

# OCU Services Limited (formerly Instalcom Limited)

Annual Report and Financial Statements

For the year ended 30 April 2022

Company Registration No. 03421543 (England and Wales)

# OCU Services Limited (formerly Instalcom Limited)

## Company Information

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<b>Directors</b>	D J Dix V S Bowler P M Alderton D M Snowball M B Hughes	(Appointed 6 October 2022) (Appointed 4 August 2022)
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<b>Company number</b>	03421543
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<b>Registered office</b>	Artemis House 6 - 8 Greek Street Stockport SK3 8AB
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<b>Auditor</b>	Moore Kingston Smith LLP The Shipping Building The Old Vinyl Factory Blyth Road Hayes London UB3 1HA
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# OCU Services Limited (formerly Instalcom Limited)

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# OCU Services Limited (formerly Instalcom Limited)

## Strategic Report

For the year ended 30 April 2022

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The directors present the strategic report for the year ended 30 April 2022.

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

The directors were pleased with the results for the period and are optimistic about the long-term prospects for continued growth of the company.

### **Principal risks and uncertainties**

The company's strategy is to follow an appropriate risk policy, which effectively manages exposures related to the achievement of business objectives. The key risks which management face are detailed as follows:

#### **Business performance risk**

Business performance risk is the risk that the company may not perform as expected either due to internal factors or due to competitive pressures in the markets in which they operate. The risk is managed through a number of measures: authorisation of forward purchase requirements; ensuring the appropriate management team is in place; budget and business planning; monthly reporting and variance analysis; robust financial controls; review of key performance indicators; and regular forecasting.

#### **Business continuity risk**

While there is a reliance on physical infrastructure, the company operates out of a number of depots which helps mitigate its business continuity risk. The company ensures that there is sufficient IT support available should an unforeseen event occur. Management are continually implementing and reviewing business continuity and IT disaster recovery plans to ensure any increase in risk arising from future activities is managed.

#### **Health and safety risk**

The company is committed to ensuring a safe working environment. These risks are managed by the company through strong promotion of health and safety culture and well-defined health and safety policies, facilitated by the employment of a health and safety professional.

#### **Liquidity risk**

Available cash headroom is monitored by management on a daily basis taking into account projected operational cash flows coupled with any expected capital or acquisition expenditure. The cash position is reviewed at both company and group level with additional loan facilities in place following the transaction after the year end. As detailed in note 21, post balance sheet events, 100% of the issued share capital of OCU Holdings Limited (formerly O'Connor Trading Holdings Limited), an indirect parent of the company, was acquired by Oat Bidco Limited. The acquisition was partly funded by a £200m term loan and a £30m revolving credit facility was established at the same time, to support the Group's liquidity requirements. In addition, a £50m acquisition facility was established to finance future acquisitions made by the wider group.

#### **Credit risk**

Credit risk arises principally on third party revenues. Company policy is aimed at minimising such risk, and requires that deferred terms are granted to customers who demonstrate an appropriate payment history and satisfy creditworthiness procedures. Individual exposures are monitored with customers subject to credit limits to ensure the company's exposure to bad debts is not significant.

#### **Price risk**

The company is exposed to materials and associated costs fluctuation price risk on projects. The risk is partly mitigated in contractual negotiations to incorporate indexation or similar price increase mechanisms into the project contract.

#### **Management development risk**

Long-term growth of the business depends on the company's ability to retain and attract personnel of high quality. The risk is managed through development plans which are regularly reviewed and updated. These are accompanied by specific policies in areas such as training, management development and performance management.

# OCU Services Limited (formerly Instalcom Limited)

## Strategic Report (Continued)

For the year ended 30 April 2022

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### Financial and business control

Strong financial and business controls are necessary to ensure the integrity and reliability of financial and other information on which the company relies for day-to-day operations, external reporting and for long term planning. The company exercises financial and business control through a combination of qualified and experienced financial personnel; performance analysis; budgeting and cash flow forecasting; and clearly defined approval limits, supported by integrated and proven systems. Between the year end and the date of approval of these financial statements, the company has further strengthened its finance team and introduced a dedicated Financial Planning and Analysis team to deliver robust processes and controls around budgeting and cash flow forecasting.

