

# **Omega Red Holdings Limited**

## **Annual Report and Financial Statements**

**for the Year Ended 31 March 2022**

**Company Registration No: 06399736**

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## **COMPANY INFORMATION**

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### **Company Name**

Omega Red Holdings Limited

### **Company Registration No**

06399736

### **Registered Office**

Dabell Avenue  
Blenheim Industrial Estate  
Bulwell  
Nottinghamshire  
NG6 8WA  
United Kingdom

### **Directors**

Mr N R Shailer  
Mr P C Newland

### **Company Secretary**

Mr R K Bhalla

### **Auditor**

Deloitte LLP  
Statutory Auditor  
1 City square  
Leeds  
LS1 2AL  
United Kingdom

# **STRATEGIC REPORT**

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## **Principal activities**

The Company's principal activity is that of an intermediate holding company.

## **Financial and business review**

The Company's results for the year ended 31 March 2022 were as expected by the Directors. As an intermediary holding company the directors do not consider there to be any key performance indicators relevant to the Company. Further details concerning the performance and position of the Company's investments are included in their respective financial statements.

## **Future developments**

With regards to future developments, the Directors' expectation is for the principal activity to remain unchanged over the forthcoming year. The Company will remain an intermediate holding company.

## **Streamlined Energy and Carbon Reporting**

The directors note that the threshold for requiring disclosure of the Streamlined Energy and Carbon Reporting (SECR) requirements of 40,000 kWh has not been met in the financial year. Therefore, no further reporting under the regulations is required. Disclosures relating to the Group's compliance with SECR regulations can be found in the South Staffordshire plc annual report which can be obtained from Companies House, Crown Way, Maindy, Cardiff, CF14 3UZ.

## **Principal risks and uncertainties**

There is an established risk management and internal control framework in place within the Company, including significant input from Directors. The Directors believe the most significant risk faced by the Company is the financial performance of its subsidiaries as it receives dividend income to fund interest obligations. The Directors believe all the significant risks faced by the Company are appropriately controlled through effective management of the subsidiaries' business. Further details concerning the principal risks and uncertainties are included in their respective financial statements.

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

In accordance with the Companies Act 2006 (the 'Act') (as amended by the Companies (Miscellaneous Reporting) Regulations 2018), the Directors provide this statement describing

## **STRATEGIC REPORT (CONTINUED)**

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

how they have had regard to the matters set out in section 172(1) of the Act, when performing their duty to promote the success of the Company, under section 172.

The Board always aims to act in the best interests of the Company, and to be fair and balanced in its approach. The needs of different stakeholders are always considered as well as the consequences of any decision in the long-term and the importance of our internally published high standards of business conduct. More specific information is given in sub-paragraphs (a) to (f), which correspond to the individual factors disclosed under Section 172(1).

#### **a. Long-term decision making**

The Board maintains oversight of the Company's performance, and reserves to itself specific matters for approval. In addition to this, any major decisions with long-term implications, including significant new business initiatives, would need shareholder approval under the Company Articles of Association, to ensure that the business decisions taken locally are in alignment with the long-term strategy of the Company. Any decisions approved either locally or by the Shareholders, are then implemented, with subsequent Board oversight to ensure these are in accordance with the agreed strategy.

#### **b. Stakeholders: Employees**

The Company has no employees.

#### **c. Stakeholders: Customers, Suppliers, Others**

As a holding company, the Company does not trade.

#### **d. Stakeholders: Community & Environment**

As a holding company, the Company does not undertake community and environmental engagement.

#### **e. Reputation for high standards of business conduct**

The Board is responsible for developing the corporate culture across the Company, which promotes integrity and transparency. The Company uses the same comprehensive systems of corporate governance and approves policies and procedures which promote corporate responsibility and ethical behaviour, as are implemented within Omega Red

## STRATEGIC REPORT (CONTINUED)

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### **f. Reputation for high standards of business conduct (continued)**

Holdings Limited and its subsidiaries. Central to these policies is the Code of Conduct. This applies to all Directors and employees and is embedded into the Company's operations.

### **g. Acting fairly as between members of the Company**

The Board aims to understand the views of its shareholder and always to act in their best interests. In order to do this, the Board works closely with the principal shareholder on a very regular basis to ensure operations, strategy and performance are aligned with the long-term objectives of the shareholders, while complying with the Articles of Association of the Company.

### **Statement on Employee Engagement**

The Company has no employees.

