

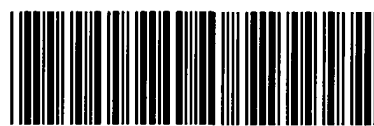
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**JSM GROUP SERVICES LIMITED (FORMERLY KNOWN AS JSM
CONSTRUCTION LIMITED)**

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

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JSM GROUP SERVICES LIMITED

COMPANY INFORMATION

Directors	Mr J Scanlon Mr S Wiltshire Mr C Oakley
Company secretary	Mr J Scanlon
Registered number	03591105
Registered office	Sterling House Mutton Lane Potters Bar Hertfordshire EN6 3AR
Independent auditor	RSM UK Audit LLP Chartered Accountants Third Floor PRIORITY PLACE New London Road Chelmsford CM2 0PP

JSM GROUP SERVICES LIMITED

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JSM GROUP SERVICES LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2023

Introduction

JSM is a utilities service provider specialising in the delivery of integrated power and communications solutions. Operating through two divisions, Power and Communications, JSM's comprehensive service delivers full turn-key solutions, including the design, planning, project management, construction, commissioning and maintenance of infrastructure networks which extend to multi-utility, contestable, civil engineering and highways works.

The JSM Group of companies was acquired by Rutland Partners LLP on 5th February 2021. The JSM Group comprised: Oval Topco Limited, Triangle Midco Limited, Square Bidco Limited (the companies completing the acquisition), JSM Topco Limited, JSM Midco Limited, JSM Bidco Limited, JSM Group Holdings Limited and JSM Group Services Limited (formerly known as JSM Construction Limited) (the main trading company). JSM Utility Services (Ireland) Limited and JSM Utility Services (EU) GmbH have been registered in Ireland (December 2022) and Germany (November 2023) respectively to support the Group's business development in Europe.

JSM Group Services Limited changed its name from JSM Construction Limited during the year ended 31 December 2023.

Business review

JSM serves three market sectors which are seen as critical infrastructure areas for the future and are in strong long-term growth: energy transition and decarbonisation, data demand and connectivity. Ambitious net zero targets are driving demand for sustainable, distributed renewable energy and the electrification of heating and transport, placing increasing strain on an under-invested electricity distribution network. Technology advancements, AI and big data are exponentially increasing demand for data, processing capacity and improved connectivity which is driving significant investment in infrastructure.

As a market leader in infrastructure and utility services across these sectors JSM is seeing sustained growth in revenues and profits. It has a high proportion of secured orders for the next year and a strong pipeline beyond that. JSM has continued its focus on ESG (see later in report) and its award-winning health and safety record.

Revenue increased to £148.1m (2022: £115.0m). The Power division continued its strong growth, increasing revenue by 51% to £91.2m as a result of several large contract wins. The Communications division was steady at £51.9m (2022: £51.7m). Gas services made up the majority of the remaining £5.0m revenue.

Operating profit increased to £20.2m (2022: £13.3m), gross margins increased from 22.7% to 24.6% driven by the relatively strong growth of the Power division, operational efficiencies and pass-through of the cost inflation experienced in 2022. Administrative expenses increased from £12.3m to £14.3m to support the growth of the business and there were £1.9m of exceptional costs, relating to costs incurred in advance of a potential transaction and restructuring costs. The improved profit before tax of £20.3m (2022: £13.3m) reflects the improved year on year operating profit explained above.

JSM continues to invest in capital expenditure, new employees and retention of current employees to continue to operate in what is a fast moving market to ensure that we can continually look for ways to become more efficient. Investment in project controls, contract risk management and IT are also a big part of JSM's philosophy as we continue to grow over the coming years and at a significant rate.

The balance sheet position is strong with net assets of £62.4m (2022: £45.8m) and a positive cash balance.

JSM GROUP SERVICES LIMITED

STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

Principal risks and uncertainties

In the last year, JSM Group Services Limited has shown its resilience to the impact of the continuing weakness of the UK economy and the war in Ukraine. These issues remain to be the principal risks and uncertainties for 2024, although the buoyancy of the Group's main markets and the high level of secured contracts is a strong mitigating factor against these risks. The Company has been successful in passing on most of the inflationary cost increases and this will continue to be a key focus area for the year ahead. The business expects revenue and profits to increase despite these risks.