### Social, ethical and environmental risk

The company recognises its responsibility to the natural environment and understands the social impact on the areas in which it works. The company is committed to ensuring there is transparency in its approach to tackling modern slavery throughout its supply chains, and provides training to management on this issue and the company's policy. The company includes specific prohibitions against the use of forced, compulsory or trafficked labour in its contracting process.

The company is implementing and developing environmental practices to reduce the impact of its activities on the environment, protect biodiversity, and where possible use materials, suppliers, people and resources local to the operation.

### Future development

The company continues to grow organically, recognising there are significant opportunities to assist both existing and new customers in the utilities sector. In addition, the company recognises the growth opportunity through acquisitions and, to that end, completed an acquisition after the year end which will provide capacity, depth and synergy to its existing operations. In line with this new phase of growth, the company is anticipating the potential for further acquisitions which would extend its capacity, expertise and market reach in the utilities sector.

### Financial performance

The directors have determined that the following financial key performance indicators (KPI) are the most effective measure of progress towards achieving the company's objectives:

#### KPI's

	30 April 2022	30 April 2021
	£	£
Turnover	99,782,183	72,205,520
Gross Profit	24,527,183	16,107,381
Profit Before Tax	14,040,323	6,673,469

The company has performed well during the year with the gross profit margin improving on the previous year to 24.6% (2021: 22.3%) and the profit before tax margin increasing to 14.1% (2021: 9.2%).

Earnings before interest, taxation, depreciation and amortisation (EBITDA) amounted to £14,286,476 (2021: £6,970,996).

# OCU Services Limited (formerly Instalcom Limited)

## Strategic Report (Continued)

For the year ended 30 April 2022

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### **Section 172(1) Statement**

The group (of which the company is a member) has worked since the 1990s to build a responsible, inclusive and sustainable business both economically and environmentally. The directors maintain that all decisions are made in the long term interests of the group and its many and varied stakeholders.

The communities in which the company operates are key to the company's operations and long term strategic development. The directors are committed to all parties they are responsible to and continue to strive towards making a positive contribution in all areas.

The company's employees are a mainstay of the business and the group's success is dependent on its commitment to employees and its ability to attract, retain and develop relevant skill sets. The labour market faces many challenges at the moment with tumultuous change, scarce supply in terms of both numbers and skill levels. The directors acknowledge this environment and remain committed to long term investment and advancement of its workforce.

The company is committed to taking time to understand customer requirements and build on the knowledge source available to keep customer needs and requirements at the forefront of day to day operations. The directors are also equally committed to maintaining strong relationships with suppliers and the supply chain, understanding their responsibility to fairness and sustainability. Such supply chains in themselves are facing notable challenges in the current climate, which are acknowledged by the group and managed via regular communication, adapted where possible in a spirit of creating enduring procurement partnerships.

The company also understands that it operates in a progressive and developing industry which is crucial to a strong national economy. Its commitment to health and safety standards, investment in secure information technology along with investment in design and development are as important as its continued investment in the most advanced and up to date plant, equipment and machinery.

The directors value the support of all the communities and stakeholders with whom the company engages.

On behalf of the board

D M Snowball  
**Director**

30 January 2023

# OCU Services Limited (formerly Instalcom Limited)

## Directors' Report

For the year ended 30 April 2022

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The directors present their annual report and financial statements for the year ended 30 April 2022.

The company changed its name from Instalcom Limited to OCU Services Limited after the balance sheet date.

### Principal activities

The principal activity of the company continues to be that of a multi-utility services specialist operating within regulated infrastructure.

### Results and dividends

The results for the year are set out on page 12.

No dividends will be distributed for the year ended 30 April 2022.

### Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

T G O'Connor	(Resigned 4 August 2022)
T J O'Connor	(Resigned 4 August 2022)
J McVeigh	(Resigned 4 August 2022)
D J Dix	
V S Bowler	
P M Alderton	
D M Snowball	(Appointed 6 October 2022)
M B Hughes	(Appointed 4 August 2022)

### Energy and carbon report

The company has not presented a carbon emissions report as this has been included within the consolidated financial statements of OCU Group Limited, the company's immediate parent entity incorporated in England and Wales. These consolidated financial statements are available from Companies House, Crown Way, Maindy, Cardiff, CF14 3UZ.

