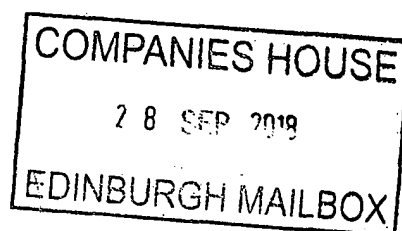


OCCMS Limited
Report and Financial Statements
For the Year Ended 31 December 2017



OCCMS Limited

Company Information

Directors	A Savage D Murray
Company secretary	D Munro
Registered number	SC219224
Registered office	Orion House Castle Heather Inverness IV2 6AA United Kingdom
Independent auditors	Ernst & Young LLP Blenheim House Fountainhall Road Aberdeen AB15 4DT

OCCMS Limited

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OCCMS Limited

**Directors' Report
For the Year Ended 31 December 2017**

The directors present their report and the financial statements for the year ended 31 December 2017.

Directors

The directors who served during the year were:

A Savage
D Murray

Disclosure of information to auditors

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Auditors

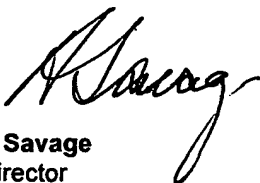
The auditors, Ernst & Young LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

Small companies note

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

The directors have also taken advantage of the small companies exemption provided by section 414B of the Companies Act 2006 not to prepare a Strategic Report.

This report was approved by the board and signed on its behalf on **27 SEPTEMBER 2018**


A Savage
Director

**Directors' Responsibilities Statement
For the Year Ended 31 December 2017**

The directors are responsible for preparing the Directors' 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 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 for the Company's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- 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 to 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.

Independent Auditors' Report to the Members of OCCMS Limited

Opinion

We have audited the financial statements of OCCMS Limited (the 'Company') for the year ended 31 December 2017, which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity and 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).

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 Auditors' 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.

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2017 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 Auditors' 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 United Kingdom, including the Financial Reporting Council'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

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

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

Other information

The directors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditors' Report thereon. 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.

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

We have nothing to report in this regard.

Independent Auditors' Report to the Members of OCCMS Limited (continued)

Opinion 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 Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report has 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 Directors' Report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Directors' Report and from the requirement to prepare a Strategic Report.

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement on page 2, 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.

Auditors' responsibilities for the audit of the financial statements

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

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

Ernst & Young LLP

Jamie Dixon (Senior Statutory Auditor)
for and on behalf of
Ernst & Young LLP
Statutory Auditor
Aberdeen
Date: 27 September 2018

OCCMS Limited

**Statement of Comprehensive Income
For the Year Ended 31 December 2017**

	Note	2017 £	2016 £
Turnover	2	1,121,555	624,187
Cost of sales		<u>(415,635)</u>	<u>(114,458)</u>
Gross profit		705,920	509,729
Administrative expenses		<u>(513,032)</u>	<u>(455,573)</u>
Operating profit	3	<u>192,888</u>	<u>54,156</u>
Profit before tax		192,888	54,156
Tax on profit	5	<u>(38,886)</u>	<u>(9,420)</u>
Profit for the financial year		<u><u>154,002</u></u>	<u><u>44,736</u></u>

There was no other comprehensive income for 2017 (2016:£NIL).

The notes on pages 8 to 17 form part of these financial statements.

Statement of Financial Position
As at 31 December 2017

	Note	2017 £	2016 £
Fixed assets			
Tangible assets	6	7,230	7,410
Investments	7	<u>63</u>	<u>63</u>
		7,293	7,473
Current assets			
Debtors	8	211,645	85,107
Cash at bank	9	<u>1,239,424</u>	<u>1,209,438</u>
		1,451,069	1,294,545
Creditors: amounts falling due within one year	10	<u>(609,569)</u>	<u>(607,227)</u>
Net current assets		<u>841,500</u>	<u>687,318</u>
Net assets		<u><u>848,793</u></u>	<u><u>694,791</u></u>
Capital and reserves			
Called up share capital	11	100	100
Profit and loss account		<u>848,693</u>	<u>694,691</u>
		<u><u>848,793</u></u>	<u><u>694,791</u></u>

The Company's financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on
27 SEPTEMBER 2018

A Savage
Director


The notes on pages 8 to 17 form part of these financial statements.