Future growth may impact cash as working capital requirements increase. This will be mitigated by ensuring contracts are sustainable, including separate cash flow analysis at tender stage and closely monitoring cash forecasts. We have strong relationships with both our clients and banks. These relationships provide both good payment profiles and strong short and long term funding for working capital.

Financial Risk management

The Company's operations expose it to a variety of financial business risks including foreign currency exchange rates, credit risk and liquidity risk.

Foreign currency risk

The Company purchases some materials from Europe in UK sterling. Although there is an implicit underlying exchange rate risk, exposure to currency fluctuations is not felt to be a major risk. Any major price change arising from currency fluctuation would be covered by a variation in the price to our customers.

Credit risk

The Company's credit risk is primarily attributable to its trade debtors and amounts recoverable on contracts. Credit risk is managed by monitoring the aggregate amount and duration of exposure to any one customer and any credit limit in place. Historically over 95% of debt is current and not overdue.

Liquidity risk

The Company's risk is managed by financial management on its major contracts by negotiating appropriate payment terms with respective customers and suppliers. The Company's objective is to ensure an overall positive or neutral cash flow on all projects.

Interest rate risk

The Company, via the wider group, is exposed to fair value interest rate risk on its fixed rate borrowings and cash flow interest rate risk on floating rate deposits and loans. However, an interest rate cap hedging instrument was implemented with effect from 28 February 2023. This instrument protects the Company and wider group when the Bank of England base rate goes over 5.0%.

Financial key performance indicators

The primary financial KPI's used in the business are:

- Turnover and Gross Profit – both explained in the Business Review above.
- Cash position – this was £13.0m (2022: £15.9m). The £2.9m reduction primarily as a result of increased cash flow from operations offset by increased debtors at year end following strong trading. The wider group also made loan note interest payments of £7m in the year.

JSM GROUP SERVICES LIMITED

STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

Directors' statement of compliance with duty to promote the success of the Company

The directors consider that in the interests of the shareholders and stakeholders they promote a sustainable, profitable and cash generative business for the benefit of the business. The directors consider that the current business strategy supports this purpose and is taken into account when reviewing the annual business plan.

The directors note that the long term success of the business since its incorporation in 1998 has been underpinned by its relationships with its employees, its customers, its supply chain and other stakeholders. The directors note that the nature of many of these relationships have been long term.

The directors consider it is important to create a working environment where employees want to work and remain as part of the overall strategy of the Company. The directors have agreed company objectives relating to the retention of employees and the number of apprentices employed. These objectives are reviewed every year to monitor the retention of existing people and the development of new people joining the business.

Section 172 statement

The directors of this company must act in accordance with a set of general duties. These duties are detailed in section 172 of the UK Companies Act 2006 which is summarised below.

A director of a company must act in the way they consider, in good faith, would be most likely to promote the success of the company for the benefit of its shareholders as a whole, and in doing so have regard (amongst other matters) to:

- the likely consequences of any decisions in the long-term;
- the interest of the Company's employees;
- the need to foster the Company's business relationships with suppliers, customers and others;
- the impact of the Company's operations on the community and environment;
- the desirability of the Company maintaining a reputation for high standards of business conduct; and
- the need to act fairly as between shareholders of the Company.

The following paragraphs summarise how the directors fulfil these duties;

Risk Management

Consideration of our risks is an integral part of how our company operates. Risk management is considered on a daily basis and on every project, each of which is governed by a contract. Risks are reviewed at Director level with the management team on a regular basis to ensure that we focus on all significant areas.

Our People

The Company is committed to being a responsible business. Our behaviour is aligned with the expectations of our people, customers, investors and society as a whole. People are at the heart of our business and for our business to succeed we need to manage our peoples' performance and develop and bring through talent whilst ensuring we operate as effectively as possible. We must ensure we engage with our teams and guide our behaviour so we achieve our combined goals in the right way.

Engagement with suppliers, customers and others

We recognise the importance of making decisions that are right for us, our suppliers and our customers and this is driven through long term relationships based on deep understanding of our sector and delivery excellence. We are in regular dialogue with our customers and suppliers to discuss all matters relating to current and future projects.

JSM GROUP SERVICES LIMITED

**STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2023**

Business Relationships

Our strategy prioritises organic growth, driven by long term framework agreements and expansion with new customers and into new regions. To do this, we need to develop and maintain the strong client relationships we currently have. We value all our suppliers, and also have a small group of preferred partners within our supply base who we regularly meet with to discuss supplier challenges.