### Strategic report

The company has chosen in accordance with Companies Act 2006, s. 414C(11) to set out in the company's strategic report information required by Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, Sch. 7 to be contained in the directors' report. It has done so in respect of future developments and exposure to liquidity, credit and price risk.

# OCU Services Limited (formerly Instalcom Limited)

Directors' Report (Continued)

For the year ended 30 April 2022

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## **Statement of disclosure to auditor**

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

On behalf of the board

D M Snowhall

**Director**

30 January 2023

## OCU Services Limited (formerly Instalcom Limited)

### Directors' Responsibilities Statement

For the year ended 30 April 2022

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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 Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

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

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

# OCU Services Limited (formerly Instalcom Limited)

## Independent Auditor's Report

To the Members of OCU Services Limited (formerly Instalcom Limited)

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### Opinion

We have audited the financial statements of OCU Services Limited (formerly Instalcom Limited) (the 'company') for the year ended 30 April 2022 which comprise the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 April 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 at least twelve months from when the financial statements are authorised for issue.

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

### Other information

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

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

We have nothing to report in this regard.

# OCU Services Limited (formerly Instalcom Limited)

## Independent Auditor's Report (Continued)

To the Members of OCU Services Limited (formerly Instalcom Limited)

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

In our opinion, based on the work undertaken in the course of our 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 the 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 and the Directors' Report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of 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 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

# OCU Services Limited (formerly Instalcom Limited)

## Independent Auditor's Report (Continued)

To the Members of OCU Services Limited (formerly Instalcom Limited)

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

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

As part of an audit in accordance with ISAs (UK) we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

## OCU Services Limited (formerly Instalcom Limited)

### Independent Auditor's Report (Continued)

To the Members of OCU Services Limited (formerly Instalcom Limited)

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#### **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 material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

The objectives of our audit in respect of fraud, are; to identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses to those assessed risks; and to respond appropriately to instances of fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both management and those charged with governance of the company.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory requirements applicable to the company and considered that the most significant are the Companies Act 2006, UK financial reporting standards as issued by the Financial Reporting Council, and UK taxation legislation.
- We obtained an understanding of how the company complies with these requirements by discussions with management and those charged with governance.
- We assessed the risk of material misstatement of the financial statements, including the risk of material misstatement due to fraud and how it might occur, by holding discussions with management and those charged with governance.
- We inquired of management and those charged with governance as to any known instances of non-compliance or suspected non-compliance with laws and regulations.
- Based on this understanding, we designed specific appropriate audit procedures to identify instances of non-compliance with laws and regulations. This included making enquiries of management and those charged with governance and obtaining additional corroborative evidence as required.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, 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.

## OCU Services Limited (formerly Instalcom Limited)

### Independent Auditor's Report (Continued)

To the Members of OCU Services Limited (formerly Instalcom Limited)

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

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

**Karen Wardell (Senior Statutory Auditor)**  
for and on behalf of Moore Kingston Smith LLP

30 January 2023

**Chartered Accountants**  
**Statutory Auditor**

The Shipping Building  
The Old Vinyl Factory  
Blyth Road  
Hayes  
London  
UB3 1HA

# OCU Services Limited (formerly Instalcom Limited)

## Statement of Comprehensive Income

For the year ended 30 April 2022

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		2022	2021
	Notes	£	£
<b>Turnover</b>	<b>3</b>	99,782,183	72,205,520
Cost of sales		(75,255,000)	(56,098,139)
		<hr/>	<hr/>
<b>Gross profit</b>		24,527,183	16,107,381
Administrative expenses		(10,514,771)	(9,641,486)
Other operating income		-	198,522
		<hr/>	<hr/>
<b>Operating profit</b>	<b>4</b>	14,012,412	6,664,417
Interest receivable and similar income	<b>8</b>	27,911	11,797
Interest payable and similar expenses	<b>9</b>	-	(2,745)
		<hr/>	<hr/>
<b>Profit before taxation</b>		14,040,323	6,673,469
Tax on profit	<b>10</b>	(2,672,139)	(1,132,457)
		<hr/>	<hr/>
<b>Profit for the financial year</b>		<u>11,368,184</u>	<u>5,541,012</u>