OCCMS Limited

**Statement of Changes in Equity
For the Year Ended 31 December 2017**

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 January 2017	100	694,691	694,791
Comprehensive income for the year			
Profit for the year	-	154,002	154,002
Total comprehensive income for the year	-	154,002	154,002
At 31 December 2017	<u>100</u>	<u>848,693</u>	<u>848,793</u>

**Statement of Changes in Equity
For the Year Ended 31 December 2016**

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 January 2016	100	649,955	650,055
Comprehensive income for the year			
Profit for the year	-	44,736	44,736
Total comprehensive income for the year	-	44,736	44,736
At 31 December 2016	<u>100</u>	<u>694,691</u>	<u>694,791</u>

The notes on pages 8 to 17 form part of these financial statements.

**Notes to the Financial Statements
For the Year Ended 31 December 2017**

1. Accounting policies

1.1 Basis of preparation of financial statements

OCCMS Limited is a limited liability company incorporated in Scotland. The Registered Office is Orion House, Castle Heather, Inverness, IV2 6AA.

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The financial statements are prepared in sterling which is the functional currency of the Company.

No estimates or judgements were necessary in preparing these financial statements.

1.2 Financial reporting standard 102 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 4 Statement of Financial Position paragraph 4.12(a)(iv);
- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Orion Engineering Services Limited as at 31 December 2016 and these financial statements may be obtained from Orion House, Castle Heather, Inverness, IV2 6AA.

1.3 Turnover

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

**Notes to the Financial Statements
For the Year Ended 31 December 2017**

1. Accounting policies (continued)**1.4 Tangible fixed assets and depreciation**

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, on a reducing balance basis.

Depreciation is provided on the following basis:

Office equipment	- 15%	Reducing balance
Computer equipment	- 30%	Reducing balance

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of Comprehensive Income.

1.5 Investments

Investments in subsidiaries are measured at cost less accumulated impairment. Where merger relief is applicable, the cost of the investment in a subsidiary undertaking is measured at the nominal value of the shares issued together with the fair value of any additional consideration paid.

1.6 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

1.7 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

1.8 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

**Notes to the Financial Statements
For the Year Ended 31 December 2017**

1. Accounting policies (continued)

1.9 Foreign currencies

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Statement of Comprehensive Income within 'finance income or costs'. All other foreign exchange gains and losses are presented in the Statement of Comprehensive Income within 'other operating income'.

1.10 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in the Statement of Comprehensive Income when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. The assets of the plan are held separately from the Company in independently administered funds.

1.11 Borrowing costs

All borrowing costs are recognised in the Statement of Comprehensive Income in the year in which they are incurred.

**Notes to the Financial Statements
For the Year Ended 31 December 2017**

1. Accounting policies (continued)**1.12 Taxation**

Tax is recognised in the Statement of Comprehensive Income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of Financial Position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

2. Turnover

An analysis of turnover by class of business is as follows:

	2017 £	2016 £
Services	<u>1,121,555</u>	<u>624,187</u>
	<u>1,121,555</u>	<u>624,187</u>

Analysis of turnover by country of destination:

	2017 £	2016 £
United Kingdom	615,265	224,269
Rest of the world	<u>506,290</u>	<u>399,918</u>
	<u>1,121,555</u>	<u>624,187</u>

OCCMS Limited

**Notes to the Financial Statements
For the Year Ended 31 December 2017**

3. Operating profit

The operating profit is stated after charging:

	2017 £	2016 £
Depreciation of tangible fixed assets: - owned by the company	1,847	2,158
Exchange differences	3,935	13,076
Operating lease rentals	-	17,055
Pension costs	<u>14,097</u>	<u>6,066</u>

The fee for statutory audit services is paid by the parent company, Orion Engineering Services Limited.