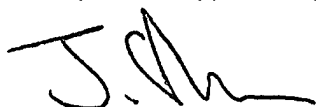
Community and Environment

The Company's work involves significant liaison with local communities and authorities. We treat these stakeholders with respect and to ensure that our work is well communicated and minimises the impact upon them.

Shareholders

The Board engages openly with the group's major shareholders through regular meetings. Strategy and objectives are agreed in detail and executed by the Board.

This report was approved by the board and signed on its behalf.



.....
Mr J Scanlon

Director

Date:

JSM GROUP SERVICES LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2023

The directors present their report and the financial statements for the year ended 31 December 2023.

Directors' responsibilities statement

The directors are responsible for preparing the Strategic report, 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 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 judgments 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 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.

Detailed reporting of greenhouse gas emissions, energy consumption and energy efficiency action is provided in the financial statements of the ultimate parent company, Oval Topco Limited.

Results and dividends

The profit for the year, after taxation, amounted to £16,678,074 (2022 - £12,114,206).

No dividends were declared in either the current or prior period.

Directors

The directors who served during the year were:

Mr J Scanlon
Mr S Wiltshire
Mr C Oakley

Future developments

JSM's core market remains in London and the South East, and we see further growth here and by expansion within the UK and Europe, and into other utilities. JSM is well positioned to drive scale increases as an established business with strong relationships with suppliers and skilled labour markets, retaining focus on a few key areas.

JSM GROUP SERVICES LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

Engagement with employees

The Company is committed to being a responsible business. Our behaviour is aligned with the expectations of our people, customers, investors and society as a whole. People are at the heart of our business and for our business to succeed we need to manage our peoples' performance and develop and bring through talent whilst ensuring we operate as effectively as possible.

Engagement with suppliers, customers and others

The directors consider that that the Company has developed strong relationships with customers and suppliers over many years, based on mutual respect and focusing on delivery excellence – doing whatever it takes. This strategic approach has been reinforced throughout the supply chain and resulted in an extremely high quality business proposition.

The business managers and directors continue to prioritise and foster these key relationships. This approach is a fundamental part of the Company's business culture. Directors' duty to promote the success of the Company in relation to section 172 is detailed in the Strategic report.

Disabled employees

Applications for employment by disabled persons are always fully considered, bearing in mind the aptitudes of the applicant concerned. Applicants are asked if they require any adjustments to be made for them to participate in the recruitment process and/or attend interview.

Where an individual with a disability is offered a role, the Company will work with the individual over reasonable adjustments that would be required to ensure they can comfortably and safely execute the role.

Qualifying third party indemnity provisions

During the period and up to the date of this report, the Company maintained liability insurance and third-party indemnification provisions for its directors, under which the Company has agreed to indemnify the directors to the extent permitted by law in respect of all liabilities to third parties arising out of, or in connection with, the execution of their powers, duties and responsibilities as directors of the Company.

JSM GROUP SERVICES LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2023**

Going concern

The financial statements have been prepared on the going concern basis which assumes that the Company will continue in operational existence for a period of at least 12 months following the approval of these financial statements.

Whilst the economic environment is uncertain due to the impacts of the weakness of the economy, the war in Ukraine and consequent pressures, JSM continues to generate revenue growth, with turnover in 2024 expected to be 40% above 2023 with further increases anticipated in 2025. This growth is not expected to have a detrimental impact on profitability or cash.

The term bank loan taken on to support the Group does stipulate that the wider group should meet a covenant based upon net debt leverage multiple. The Group forecasts that it will continue to comfortably meet this covenant and to settle its liabilities as they fall due.

The interest rate cap hedging instrument implemented in February 2023 mitigates the risk presented by the rising interest rates.

The Company is reporting a net current asset position in the balance sheet.

As such, the directors consider it appropriate to prepare the financial statements on the going concern basis.

Disclosure of information to auditor

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 auditor is 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 auditor is aware of that information.

Disclosure of information in the strategic report

The business review and principal risks and uncertainty sections are not shown in the Directors' report, because they are shown in the strategic report instead under S414c.

Auditor

The auditor, RSM UK Audit LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board and signed on its behalf.



.....
Mr J Scanlon
Director
Date:

JSM GROUP SERVICES LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF JSM GROUP SERVICES LIMITED

Opinion

We have audited the financial statements of JSM Group Services Limited (the 'Company') for the year ended 31 December 2023, which comprise the statement of comprehensive income, the balance sheet, the statement of changes in equity and the 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 31 December 2023 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 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

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.