# OCU Services Limited (formerly Instalcom Limited)

## Balance Sheet

As at 30 April 2022

	Notes	2022		2021	
		£	£	£	£
<b>Fixed assets</b>					
Tangible assets	12		908,542		965,518
<b>Current assets</b>					
Stock	13	866,013		288,294	
Debtors	14	30,403,649		23,407,290	
Cash at bank and in hand		20,205,288		11,562,869	
			<u>51,474,950</u>		<u>35,258,453</u>
<b>Creditors: amounts falling due within one year</b>	15	<u>(21,198,357)</u>		<u>(16,458,744)</u>	
<b>Net current assets</b>			<u>30,276,593</u>		<u>18,799,709</u>
<b>Total assets less current liabilities</b>			<u>31,185,135</u>		<u>19,765,227</u>
<b>Provisions for liabilities</b>					
Provisions	16	(340,000)		(255,000)	
Deferred tax liability	17	(24,791)		(58,067)	
			<u>(364,791)</u>		<u>(313,067)</u>
<b>Net assets</b>			<u><u>30,820,344</u></u>		<u><u>19,452,160</u></u>
<b>Capital and reserves</b>					
Called up share capital	19		100		100
Profit and loss reserves			30,820,244		19,452,060
<b>Total equity</b>			<u><u>30,820,344</u></u>		<u><u>19,452,160</u></u>

The financial statements were approved by the board of directors and authorised for issue on 30 January 2023 and are signed on its behalf by:

D M Snowball  
Director

Company Registration No. 03421543

## OCU Services Limited (formerly Instalcom Limited)

### Statement of Changes in Equity

For the year ended 30 April 2022

	Share capital	Revaluation reserves	Profit and loss reserves	Total
Notes	£	£	£	£
<b>Balance at 1 May 2020</b>	100	351,902	24,522,099	24,874,101
<b>Year ended 30 April 2021</b>				
Profit and total comprehensive income for the period	-	-	5,541,012	5,541,012
Transfer to profit and loss reserves	-	(351,902)	351,902	-
Dividends	11	-	(10,962,953)	(10,962,953)
<b>Balance at 30 April 2021</b>	100	-	19,452,060	19,452,160
<b>Year ended 30 April 2022</b>				
Profit and total comprehensive income for the period	-	-	11,368,184	11,368,184
<b>Balance at 30 April 2022</b>	100	-	30,820,244	30,820,344

# OCU Services Limited (formerly Instalcom Limited)

## Notes to the Financial Statements

For the year ended 30 April 2022

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### 1 Accounting policies

#### Company information

OCU Services Limited (formerly Instalcom Limited) is a private company limited by shares incorporated in England and Wales. The registered office is Artemis House, 6 - 8 Greek Street, Stockport, England, SK3 8AB.

#### 1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include investment properties at fair value. The principal accounting policies adopted are set out below.

This company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements:

- The requirements of Section 4 Statement of Financial Position paragraph 4.12(a)(iv) to prepare a reconciliation of the number of equity shares outstanding at the beginning and at the end of the financial year;
- The requirements of section 7 Statement of Cash flows and Section 3 Financial Statement Presentation Paragraph 3.17(d) to prepare a statement of cash flows;
- The requirements of Section 11 paragraphs 11.39 to 11.48(a) and Section 12 paragraphs 12.26 to 12.29A, regarding disclosures for financial liabilities and assets, as the equivalent disclosures required by FRS 102 are included in the consolidated financial statements of the group in which the entity is consolidated; and
- From disclosing the company key management personnel compensation, as required by paragraph 33.7; and
- The requirements of Section 33 Related Party Disclosures paragraph 33.9 to disclose related party transactions within the other members of the group headed by OCU Group Limited.