4. Employees

The average monthly number of employees, including the directors, during the year was as follows:

	2017 No.	2016 No.
Administration	<u>5</u>	<u>6</u>

**Notes to the Financial Statements
For the Year Ended 31 December 2017**

5. Taxation

	2017 £	2016 £
Corporation tax		
Current tax on profits for the year	38,886	10,351
Adjustments in respect of previous periods	-	(931)
	<u>38,886</u>	<u>9,420</u>
Total current tax	<u>38,886</u>	<u>9,420</u>

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2016 - lower than) the standard rate of corporation tax in the UK of 19.25% (2016 - 20%). The differences are explained below:

	2017 £	2016 £
Profit on ordinary activities before tax	<u>192,888</u>	<u>54,156</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19.25% (2016 - 20%)	37,131	10,831
Effects of:		
Adjustments to tax charge in respect of prior periods	-	(931)
Other adjustments leading to an increase (decrease) in taxation	<u>1,755</u>	<u>(480)</u>
Total tax charge for the year	<u>38,886</u>	<u>9,420</u>

Factors that may affect future tax charges

The UK corporation tax rate will reduce to 19% for financial years beginning 1 April 2017 and will reduce to 17% for financial years beginning 1 April 2020.

**Notes to the Financial Statements
For the Year Ended 31 December 2017**

6. Tangible fixed assets

	Other fixed assets £
Cost	
At 1 January 2017	21,115
Additions	<u>1,667</u>
At 31 December 2017	<u><u>22,782</u></u>
Depreciation	
At 1 January 2017	13,705
Charge for the year on owned assets	<u>1,847</u>
At 31 December 2017	<u><u>15,552</u></u>
Net book value	
At 31 December 2017	<u><u>7,230</u></u>
At 31 December 2016	<u><u>7,410</u></u>

OCCMS Limited

**Notes to the Financial Statements
For the Year Ended 31 December 2017**

7. Fixed asset investments

	Investments in subsidiary companies £
Cost or valuation	
At 1 January 2017	63
At 31 December 2017	63
Net book value	
At 31 December 2017	63
At 31 December 2016	63

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Country of incorporation	Class of shares	Holding
OCCMS LLC	USA	Ordinary	100 %

The aggregate of the share capital and reserves as at 31 December 2017 and of the profit or loss for the year ended on that date for the subsidiary undertakings were as follows:

	Aggregate of share capital and reserves £	Profit/(loss) £
OCCMS LLC	(104,529)	619
	(104,529)	619

8. Debtors

	2017 £	2016 £
Trade debtors	118,582	29,718
Other debtors	-	38,141
Prepayments and accrued income	93,063	17,248
	211,645	85,107

OCCMS Limited

**Notes to the Financial Statements
For the Year Ended 31 December 2017**

9. Cash and cash equivalents

	2017 £	2016 £
Cash at bank and in hand	<u>1,239,424</u>	<u>1,209,438</u>
	<u><u>1,239,424</u></u>	<u><u>1,209,438</u></u>

10. Creditors: Amounts falling due within one year

	2017 £	2016 £
Trade creditors	1,396	-
Amounts owed to group undertakings	278,907	241,906
Other taxation and social security	13,746	13,545
Other creditors	13,736	58,420
Accruals & deferred income	<u>301,784</u>	<u>293,356</u>
	<u><u>609,569</u></u>	<u><u>607,227</u></u>

11. Share capital

	2017 £	2016 £
Allotted, called up and fully paid		
100 - Ordinary shares of £1 each	<u><u>100</u></u>	<u><u>100</u></u>

12. Pension commitments

The company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £14,097 (2016 - £6,066). Contributions totalling £955 (2016 - £990) were payable to the fund at the balance sheet date and are included in creditors.

13. Related party transactions

During the year Orion Engineering Services Ltd, the company's ultimate parent company, charged £223,282 (2016: £120,169) to the company for services provided. Services totalling £nil (2016: £42,492) were charged to Orion Engineering Services Ltd during the year. The amount owed to Orion Engineering Services Ltd by the company as at the balance sheet date was £278,907 (2016 - £129,997).

14. Ultimate parent undertaking and controlling party

The ultimate parent company is Orion Engineering Services Limited, a company registered in Scotland. The largest and smallest group for which consolidated financial statements are prepared which include OCCMS Limited is that of Orion Engineering Services Limited. Copies of the group accounts can be obtained from Orion Engineering Services Limited, Orion House, Castle Heather, Inverness IV2 6AA.

The ultimate controlling party of Orion Engineering Services Limited is Mr A Savage, director.