms.

11. Trade and other payables

	2022	2021
	£000	£000
Amounts falling due within one year		
Trade payables	4	-
Amounts owed to Group undertakings	502	524
Social security and other taxes	60	37
Lease liability	-	238
Accruals and deferred income	160	291
	726	1,090

Amounts owed to Group undertakings are payable on demand and are not interest bearing.

12. Deferred tax asset

	2022	2021
	£000	(restated*) £000
Balance as at 1 January	355	330
Profit and loss charge (note 6)	(39)	(47)
Effect of rate change	-	72
Balance at 31 December	316	355

The deferred tax asset primarily relates to temporary differences arising in respect of transition to accounting standards at the time of their initial application and temporary differences on capital allowances.

*The prior year balances have been restated as described in the Principal Accounting Policies on page 14.

13. Share capital

	2022	2021
	£000	£000
Allotted, called up and fully paid		
4,806,002 ordinary shares of £1 each	4,806	4,806

The Company has one class of ordinary shares which carry no right to fixed income. The ordinary shares entitle the owners to voting rights and dividend income when declared.

14. Contingent liabilities

The Company participates in the Group's banking arrangements (under which it is a cross guarantor). As at 31 December 2022 the Group had cash balances of £354.6m (2021: £358m).

15. Lease liabilities

From the start of 2021, the Company leased a building on behalf of a subsidiary of Morgan Sindall Group. On 16th March 2022, this office lease for 5th Floor, 100 St John Street, London EC1M 4EH, previously head office for Morgan Sindall Investments Limited, transferred to Lovell Partnerships Limited, for nil consideration.

MORGAN SINDALL INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

15. Lease liabilities (continued)

The lease term was 10 years. There were no variable terms to the lease. The maturity profile for the lease liabilities at 31 December 2022 is set out on page 25:

	Land & Buildings 2022 £000	Land & Buildings 2021 £000
Maturity analysis		
Within one year	-	238
Within two to five years	-	801
After more than five years	-	739
	-	1,778
	2022	2021
	£000	£000
As at 1 January	1,778	2,124
Terminations	(1,797)	(100)
Refunds/ (repayments)	7	(303)
Interest expense	12	57
	-	1,778

16. Related party transactions

In the ordinary course of business, the Company has traded with its parent company Morgan Sindall Group plc together with its subsidiaries. Advantage has been taken of the exemption permitted by FRS 101 not to disclose transactions with entities that are wholly owned by the Group. Balances outstanding with these entities at year end and the previous year end are disclosed in notes 9 and 11 of these financial statements.

In the ordinary course of business, the Company has traded with directly and indirectly held joint ventures and other related parties, all of whom are companies registered in United Kingdom.

Company	*Nature of Relationship	Nature of transaction	Transaction amount during the year		Balance at 31December	
			2022 £000	2021 £000	2022 £000	2021 £000
Chalkdene Developments LLP	1	Recharges and development management fees	499	879	-	232
Claymore Roads Limited	1	Directors fees	203	-	38	38
Durley Road Development LLP	2	Development management fees	-	61	-	-
Hub West Scotland Limited	1	Recharges and management services fees	61	52	-	6
Hub West Scotland Project Company (No.5) Limited	1	Recharges	6	-	-	-

MORGAN SINDALL INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

Company	*Nature of Relationship	Nature of transaction	Transaction amount during the year		Balance at 31 December	
			2022 £000	2021 £000	2022 £000	2021 £000
Hub West Scotland Project Company (No.6) Limited	1	Recharges	6	-	-	-
Morgan-Vinci Limited	1	Management services/ directors fees/office support	158	153	-	46
Wellspring Sub-Debt Limited	1	Recharges	(15)	-	-	18
Wellspring Finance Company Limited	3	Administration/Resourcing fees	153	146	422	295
Wellspring Partnership Limited	3	Recharges	-	(1)	24	24
Provision against joint venture receivables					(484)	(375)
Total			1,071	1,290	-	284

*Nature of relationship:

- 1 Indirect joint venture
- 2 Joint venture of another company within the group
- 3 Direct joint venture

17. Subsequent events

In August 2020, Community Solutions Partnership Services Limited (a subsidiary of Morgan Sindall Investments Limited) made a distribution to the Company which constituted the making of an unlawful distribution. In order to regularise the distribution, on 17th April 2023, Morgan Sindall Investments Limited made a capital contribution to Community Solutions Partnership Services Limited for one share of £0.50 in the capital of Community Solutions Partnership Services Limited at a subscription price of £200,000.

On 20th June 2023, Community Solutions (Hub West Scotland) Limited, previously Wellspring Partnership Limited, a company which Morgan Sindall Investments had a direct investment of 80% and an indirect investment of 10% through Community Solutions Management Services Limited, sold its investment of 60% in the following companies for £1.5m:

- Hub West Scotland (Holdco 1) Limited
- Hub West Scotland (Holdco 2) Limited
- Hub West Scotland (Holdco 3) Limited
- Hub West Scotland (Holdco 4) Limited
- Hub West Scotland (Holdco 5) Limited
- Hub West Scotland (Holdco 6) Limited
- Hub West Scotland (Holdco 7) Limited

MORGAN SINDALL INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

The Company's indirect investment in following entities (wholly owned subsidiaries of the Holdcos) was also disposed of as a result of the above transaction:

Hub West Scotland Project Company (No 1) Limited
Hub West Scotland Project Company (No 2) Limited
Hub West Scotland Project Company (No 3) Limited
Hub West Scotland Project Company (No 4) Limited
Hub West Scotland Project Company (No 5) Limited
Hub West Scotland Project Company (No 6) Limited
Hub West Scotland Project Company (No 7) Limited

On the same day, Apollo (Hub Investment) Limited and GCP Asset Backed Income (UK) Limited transferred their shares in Wellspring Finance Company Limited to Morgan Sindall Investments Limited which then sold its investment in Wellspring Finance Company Limited to Foresight for a termination fee of £1 and an overall loss on disposal of £108,000.

Also on the same day, Wellspring Finance Company Limited transferred its investment in Wellspring Sub Debt Limited to Morgan Sindall Investments Limited for £5,000.

There were no other subsequent events that affected the financial statements of the Company to the date of signing.