OCU Services Limited (formerly Instalcom Limited) is a wholly owned subsidiary of OCU Group Limited and the results of OCU Services Limited (formerly Instalcom Limited) are included in the consolidated financial statements of OCU Group Limited which are available from Companies House, Crown Way, Cardiff, CF14 3UZ.

# OCU Services Limited (formerly Instalcom Limited)

## Notes to the Financial Statements (Continued)

For the year ended 30 April 2022

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### 1 Accounting policies

(Continued)

#### 1.2 Going concern

The Company has been profitable and cash generative during the year ended 30 April 2022, and has continued to generate robust operating profits in the period to the approval of these financial statements. The Directors have assessed the principal risks facing the Company and determined that there are no material uncertainties to disclose.

Subsequent to the year end, 100% of the issued share capital of OCU Holdings Limited (formerly O'Connor Trading Holdings Limited), an indirect parent of the Company, was acquired by Oat Bidco Limited. This acquisition had no direct impact on the financial performance of the Company.

The acquisition was partially funded via a term loan taken out by Oat Bidco Limited, an intermediate holding company in the new group structure. The Company is a guarantor to this loan facility. Management gave due consideration to the ability of the Group to meet the cash flow obligations introduced by this loan prior to raising the debt and remain comfortable that the Group's cash flow forecasts show sufficient headroom on its ability to make payments as they fall due, with no recourse to the Guarantee provided by the Company being anticipated.

The Company continues to present a strong balance sheet and cash position and cash flow forecasts support the Directors' expectations that the business will be able to meet its obligations as they fall due. As a result, at the time of approving these financial statements, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for at least 12 months from the date of approval of these financial statements, and for the foreseeable future thereafter. Consequently, they have continued to adopt the going concern basis of accounting in preparing these financial statements.

#### 1.3 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

Revenue from contracts for the provision of professional services is recognised by reference to the value of work completed, which is assessed by quantity surveyors and agreed with the customer. At period ends, income is accrued or deferred accordingly. Costs incurred to date are also recognised as incurred and accrued as appropriate to match the recognition of revenue.

#### 1.4 Research and development expenditure

Research expenditure is written off against profits in the year in which it is incurred. Identifiable development expenditure is capitalised to the extent that the technical, commercial and financial feasibility can be demonstrated.

#### 1.5 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Plant and machinery	33% on reducing balance
Fixtures and fittings	33% on reducing balance and 2% on cost
Motor vehicles	33% on reducing balance

# OCU Services Limited (formerly Instalcom Limited)

## Notes to the Financial Statements (Continued)

For the year ended 30 April 2022

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### 1 Accounting policies

(Continued)

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

#### 1.6 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

#### 1.7 Stock

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items. In the prior period, items of inventory acquired for contracts were included within accrued income on those contracts; in the current period such items continue to be presented as stock until they have been incorporated into the project so as to qualify for recognition as a component of work in progress under the Group's revenue recognition policy.

#### 1.8 Cash at bank and in hand

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts.

#### 1.9 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally 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 the liability simultaneously.

##### **Basic financial assets**

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method 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. Financial assets classified as receivable within one year are not amortised.

# OCU Services Limited (formerly Instalcom Limited)

## Notes to the Financial Statements (Continued)

For the year ended 30 April 2022

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### 1 Accounting policies

(Continued)

#### **Basic financial liabilities**

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, 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 payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

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

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts 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 creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

#### **1.10 Equity instruments**

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

#### **1.11 Taxation**

The tax expense represents the sum of the tax currently payable and deferred tax.

##### **Current tax**

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

##### **Deferred tax**

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

# OCU Services Limited (formerly Instalcom Limited)

## Notes to the Financial Statements (Continued)

For the year ended 30 April 2022

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### 1 Accounting policies

(Continued)

#### 1.12 Provisions

Provisions are recognised when the company has a legal or constructive present obligation as a result of a past event, it is probable that the company will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting end date, taking into account the risks and uncertainties surrounding the obligation. Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value. When a provision is measured at present value, the unwinding of the discount is recognised as a finance cost in profit or loss in the period in which it arises.