JSM GROUP SERVICES LIMITED

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF JSM GROUP SERVICES LIMITED
(CONTINUED)**

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.

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 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 or 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.

Responsibilities of directors

As explained more fully in the Directors' responsibilities statement set out on page 5, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

JSM GROUP SERVICES LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF JSM GROUP SERVICES LIMITED (CONTINUED)

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.

The extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk 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 and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the audit engagement team:

- obtained an understanding of the nature of the industry and sector, including the legal and regulatory framework that the Company operates in and how the Company is complying with the legal and regulatory framework;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, the Companies Act 2006 and tax compliance regulations. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing financial statement disclosures, inspecting correspondence with local tax authorities and evaluating advice received from external tax advisors.

The most significant laws and regulations that have an indirect impact on the financial statements are those in relation to health and safety. We performed audit procedures to inquire of management whether the Company is in compliance with these laws and regulations and inspected legal costs, board minutes, and other relevant sources for evidence of undisclosed issues.

JSM GROUP SERVICES LIMITED

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF JSM GROUP SERVICES LIMITED
(CONTINUED)**

The audit engagement team identified the risk of management override of controls and management bias in accounting estimates relating to revenue recognition on long term contracts as the areas where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to testing manual journal entries and other adjustments and evaluating the business rationale in relation to significant, unusual transactions and transactions entered into outside the normal course of business. We evaluated whether there was evidence of bias by management in accounting estimates relating to revenue recognition on long term contracts by challenging assumptions and judgments made by management in relation to contract accounting, including the expected margin through assessment of post year end performance and stage of completion, through discussions with the relevant individuals and inspection of year end and post year end valuations.

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 auditor's report.

Use of our report

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those 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.

A C Monteith

Andrew Monteith (Senior Statutory Auditor)

For and on behalf of RSM UK Audit LLP, Statutory Auditor

Chartered Accountants

Third Floor
Priory Place
New London Road
Chelmsford
CM2 0PP
Date: 31st May 2024

JSM GROUP SERVICES LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2023**

	Note	2023 £	2022 £
Turnover	4	148,113,496	115,014,756
Cost of sales		(111,717,209)	(88,955,177)
Gross profit		36,396,287	26,059,579
Administrative expenses		(14,261,750)	(12,296,066)
Exceptional administrative expenses	5	(1,899,871)	(427,797)
Operating profit	6	20,234,666	13,335,716
Interest receivable and similar income	10	352,457	49,630
Interest payable and similar expenses	11	(300,742)	(90,043)
Profit before tax		20,286,381	13,295,303
Tax on profit	12	(3,608,307)	(1,181,097)
Profit for the financial year		16,678,074	12,114,206

There was no other comprehensive income for 2023 (2022: £NIL).

The notes on pages 16 to 33 form part of these financial statements.

JSM GROUP SERVICES LIMITED
REGISTERED NUMBER: 03591105

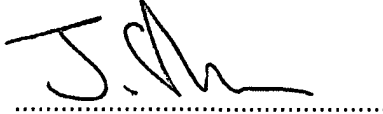
BALANCE SHEET
AS AT 31 DECEMBER 2023

	Note	2023 £	2022 £
Fixed assets			
Intangible assets	13	441,599	49,771
Tangible assets	14	6,380,714	5,333,389
		<u>6,822,313</u>	<u>5,383,160</u>
Current assets			
Stocks	15	1,158,662	2,376,714
Debtors: amounts falling due after more than one year	16	4,533,112	-
Debtors: amounts falling due within one year	16	79,091,164	53,295,036
Cash at bank and in hand	17	12,998,327	15,888,966
		<u>97,781,265</u>	<u>71,560,716</u>
Creditors: amounts falling due within one year	18	(37,791,500)	(27,547,303)
Net current assets		<u>59,989,765</u>	<u>44,013,413</u>
Total assets less current liabilities		<u>66,812,078</u>	<u>49,396,573</u>
Creditors: amounts falling due after more than one year	19	(3,118,739)	(2,451,152)
Provisions for liabilities			
Deferred tax	21	(1,243,890)	(993,683)
Other provisions	22	-	(180,363)
		<u>(1,243,890)</u>	<u>(1,174,046)</u>
Net assets		<u><u>62,449,449</u></u>	<u><u>45,771,375</u></u>
Capital and reserves			
Called up share capital	23	1,000	1,000
Profit and loss account	24	62,448,449	45,770,375
		<u>62,449,449</u>	<u>45,771,375</u>

JSM GROUP SERVICES LIMITED
REGISTERED NUMBER: 03591105

BALANCE SHEET (CONTINUED)
AS AT 31 DECEMBER 2023

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



.....
Mr J Scanlon
Director
Date:

The notes on pages 16 to 33 form part of these financial statements.