### **Statement on Business Relationships**

As a holding company, the Company does not trade.

The Strategic Report was approved by the Board of Directors on 21 December 2022 and signed on its behalf.



Mr P C Newland  
Director

## **DIRECTORS' REPORT**

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The Directors have the pleasure in submitting their annual report and audited financial statements for the year ended 31 March 2022. In preparing this Directors' Report, the Directors have complied with S414C(11) of the Companies Act 2006 by including certain disclosures required by S416(4) within the Strategic Report.

### **Future developments**

Details of future developments can be found in the strategic report on page 1.

### **Financial results and dividends**

The Company's financial results for the year ended 31 March 2022 are shown in the profit and loss account on page 13. The profit for the financial year amounted to £5,454,000 (2021: £5,442,000). Dividend payments in the year ended 31 March 2022 amounted to £5,454,000 (2021: £5,084,000). The directors do not propose a further dividend.

### **Post Balance Sheet Events**

Details of any Post Balance Sheet Events are detailed out in Note 14.

### **Financial risk management**

As an intermediate holding company, the Company is not, in the opinion of the Directors, exposed to material financial risks other than the performance of its subsidiaries.

### **Going concern**

The Directors have considered the going concern assumption within the financial statements. Directors have obtained a letter of support from the ultimate parent company Hydiades IV limited to confirm that it will provide support to the Company to able to meet its financial liabilities and obligations as they fall due for a period of 12 months from the date of approval of the financial statements. The Directors have satisfied themselves that the ultimate parent company has the necessary financial resources to provide this support during this period, should it be required. Therefore, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. As such, the going concern basis has been adopted in preparing the annual report and financial statements.

## **DIRECTORS' REPORT (CONTINUED)**

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### **Directors**

The Directors who held office during the year, and subsequently, were as follows:

Mr N R Shailer

Mr P C Newland

There are no directors' indemnity arrangements in place.

### **Independent auditor**

In accordance with the Companies Act 2006, the Directors confirm that as far as they are aware, there is no relevant audit information of which the Company's auditor is unaware, and that the Board has taken all reasonable steps to make itself 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 S418 of the Companies Act 2006.

It is intended that Ernst & Young will be appointed as auditor to the Company during 2022/3

Approved by the Board of Directors and signed on its behalf by



Mr P C Newland

Director

21 December 2022

Registered Office: Dabell Avenue, Blenheim Industrial Estate, Bulwell, Nottinghamshire, NG6 8WA.

Registered in England and Wales

## **DIRECTORS' RESPONSIBILITIES STATEMENT**

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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), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland". Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the Company for that period. In preparing these financial statements, the Directors are required to:

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

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

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



# **INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF OMEGA RED HOLDINGS LIMITED**

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

### **Opinion**

In our opinion the financial statements of Omega Red Holdings Limited

- give a true and fair view of the state of the company's affairs as at 31 March 2022 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the profit and loss account;
- the balance sheet;
- the statement of changes in equity;
- the related notes 1 to 14.

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

### **Basis for opinion**

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

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

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF OMEGA RED HOLDINGS LIMITED (CONTINUED)**

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### **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.

# **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF OMEGA RED HOLDINGS LIMITED (CONTINUED)**

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## **Responsibilities of directors**

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

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

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

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

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

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

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

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF OMEGA RED HOLDINGS LIMITED (CONTINUED)**

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

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

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

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

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

As a result of performing the above, we identified the greatest potential for fraud in relation to investment impairment, and our procedures performed to address it included assessing any indicators for impairment at the balance sheet date and challenging management's assessment of the carrying value of the investment against a number of measures including the net asset value of the underlying investments.

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

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

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF OMEGA RED HOLDINGS LIMITED (CONTINUED)**

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- performing analytical Audit procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management and in house/external legal counsel concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance.

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

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

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

- the information given in the strategic report and the directors' report for the financial 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.

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

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

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

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

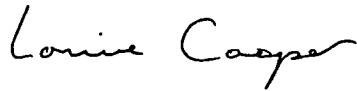
We have nothing to report in respect of these matters.

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF OMEGA RED HOLDINGS LIMITED (CONTINUED)

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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.