#### 1.13 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

#### 1.14 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

#### 1.15 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leases asset are consumed.

#### 1.16 Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

### 2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. 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 where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

# OCU Services Limited (formerly Instalcom Limited)

## Notes to the Financial Statements (Continued)

For the year ended 30 April 2022

### 2 Judgements and key sources of estimation uncertainty

(Continued)

#### **Key sources of estimation uncertainty**

In these financial statements the directors accounting estimates relate to revenue recognition, provisions for remedial costs, provisions for insurance claims, recoverability of debtors, useful economic life of tangible fixed assets and investment property valuation.

#### **Revenue recognition**

Revenue from contracts for the provision of professional services is recognised by reference to the value of work completed, which is assessed by quantity surveyors and agreed with the customer. The value of the work completed is therefore reliant on the judgement of quantity surveyors.

#### **Provisions for remedial costs and insurance claims**

Provisions have been made for remedial costs and insurance claims. These provisions are estimates and the actual costs and timing of future cash flows are dependent on future events. The difference between expectations and the actual future liability will be accounted for in the period when such determination is made.

#### **Recoverability of debtors**

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

#### **Useful economic life of tangible fixed assets**

The annual depreciation charge for tangible fixed assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets. See note 12 for the carrying amount of the property, plant and equipment and note 1.5 for the useful economic lives for each class of asset.

### 3 Turnover and other revenue

	2022	2021
	£	£
<b>Turnover analysed by class of business</b>		
Provision of services	99,782,183	72,205,520
	<u>99,782,183</u>	<u>72,205,520</u>
	2022	2021
	£	£
<b>Turnover analysed by geographical market</b>		
United Kingdom	99,782,183	72,205,520
	<u>99,782,183</u>	<u>72,205,520</u>

# OCU Services Limited (formerly Instalcom Limited)

## Notes to the Financial Statements (Continued)

For the year ended 30 April 2022

<b>3 Turnover and other revenue</b>	<b>(Continued)</b>	
	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
<b>Other significant revenue</b>		
Interest income	27,911	11,797
Grants received	-	98,061
Rental income	-	41,667
Service charge and rates income	-	58,799
	<u>          </u>	<u>          </u>
<b>4 Operating profit</b>	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Operating profit for the period is stated after charging/(crediting):		
Exchange losses	4,251	-
Government grants	-	(98,061)
Depreciation of owned tangible fixed assets	274,064	306,580
(Profit)/loss on disposal of tangible fixed assets	(2,488)	9,864
Operating lease charges	769,790	107,975
	<u>          </u>	<u>          </u>
<b>5 Auditor's remuneration</b>	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Fees payable to the company's auditor and associates:		
<b>For audit services</b>		
Audit of the financial statements of the company	55,000	35,000
	<u>          </u>	<u>          </u>
<b>6 Employees</b>		
The average monthly number of persons (including directors) employed by the company during the year was:		
	<b>2022</b>	<b>2021</b>
	<b>Number</b>	<b>Number</b>
Directors	4	4
Management and staff	197	147
	<u>          </u>	<u>          </u>
	<u>          </u>	<u>          </u>
	<u>          </u>	<u>          </u>

# OCU Services Limited (formerly Instalcom Limited)

## Notes to the Financial Statements (Continued)

For the year ended 30 April 2022

### 6 Employees (Continued)

	2022	2021
	£	£
Wages and salaries	10,012,471	7,012,812
Social security costs	1,105,333	803,930
Pension costs	475,701	404,257
	<u>11,593,505</u>	<u>8,220,999</u>

### 7 Directors' remuneration

	2022	2021
	£	£
Remuneration for qualifying services	838,333	839,343
Company pension contributions to defined contribution schemes	158,681	163,865
	<u>997,014</u>	<u>1,003,208</u>

Remuneration disclosed above include the following amounts paid to the highest paid director:

	2022	2021
	£	£
Remuneration for qualifying services	243,876	238,946
Company pension contributions to defined contribution schemes	-	44,499
	<u>-</u>	<u>44,499</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 4 (2021: 4).