JSM GROUP SERVICES LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2023**

	Called up share capital £	Profit and loss account £	Total equity £
At 1 January 2022	1,000	33,656,169	33,657,169
Comprehensive income for the year			
Profit for the year	-	12,114,206	12,114,206
Total comprehensive income for the year	-	12,114,206	12,114,206
Total transactions with owners	-	-	-
At 1 January 2023	1,000	45,770,375	45,771,375
Comprehensive income for the year			
Profit for the year	-	16,678,074	16,678,074
Total comprehensive income for the year	-	16,678,074	16,678,074
Total transactions with owners	-	-	-
At 31 December 2023	1,000	62,448,449	62,449,449

The notes on pages 16 to 33 form part of these financial statements.

JSM GROUP SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

1. General information

JSM Group Services Limited is an entity incorporated in England and Wales and operating within the United Kingdom. JSM Group Services Limited continues to operate as a utilities service provider specialising in the delivery of integrated power and communications solutions. Head office is located at Sterling House, Mutton Lane, Potters Bar, Hertfordshire, EN6 3AR.

The Company changed its name from JSM Construction Limited during the year ended 31 December 2023.

2. Accounting policies

2.1 Basis of preparation of financial statements

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, including the provisions of the large Companies and Groups (Accounts and Reports) Regulations 2008.

The financial statements are prepared in sterling, which is the functional currency of the Company. Monetary amounts in the financial statements are rounded to the nearest £1.

The following principal accounting policies have been applied:

2.2 Financial Reporting Standard 102 - reduced disclosure exemptions

The Company is a qualifying entity for the purposes of FRS 102 and 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 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 Oval Topco Limited as at 31 December 2023 and these financial statements may be obtained from Sterling House, Mutton Lane, Potters Bar, Hertfordshire, EN6 3AR.

JSM GROUP SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

2. Accounting policies (continued)

2.3 Going concern

The financial statements have been prepared on the going concern basis which assumes that the Company will continue in operational existence for a period of at least 12 months following the approval of these financial statements.

Whilst the economic environment is uncertain due to the impacts of the weakness of the economy, the war in Ukraine and consequent pressures, JSM continues to generate revenue growth, with turnover in 2024 expected to be 40% above 2023 with further increases anticipated in 2025. This growth is not expected to have a detrimental impact on profitability or cash.

The term bank loan taken on to support the Group does stipulate that the wider group should meet a covenant based upon net debt leverage multiple. The Group forecasts that it will continue to comfortably meet this covenant and to settle its liabilities as they fall due.

The interest rate cap hedging instrument implemented in February 2023 mitigates the risk presented by the rising interest rates.

The Company is reporting a net current asset position in the balance sheet.

As such, the directors consider it appropriate to prepare the financial statements on the going concern basis.

2.4 Foreign currency translation

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 resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss except when deferred in other comprehensive income as qualifying cash flow hedges.

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 profit or loss within 'administrative expenses'.

JSM GROUP SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

2. Accounting policies (continued)

2.5 Revenue

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.

2.6 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to profit or loss on a straight-line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight-line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

2.7 Interest income

Interest income is recognised in profit or loss using the effective interest method.

2.8 Finance costs

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.9 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 profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Balance sheet. The assets of the plan are held separately from the Company in independently administered funds.

JSM GROUP SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

2. Accounting policies (continued)

2.10 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss 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 balance sheet 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 balance sheet 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 balance sheet date.

2.11 Exceptional items

Exceptional items are transactions that fall within the ordinary activities of the Company but are presented separately within administration expenses due to their size or incidence.

2.12 Intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

The estimated useful lives range as follows:

Computer software	-	3	years
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2.13 Tangible fixed assets

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.

JSM GROUP SERVICES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

2. Accounting policies (continued)

2.13 Tangible fixed assets (continued)

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, .

Depreciation is provided on the following basis:

Leasehold improvements	- over the life of the lease
Plant and machinery	- 5 years straight line
Motor vehicles	- 6 years straight line
Computer equipment	- 3 years straight line

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 profit or loss.