Louise Cooper, FCA (Senior Statutory Auditor)

For and on behalf of Deloitte LLP

Statutory Auditor

Leeds

United Kingdom

21 December 2022

## PROFIT AND LOSS ACCOUNT

For the year ended 31 March 2022

	Note	2022 £'000	2021 £'000
Income from shares in UK subsidiary undertakings - Dividends received		6,168	6,158
<b>Operating profit</b>		<b>6,168</b>	<b>6,158</b>
Finance charges	5	(714)	(716)
<b>Profit before tax</b>		<b>5,454</b>	<b>5,442</b>
Taxation on profit	6	-	-
<b>Profit after taxation</b>		<b>5,454</b>	<b>5,442</b>

The results above are all derived from continuing operations.

There was no other comprehensive income or expense in either year other than the profit for the financial year therefore a statement of comprehensive income is not presented.

The accompanying notes are an integral part of these financial statements.

## BALANCE SHEET

As at 31 March 2022

	Note	2022 £'000	2021 £'000
<b>Fixed Assets</b>			
Investments	7	17,762	17,762
<b>Creditors - amounts falling due within one year</b>	8	(2,848)	(2,848)
<b>Net Current Liabilities</b>		(2,848)	(2,848)
<b>Total assets less current liabilities</b>		14,914	14,914
Creditors - amounts falling due in more than one year	9	(14,291)	(14,291)
<b>Net Assets</b>		623	623
<b>Capital and Reserves</b>			
Called up share capital	10	400	400
Profit and loss account		223	223
<b>Shareholders' Funds</b>		623	623

The accompanying notes are an integral part of these financial statements.

The financial statements of Omega Red Holdings Limited, registered number 06399736, were approved by the Board of Directors and authorised for issue on 21 December 2022.



Mr P C Newland  
Director



## STATEMENT OF CHANGES IN EQUITY

For the year ended 31 March 2022

	Called-up Share Capital	Profit and Loss Account	Total
	£'000	£'000	£'000
<b>At 1 April 2020</b>	<b>400</b>	<b>(135)</b>	<b>265</b>
Profit and total comprehensive expense for the financial period		5,442	5,442
	400	5,307	5,707
Dividends (Note 11)		(5,084)	(5,084)
<b>At 31 March 2021</b>	<b>400</b>	<b>223</b>	<b>623</b>
Profit and total comprehensive income for the financial period	-	5,454	5,454
	400	5,677	6,077
Dividends (Note 11)		(5,454)	(5,454)
<b>At 31 March 2022</b>	<b>400</b>	<b>223</b>	<b>623</b>

## NOTES TO THE FINANCIAL STATEMENTS

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### 1. Statement of Accounting Policies

The principal accounting policies are summarised below, which have all been applied consistently throughout the year and the preceding year.

#### a) General information and basis of accounting

Omega Red Holdings Limited (the Company) is a private Company limited by shares incorporated in the United Kingdom under the Companies Act 2006 and is registered in England and Wales.

The financial statements have been prepared under the historical cost convention, and in accordance with Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council. The functional currency of the Company is considered to be pounds sterling because that is the currency of the primary economic environment in which the Company operates.

The Company meets the definition of a qualifying entity under FRS 102 and has therefore taken advantage of the disclosure exemptions available to it in respect of its separate financial statements. The Company is consolidated in the financial statements of its ultimate parent, Hydriades IV Limited, which are publicly available. The company was, at the end of the year, a wholly-owned subsidiary of another company and in accordance with Section 400 of the Companies Act 2006, is not required to produce, and has not published, consolidated accounts. Exemptions have been taken in these separate Company financial statements in relation to presentation of a cash flow statement, financial instruments and remuneration of key management personnel.

#### b) Going concern

The Directors have considered the going concern assumption within the financial statements. Directors have obtained a letter of support from the ultimate parent company Hydriades IV limited to confirm that it will provide support to the Company to able to meet its financial liabilities and obligations as they fall due for a period of 12 months from the date of approval of the financial statements. The directors have satisfied themselves that the ultimate parent company has the necessary financial resources to provide this support during this period, should it be required.

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

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### **1. Statement of Accounting Policies (continued)**

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

Therefore, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. As such, the going concern basis has been adopted in preparing the annual report and financial statements.

#### **c) Taxation**

Current tax is provided at amounts expected to be paid (or recovered) using current tax rates. Deferred tax is recognised at rates that have been enacted or substantively enacted by law by the balance sheet date in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date.

#### **d) Fixed asset investments**

Fixed asset investments are shown at cost less provision for impairment.