### 8 Interest receivable and similar income

	2022	2021
	£	£
<b>Interest income</b>		
Interest on bank deposits	27,911	11,797
	<u>27,911</u>	<u>11,797</u>

### 9 Interest payable and similar expenses

	2022	2021
	£	£
Other interest	-	2,745
	<u>-</u>	<u>2,745</u>

# OCU Services Limited (formerly Instalcom Limited)

## Notes to the Financial Statements (Continued)

For the year ended 30 April 2022

### 10 Taxation

	2022 £	2021 £
<b>Current tax</b>		
UK corporation tax on profits for the current period	2,705,415	1,300,784
Adjustments in respect of prior periods	-	(140,995)
	<u>2,705,415</u>	<u>1,159,789</u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	(33,276)	(27,332)
	<u>(33,276)</u>	<u>(27,332)</u>
<b>Total tax charge</b>	<u>2,672,139</u>	<u>1,132,457</u>

The actual charge for the year can be reconciled to the expected charge for the year based on the profit or loss and the standard rate of tax as follows:

	2022 £	2021 £
Profit before taxation	14,040,323	6,673,469
	<u>14,040,323</u>	<u>6,673,469</u>
<i>Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2021: 19.00%)</i>	2,667,661	1,267,959
Tax effect of expenses that are not deductible in determining taxable profit	19,912	6,402
Tax effect of income not taxable in determining taxable profit	(473)	-
Adjustments in respect of prior years	-	(140,995)
Depreciation in excess of capital allowances	(14,961)	(909)
	<u>2,672,139</u>	<u>1,132,457</u>
<b>Taxation charge for the period</b>	<u>2,672,139</u>	<u>1,132,457</u>

### 11 Dividends

	2022 £	2021 £
Interim paid	-	10,962,953
	<u>-</u>	<u>10,962,953</u>

# OCU Services Limited (formerly Instalcom Limited)

## Notes to the Financial Statements (Continued)

For the year ended 30 April 2022

### 12 Tangible fixed assets

	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Total £
<b>Cost</b>				
At 1 May 2021	1,620,805	650,453	6,495	2,277,753
Additions	128,802	95,135	-	223,937
Disposals	(9,324)	-	-	(9,324)
At 30 April 2022	<u>1,740,283</u>	<u>745,588</u>	<u>6,495</u>	<u>2,492,366</u>
<b>Depreciation</b>				
At 1 May 2021	1,091,153	214,938	6,144	1,312,235
Depreciation charged in the year	208,351	65,596	117	274,064
Eliminated in respect of disposals	(2,475)	-	-	(2,475)
At 30 April 2022	<u>1,297,029</u>	<u>280,534</u>	<u>6,261</u>	<u>1,583,824</u>
<b>Carrying amount</b>				
At 30 April 2022	<u>443,254</u>	<u>465,054</u>	<u>234</u>	<u>908,542</u>
At 30 April 2021	<u>529,652</u>	<u>435,515</u>	<u>351</u>	<u>965,518</u>

### 13 Stock

	2022 £	2021 £
Stock	<u>866,013</u>	<u>288,294</u>

### 14 Debtors

	2022 £	2021 £
<b>Amounts falling due within one year:</b>		
Trade debtors	2,258,216	3,378,448
Amounts owed by group undertakings	2,986,286	7,785,815
Other debtors	219,139	220,619
Prepayments and accrued income	22,250,898	9,662,616
	<u>27,714,539</u>	<u>21,047,498</u>

# OCU Services Limited (formerly Instalcom Limited)

## Notes to the Financial Statements (Continued)

For the year ended 30 April 2022

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<b>14 Debtors</b>	<b>(Continued)</b>	
	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
<b>Amounts falling due after more than one year:</b>		
Other debtors	2,689,110	2,359,792
	<u>                    </u>	<u>                    </u>
<b>Total debtors</b>	<b>30,403,649</b>	<b>23,407,290</b>
	<u>                    </u>	<u>                    </u>

Amounts falling due after one year reflect the contract retentions earned but not due for release in the next 12 months.