2.14 Stocks & Long-term contracts

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a weighted average basis. Work in progress and finished goods include labour and attributable overheads.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

Profit on long-term contracts is taken as the work is carried out if the final outcome can be assessed with reasonable certainty. The profit included is calculated on a prudent basis to reflect the proportion of the work carried out at the year end, by recording turnover and related costs as contract activity progresses. Turnover is calculated as that proportion of total contract value which costs incurred to date bear to total expected costs for that contract. Revenues derived from variations on contracts are recognised only when they have been accepted by the customer. Full provision is made for losses on all contracts in the year in which they are first foreseen.

The Company recognises revenue arising on long term construction contracts. These contracts require estimates to be made for total construction costs and revenues, where the expected outcome of long-term contractual obligations can span more than one period. Management bases its judgements of contract costs and revenues, as well as the stage of completion of a project, on the latest available information, including contract valuations.

2.15 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.

JSM GROUP SERVICES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

2. Accounting policies (continued)

2.16 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.

2.17 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.

2.18 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to profit or loss in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance sheet.

2.19 Financial instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or in case of an out-right short-term loan that is not market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised costs, unless it qualifies as a loan from a director in the case of a small company.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Income Statement.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

JSM GROUP SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

2. Accounting policies (continued)

Financial assets and liabilities are offset and the net amount reported in the Balance Sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

3. Judgments in applying accounting policies and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgments, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates.

Amounts Recoverable on Contracts: To determine the value of amounts recoverable on contracts, the directors perform an assessment of the services in accordance with the amount of work completed at the end of the reporting period, which can be measured reliably.

Trade debtors: The recoverability of trade debtors has been assessed as at the year end and up until the date of signing these financial statements. The directors have based the decision to provide for any amounts based on their judgment of all the available information, and their experience of the specific nature of trade debtor in question.

Stock: Stock is included as per the accounting policy set out above. The directors have assessed the need to write off or provide against any specific items based on the levels held at year end, and the expected usage in the business in the immediate period post year end.

4. Turnover

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

	2023	2022
	£	£
Rendering of services	<u>148,113,496</u>	<u>115,014,756</u>

All turnover arose within the United Kingdom.

All turnover during the year was derived from long-term contracts. At the reporting date, £21,529,994 (2022 - £11,270,877) was due from customers in respect of unbilled contract work and £9,476,254 (2022 - £7,831,737) was received from customers in respect of contract work to be performed.

JSM GROUP SERVICES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

5. Exceptional items

	2023 £	2022 £
Exceptional items	<u>1,899,871</u>	<u>427,797</u>

Exceptional items include costs incurred in advance of a potential transaction and restructuring costs.

Exceptional items in the prior year include legal cost for a successful legal case and other items of a one-off non-trading nature.

6. Operating profit

The operating profit is stated after charging:

	2023 £	2022 £
Depreciation of tangible fixed assets - owned	300,564	533,120
Depreciation of tangible fixed assets - finance	1,442,068	662,343
Profit on disposal of fixed assets	(22,125)	(41,713)
Amortisation of intangible assets	78,650	20,913
Exchange differences	395	2,461
Other operating lease rentals	1,045,774	837,777
Defined contribution pension cost	<u>566,560</u>	<u>510,669</u>

7. Auditor's remuneration

During the year, the Company obtained the following services from the Company's auditor and its associates:

	2023 £	2022 £
Fees payable to the Company's auditor and its associates for the audit of the Company's financial statements	90,750	87,500
Fees payable to the Company's auditor and its associates in respect of: All non-audit services not included above	<u>27,950</u>	<u>24,000</u>

JSM GROUP SERVICES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

8. Employees

Staff costs, including directors' remuneration, were as follows:

	2023 £	2022 £
Wages and salaries	19,837,635	17,415,893
Social security costs	2,327,444	2,165,858
Cost of defined contribution scheme	566,560	510,669
	<u>22,731,639</u>	<u>20,092,420</u>

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

	2023 No.	2022 No.
Employees	<u>297</u>	<u>251</u>

9. Directors' remuneration

	2023 £	2022 £
Directors' emoluments	200,375	32,333
Company contributions to defined contribution pension schemes	-	1,233
	<u>200,375</u>	<u>33,566</u>

During the year retirement benefits were accruing to no directors (2022 - *NIL*) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £200,375 (2022 - £32,333).