#### **e) Impairment of Assets**

Assets, other than those measured at fair value, are assessed for indicators of impairment at each balance sheet date. If there's objective evidence of impairment, an impairment loss is recognised in profit or loss as described below.

#### **f) Operating costs**

Audit fees of ££3,592 (2021: £3,592) are borne by fellow Group undertakings. There were no fees paid by the Company to the Company's auditor for non-audit services in either year.

#### **g) Borrowings**

All borrowings are initially recorded at the fair value of the consideration received and subsequently measured at amortised cost.

#### **h) Related party transactions**

As at 31 March 2022, the Company was an indirectly wholly owned subsidiary undertaking of Hydriades IV Limited, the ultimate parent company in the United Kingdom. As such, the Company has taken advantage of the exemption from disclosing transactions with other members of the group headed by Hydriades IV Limited, as consolidated financial statements for this company in which the financial statements of the Company are included, are publicly available.

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

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### 1. Statement of Accounting Policies (continued)

#### i) Financial instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract

##### *(i) Financial assets and liabilities*

*that evidences a residual interest in the assets of the Company after deducting all of its liabilities.* All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets and liabilities are only offset in the statement of financial position when, and only when there exists a legally enforceable right to set off the recognised amounts and the Company intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously. Debt instruments which meet the conditions of being 'basic' financial instruments as defined in paragraph 11.9 of FRS 102 are subsequently measured at amortised cost using the effective interest method.

Debt instruments that have no stated interest rate (and do not constitute financing transaction) and are classified as payable or receivable within one year are initially measured at an undiscounted amount of the cash or other consideration expected to be paid or received, net of impairment.

With the exception of some hedging instruments, other debt instruments not meeting conditions of being 'basic' financial instruments are measured at fair value through profit or loss. Commitments to make and receive loans which meet the conditions mentioned above are measured at cost (which may be nil) less impairment.

Financial assets are derecognised when and only when a) the contractual rights to the cash flows from the financial asset expire or are settled, b) the Company

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

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### **1. Statement of Accounting Policies (continued)**

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

transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or c) the Company, despite having retained some, but not all, significant risks and rewards of ownership, has transferred control of the asset to another party. Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

#### **j) Dividend and Interest Income**

Dividend income from investments is recognised when the shareholders' rights to receive payment have been established (provided that the economic benefits will flow to the Company and the amount of revenue can be measured reliably). Interest income is recognised when it is probable that the economic benefits will flow to the Company and the amount of revenue can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

#### **k) Dividend payable policy**

Dividends are accrued as payables to shareholders and recognised when there is a legal obligation or once declared.

### **2. Critical accounting judgements and key sources of estimation uncertainty**

In the application of the Company's accounting policies, which are described in note 1, the Directors are required to make judgements, estimates and assumptions in respect of the carrying amounts of assets and liabilities recognised in the financial statements. These are based on historical experience, future forecasts and other factors that are considered to be relevant. It is recognised that historical experience and forecasts change over time and these judgements, estimates and assumptions are therefore reviewed and amended where necessary on a regular basis. However, it is also recognised that the actual outcomes may still differ to the judgements, estimates and assumptions made.

In the opinion of the Directors, there are no critical judgements or sources of estimation uncertainty.

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

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### 3. Staff Costs

No employees were employed by the Company during the year or the previous year.

### 4. Directors' Remuneration

None of the Directors who served during the year received any remuneration from the Company as Directors of the Company.

These Directors were remunerated by other Group companies. It is not practicable to allocate the remuneration for these Directors between their services as Directors of the Company and their services as Directors of other Group companies. The total of their emoluments received during their period of service in the year ended 31 March 2022 was £655,000 (2021: £610,000). The highest paid director remunerated by other Group companies in the year received emoluments of £450,000 (2021: £403,000).

The number of Directors holding office at the end of the year who were active members of Group pension schemes was as follows:

	2022 Number	2021 Number
Defined Contribution Scheme	2	2

### 5. Finance Charges

	2022 £'000	2021 £'000
Interest payable on loan from parent undertaking	714	716
	714	716

The loan payable to a parent undertaking as at 31 March 2022 is unsecured and bears interest at 5% (2021: 5%) per annum. The lending parent undertaking has confirmed that it will not request repayment of the loan within twelve months from the approval of the financial statements for the year ended 31 March 2022.

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 6. Taxation on Profit

No tax charge arose in the year or the previous year.

The tax assessed on the profit for the year is lower than (2021: lower than) the standard rate of corporation tax in the UK of 19% (2021 - 19%). The differences are reconciled below.