<b>15 Creditors: amounts falling due within one year</b>	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Trade creditors	4,412,921	3,063,436
Amounts owed to group undertakings	1,128,867	396,438
Corporation tax	1,632,199	451,851
Other taxation and social security	3,164,487	1,638,614
Other creditors	236,711	364,146
Accruals and deferred income	10,623,172	10,544,259
	<u>                    </u>	<u>                    </u>
	<b>21,198,357</b>	<b>16,458,744</b>
	<u>                    </u>	<u>                    </u>

<b>16 Provisions for liabilities</b>	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Provision for insurance claims	340,000	255,000
	<u>                    </u>	<u>                    </u>

# OCU Services Limited (formerly Instalcom Limited)

## Notes to the Financial Statements (Continued)

For the year ended 30 April 2022

### 17 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the company and movements thereon:

	<b>Liabilities 2022</b>	<b>Liabilities 2021</b>
	<b>£</b>	<b>£</b>
<b>Balances:</b>		
Brought forward balance	58,067	85,399
Credit in the year	(33,276)	(27,332)
	<u>24,791</u>	<u>58,067</u>

The deferred tax liability relates wholly to accelerated capital allowances.

### 18 Retirement benefit schemes

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
<b>Defined contribution schemes</b>		
Charge to profit or loss in respect of defined contribution schemes	475,701	404,257
	<u>475,701</u>	<u>404,257</u>

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

At the year end, there was an outstanding credit balance of £6,644 (2021: £21,313).

### 19 Share capital

	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
	<b>Number</b>	<b>Number</b>	<b>£</b>	<b>£</b>
<b>Ordinary share capital Issued and fully paid</b>				
Ordinary shares of of £1 each	100	100	100	100
	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>

# OCU Services Limited (formerly Instalcom Limited)

## Notes to the Financial Statements (Continued)

For the year ended 30 April 2022

### 20 Operating lease commitments

#### Lessee

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2022	2021
	£	£
Within one year	941,347	769,790
Between two and five years	2,605,866	2,828,093
In over five years	10,213,151	12,296,575
	<u>13,760,364</u>	<u>15,894,458</u>

### 21 Events after the reporting date

#### ***Acquisition of Opals (UK) Limited and Opals Services Limited***

On 9 August 2022, the company acquired 100% of the issued share capital of Opals (UK) Limited and Opals Services Limited for upfront costs of £7,635,111, with further deferred consideration due on the first and second anniversaries of the acquisition. Opals is a network infrastructure company based in the UK, and this acquisition enhances the company's ability to provide utilities services to its customers in this area. Due to the proximity of the acquisition date to the date of approval of these financial statements, an exercise to identify the fair value of assets acquired has not yet been completed.

#### ***Acquisition of OCU Holdings Limited (formerly O'Connor Trading Holdings Limited)***

On 4 August 2022, 100% of the issued share capital of OCU Holdings Limited (formerly O'Connor Trading Holdings Limited), the indirect parent undertaking of the Company, was acquired by Oat Bidco Limited. The ultimate parent undertaking is Triton Managers V Limited, a Company incorporated in Jersey. There is no ultimate controlling party. The acquisition was partially funded via a term loan taken out by Oat Bidco Limited. This loan will be reported within the consolidated accounts prepared for the new Group going forwards with the company being a guarantor to the loan facility.

### 22 Related party transactions

The company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the group.

At the year end, included in debtors is a loan amount of £218,499 (2020: £218,499) due from a director of OCU Services Limited. During the period, advances of £nil (2021: £1,750,000) and repayments amounting to £nil (2021: £1,750,000) were made against the loan. Interest is not chargeable on the loan. The loan has been repaid since the balance sheet date.

## OCU Services Limited (formerly Instalcom Limited)

Notes to the Financial Statements (Continued)

For the year ended 30 April 2022

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### **23 Ultimate controlling party**

The company's immediate parent is OCU Group Limited, a company registered in England and Wales.

At the balance sheet date, the company's ultimate parent undertaking was O'Connor Group Topco Limited, a company registered in England and Wales. Since the balance sheet date, the company's ultimate parent undertaking became Triton Managers V Limited, a company registered in Jersey.

OCU Group Limited is the smallest group to consolidate these financial statements. O'Connor Group Topco Limited is the largest group to consolidate these financial statements. Consolidated financial statements for both entities and their subsidiaries are publicly available from Companies House, Crown Way, Maindy, Cardiff, CF14 3UZ.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.