The value of the Company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £Nil (2022 - £Nil). The only director paid by the Company has opted out of the pension.

Two directors' salaries have been paid from Square Bidco Limited from the date of investment by Rutland Partners LLP. One director is paid by JSM Group Services Limited.

JSM GROUP SERVICES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

10. Interest receivable

	2023 £	2022 £
Other interest receivable	<u>352,457</u>	<u>49,630</u>

11. Interest payable and similar expenses

	2023 £	2022 £
Bank interest payable	54,764	8,298
Finance leases and hire purchase contracts	245,978	81,745
	<u>300,742</u>	<u>90,043</u>

12. Taxation

	2023 £	2022 £
Corporation tax		
Current tax on profits for the year	3,026,962	1,161,838
Adjustments in respect of previous periods	331,138	(638,464)
	<u>3,358,100</u>	<u>523,374</u>
Total current tax	<u>3,358,100</u>	<u>523,374</u>
Deferred tax		
Origination and reversal of timing differences	250,207	657,723
Total deferred tax	<u>250,207</u>	<u>657,723</u>
Tax on profit	<u>3,608,307</u>	<u>1,181,097</u>

JSM GROUP SERVICES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

12. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2022 - *lower than*) the standard rate of corporation tax in the UK of 23.52% (2022 - 19%). The differences are explained below:

	2023 £	2022 £
Profit on ordinary activities before tax	<u>20,286,381</u>	<u>13,295,303</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 23.52% (2022 - 19%)	4,771,468	2,526,108
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	301,676	11,680
Fixed asset differences	12,731	(163,399)
Adjustments to tax charge in respect of prior periods	331,138	(638,464)
Remeasurement of deferred tax for changes in tax rates	23,223	114,124
Group relief	(1,689,707)	(851,160)
Movement in deferred tax not recognised	(142,222)	182,208
Total tax charge for the year	<u><u>3,608,307</u></u>	<u><u>1,181,097</u></u>

Factors that may affect future tax charges

In 2024, the tax rate will be 25% for the whole year. There were no other factors that may affect future tax charges.

JSM GROUP SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

13. Intangible assets

	Computer software £
Cost	
At 1 January 2023	70,684
Additions	470,478
At 31 December 2023	<u>541,162</u>
Amortisation	
At 1 January 2023	20,913
Charge for the year	78,650
At 31 December 2023	<u>99,563</u>
Net book value	
At 31 December 2023	<u>441,599</u>
At 31 December 2022	<u>49,771</u>

JSM GROUP SERVICES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

14. Tangible fixed assets

	Plant and machinery £	Motor vehicles £	Computer equipment £	Leasehold Improvements £	Total £
Cost or valuation					
At 1 January 2023	2,223,316	9,272,686	89,608	126,830	11,712,440
Additions	825,023	1,790,421	377,236	2,405	2,995,085
Disposals	(5,662)	(1,030,216)	-	-	(1,035,878)
At 31 December 2023	<u>3,042,677</u>	<u>10,032,891</u>	<u>466,844</u>	<u>129,235</u>	<u>13,671,647</u>
Depreciation					
At 1 January 2023	1,559,551	4,780,546	25,962	12,992	6,379,051
Charge for the year	283,919	1,334,677	97,526	26,510	1,742,632
Disposals	(1,933)	(828,817)	-	-	(830,750)
At 31 December 2023	<u>1,841,537</u>	<u>5,286,406</u>	<u>123,488</u>	<u>39,502</u>	<u>7,290,933</u>
Net book value					
At 31 December 2023	<u>1,201,140</u>	<u>4,746,485</u>	<u>343,356</u>	<u>89,733</u>	<u>6,380,714</u>
At 31 December 2022	<u>663,765</u>	<u>4,492,140</u>	<u>63,646</u>	<u>113,838</u>	<u>5,333,389</u>

JSM GROUP SERVICES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

14. Tangible fixed assets (continued)

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

	2023 £	2022 £
Plant and machinery	720,957	390,815
Motor vehicles	4,310,761	3,868,618
	<u>5,031,718</u>	<u>4,259,433</u>

15. Stocks

	2023 £	2022 £
Raw materials and consumables	<u>1,158,662</u>	<u>2,376,714</u>

16. Debtors

	2023 £	2022 £
Due after more than one year		
Trade debtors	<u>4,533,112</u>	<u>-</u>

	2023 £	2022 £
Due within one year		
Trade debtors	14,775,828	10,284,052
Amounts owed by group undertakings	40,639,661	28,699,398
Other debtors	1,211,844	2,278,827
Prepayments	933,837	761,882
Amounts recoverable on long-term contracts	21,529,994	11,270,877
	<u>79,091,164</u>	<u>53,295,036</u>

Debtor balances with other group companies are non-interest bearing but repayable on demand.