	2022 £'000	2021 £'000
Profit/(loss) before tax	5,454	5,442
Profit/(Loss) multiplied by standard UK corporation tax rate of 19% (2021: 19%)	1,036	1,034
UK dividends received not taxable	(1,172)	(1,170)
Group relief surrendered without payment	136	136
<b>Total tax charge</b>	-	-

#### Factors affecting tax charge for the year

In the Spring Budget 2021, the UK Government announced that from 1 April 2023 the corporation tax rate would increase to 25% (rather than remain reducing at 19%, as previously enacted). This new law was substantively enacted on 24 May 2021. Deferred taxes at the balance sheet date have been measured using these enacted tax rates and reflected in these financial statements.

### 7. Fixed Asset Investments

Details of the Company's principal directly held investment, which is registered in England and Wales at Dabell Avenue, Nottingham NG6 8WA, at 31 March 2022 is provided below:

	Investments in Subsidiary Undertakings £'000
<b>Cost and Net Book Value</b>	
At 1 April 2021 and 31 March 2022	17,762

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

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### 7. Fixed Asset Investments (continued)

Name	Class of Shares	Proportion of Shares Held	Nature of Business
Omega Red Group Limited	Ordinary	100%	Electrical earthing and lightning protection, installation, testing, maintenance and height safety services

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Other subsidiaries of the Company as at 31 March 2022, which were all non-trading companies as at that date, and 100% owned by the Company, all of which only have ordinary shares in issue, were as follows:

Omega Earthing Systems Limited  
Omega Facility Services Limited  
Omega Furse Contracting Limited  
Omega Lightning Protection Limited  
Omega Product Supplies Limited

As at 31 March 2022 the registered address of the above subsidiaries is Dabell Avenue, Nottingham NG6 8WA.

### 8. Creditors – amounts falling due within one year

	2022 £'000	2021 £'000
Amounts due to group undertakings	2,848	2,847
	<b>2,848</b>	<b>2,847</b>

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Amounts due to group undertakings are interest free, unsecured and repayable on demand.



## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 9. Creditors - amounts falling due in more than one year

	2022 £'000	2021 £'000
Loan payable to parent undertaking	14,291	14,291
	<b>14,291</b>	<b>14,291</b>

The loan payable to a parent undertaking as at 31 March 2022 is unsecured and bears interest at 5% (2021: 5%) per annum and is repayable being the earlier of the date of winding up or administration of company and proposal CVA. The lending parent undertaking has confirmed that it will not request repayment of the loan for a period of 12 months from the date of signing the financial statements.

### 10. Share Capital

	2022 £'000	2021 £'000
<b>Authorised:</b>		
376,131 (2021: 376,131) ordinary share of £1 each	376	376
23,869 (2021: 23,869) 'B' ordinary shares of £1 each	24	24
	<b>400</b>	<b>400</b>

<b>Called up, issued and fully paid:</b>		
376,131 (2021: 376,131) ordinary share of £1 each	376	376
23,869 (2021: 23,869) 'B' ordinary shares of £1 each	24	24
	<b>400</b>	<b>400</b>

The Company's ordinary shares and ordinary B shares carry no right to fixed income.

### 11. Dividends

	2022 £'000	2021 £'000
Ordinary interim dividends received of £13.63 per share Nil (2021: £12.71) per share	5,454	5,084

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

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### **12. Ultimate Controlling Party**

The immediate parent company is South Staffordshire Plc which is registered in England and Wales. The ultimate parent company in the United Kingdom is Hydriades IV Limited, also registered in England and Wales which is the smallest and largest UK group preparing consolidated financial statements that include Omega Red Holdings Limited. The consolidated financial statements for that company can be obtained from the Company's registered office at Green Lane, Walsall WS2 7PD.

The ultimate controlling party during the year ended 31 March 2022 was Arjun Infrastructure Partners Limited, a Company registered in England and Wales, which controls and manages and is the general Partner of a UK registered investment entity that acquired a majority equity interest of a holding company of Hydriades IV Limited and therefore of the Company.

### **13. Related Party Transactions**

As a wholly owned subsidiary of South Staffordshire PLC, the Company has taken advantage of the exemption, under FRS 102, not to disclose transactions with other group companies. There were no other related party transactions requiring disclosure.

### **14. Post Balance Sheet Events**

There are no post balance sheet events to disclose.