JSM GROUP SERVICES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

17. Cash and cash equivalents

	2023 £	2022 £
Cash at bank and in hand	<u>12,998,327</u>	<u>15,888,966</u>

18. Creditors: Amounts falling due within one year

	2023 £	2022 £
Payments on account	9,476,254	7,831,737
Trade creditors and subcontractors	8,301,757	5,255,683
Amounts owed to group undertakings	-	996,306
Corporation tax	3,223,771	-
Other taxation and social security	4,031,273	3,649,880
Obligations under finance lease and hire purchase contracts	1,570,144	1,202,605
Accruals	11,188,301	8,611,092
	<u>37,791,500</u>	<u>27,547,303</u>

Hire purchase contracts are on a 3 or 5 year term, after which time the assets are either sold or continued to be used in the business.

Obligations under finance lease and hire purchase contracts are secured by fixed charges on the assets to which they relate.

Creditor balances with other group companies are non-interest bearing but repayable on demand.

19. Creditors: Amounts falling due after more than one year

	2023 £	2022 £
Net obligations under finance leases and hire purchase contracts	<u>3,118,739</u>	<u>2,451,152</u>

JSM GROUP SERVICES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

20. Hire purchase and finance leases

Minimum lease payments under hire purchase fall due as follows:

	2023 £	2022 £
Within one year	1,570,144	1,202,605
Between 1-5 years	3,118,739	2,451,152
	4,688,883	3,653,757

21. Deferred taxation

	2023 £
At beginning of year	(993,683)
Charged to profit or loss	(250,207)
At end of year	(1,243,890)

The provision for deferred taxation is made up as follows:

	2023 £	2022 £
Accelerated capital allowances	(1,261,729)	(1,026,280)
Pension timing difference	17,839	32,597
	(1,243,890)	(993,683)

22. Provisions

	Provision for HMRC charges £
At 1 January 2023	180,363
Charged to profit or loss	(180,363)
At 31 December 2023	-

JSM GROUP SERVICES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

23. Share capital

	2023 £	2022 £
Allotted, called up and fully paid		
1,000 (2022 - 1,000) Ordinary shares of £1.00 each	<u>1,000</u>	<u>1,000</u>

24. Reserves

Profit and loss account

The profit and loss account includes all current and prior period retained profit and losses.

25. Contingent liabilities

On 5 February 2021 the Company granted as security a debenture and composite guarantee that provides the secured parties with a fixed and floating charge over the Company's property assets. The total value of the Facilities Agreement was £62.3m. The companies covered by the charge are Square Bidco Limited and all of its subsidiary companies. On 16 February 2022 the charge was reduced to £52.3m following the Group's request to cancel the £10m Capex/Acquisition facility. The amount outstanding at the year end totalled £47.1m (2022 - £46.5m).

26. 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 £566,560 (2022 - £510,669). Contributions totalling £152,168 (2022 - £130,390) were payable to the fund at the balance sheet date and are included in creditors.

27. Commitments under operating leases

At 31 December 2023 the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2023 £	2022 £
Not later than 1 year	831,610	788,871
Later than 1 year and not later than 5 years	2,764,690	2,200,764
	<u>3,596,300</u>	<u>2,989,635</u>

JSM GROUP SERVICES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

28. Transactions with directors

At the year end, £nil (2022 - £180,464) was owed by directors and included in other debtors. These loans to directors are interest free. Amounts are repayable on demand and the maximum outstanding during the year was £180,464 (2022 - £180,464).

This balance has been written off during in the year.

29. Related party transactions

During the year the Group entered into transactions, in the ordinary course of business, with related parties. Transactions entered into, and trading balances outstanding at 31 December, are as follows:

	2023 £	2022 £
Purchases from related party	269,820	273,620
Balances owed to related party at year end	-	-

30. Controlling party

The Company's immediate parent company is JSM Group Holdings Limited and the ultimate parent company is Oval Topco Limited. Rutland Partners LLP is the ultimate controlling party.