
OLIVE BUSINESS SOLUTIONS LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2021

SATURDAY



AAYMOCDS

A05

26/02/2022

#143

COMPANIES HOUSE

OLIVE BUSINESS SOLUTIONS LIMITED

COMPANY INFORMATION

Directors	M Geraghty (resigned 19 February 2021) M Flick R Flynn (resigned 19 February 2021) B Morris (appointed 28 January 2021, resigned 19 February 2021) C Craggs (appointed 19 February 2021) A Fowler (appointed 19 February 2021) L Furlong (appointed 19 February 2021)
Registered number	04648708
Registered office	Onecom House 4400 Parkway Whiteley Fareham Hampshire PO15 7FJ
Independent auditors	Hillier Hopkins LLP Chartered Accountants & Statutory Auditor Radius House 51 Clarendon Road Watford Hertfordshire WD17 1HP

OLIVE BUSINESS SOLUTIONS LIMITED

CONTENTS

	Page
Strategic Report	1 - 3
Directors' Report	4 - 5
Independent Auditors' Report	6 - 9
Profit and Loss Account	10
Balance Sheet	11
Statement of Changes in Equity	12
Notes to the Financial Statements	13 - 29

OLIVE BUSINESS SOLUTIONS LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 JANUARY 2021

Introduction

The Directors present their annual report and audited financial statements for the year ended 31 January 2021.

Olive Business Solutions Limited is the main trading subsidiary of Olive Communications Solutions Limited, hereafter referred to as 'Olive Group' or 'Olive'.

Business review

In the year ending 31 January 2021, Olive Group continued to build on successful growth delivery from the previous periods, further continuing its development in to a leading provider of telecommunication and technology solutions to a wide range of UK businesses. Continued focus on portfolio diversification resulted in over 50% of revenue coming from cloud and fixed solution products, following Olive's strategy of investing in future technologies.

During the period under review, Olive continued to see strong demand for products and services despite the COVID-19 pandemic. The Group quickly and successfully pivoted to remote working for all staff in March 2020, ensuring our people were working in safe environments, whilst securing uninterrupted support for our customers.

Whilst the Group saw increased demand for services, underlining the resilience in our business model, there were some areas that inevitably suffered some sector wide downward pressure which has impacted in-year revenue and profit performance, notably in a reduction in mobile roaming revenues and a delay in the roll out of large-scale projects. This resulted in the Group reported revenues of £31.2m, a 1.2% decline on the prior year.

Despite these COVID related impacts, the Group has continued to successfully secure new contract wins, most notably in the Cloud business. This included securing a multi year contract with one of the UK's leading charities, delivering a cloud contact centre and telephony service that has helped transform the way they operate. This has resulted in further growth and development of the contracted revenue base, ensuring high quality, strong margin, future earnings for the Group.

Overall revenue, impacted by COVID, declined by 1.2% to £31.2m, whilst gross margins also declined by 5.4% to £13.5m. Reported EBITDA fell to £1.8m, but it should be noted that this includes £0.6m of exceptional deal and employee costs that have been incurred to facilitate the Group's continued development towards being a leading full Cloud Communications provider. Therefore, taking into account exceptional costs in the prior year of £0.3m, like for like EBITDA only decreased by £0.2m on the prior year owing to the downward pressures noted above.

The Group has continued to invest in continued development of systems and processes, most notably with the further roll out of the Olive's Cloud Managed Service Platform which has wide functionality for use by both customers and employees to drive a digital first approach to engagement.

Impact of COVID-19

As noted above, the Group quickly and successfully moved to a remote working model in March 2020, utilising technology to ensure a safe working environment for our employees, whilst maintaining uninterrupted levels of support for our customer base. Since then, the Group has continued to follow Government guidance at all times, putting employee and customer safety first.

Customer needs and buying behaviours have changed as a result of the pandemic and this has very much aligned to Olive's strategy of building a highly successful Cloud business, utilising the latest technology and communication solutions to drive digital enablement in businesses. As a result, while the Group did observe some market wide downward impacts, the demand for the core product and services has continued to grow.

Looking ahead, as lockdowns and restrictions ease, any remaining downside impacts of COVID have continued to unwind.

OLIVE BUSINESS SOLUTIONS LIMITED

STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 JANUARY 2021

Principal risks and uncertainties

The group operates in a highly competitive market and benefits from a number of long-standing relationships with key suppliers and customers. These relationships are a key focus of management attention at all levels of the organisation to maximise business opportunities and manage the risk of any adverse impact on the financial performance of the group. Changes in the technology market can be swift and this represents a risk to traditional resellers, however Management believe that the Olive Group's strategy shift in 2014 has to a large extent, mitigated this risk. As part of a continued focus on risk management, technology trends that may impact the customers and markets in which the Olive Group operates are regularly reviewed and the development of potential new partnerships to further enhance expertise and to take advantage of opportunities early in the technology life cycle are continually explored and evaluated.

Due to the nature of the business the directors consider that the only financial risks that are relevant to the group are credit, funding and liquidity risk.

Credit risk

The principal credit risk arises from trade debtors. A large proportion of group revenue is derived from revenues received on a monthly basis from large corporations with high credit ratings. In addition, with no single customer representing more than 5% of recurring revenues, the directors consider the risk of default to be very low.

In order to manage the credit risk of other trade debtors the directors review outstanding balances on a bi-monthly basis taking into account a combination of payment history and third-party credit references to establish if any further actions are required.

Funding and Liquidity risk

Working capital demands from the monthly cash requirements of operations are subject to fluctuations based on the timing of revenue receipts. Risk arises from this due to the need to maintain sufficient cash liquidity. The Group maintains a close relationship with its bankers, and by design has eradicated senior debt and enjoys solid support from its loan note holders who are also the principal equity holders. In addition, regular detailed cash flow forecasts are prepared and reviewed by the Finance team on a bi-weekly basis and by the Board on a monthly basis.

OLIVE BUSINESS SOLUTIONS LIMITED

STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 JANUARY 2021

Financial key performance indicators

The table below sets out measures considered by the Board to be key indicators of financial performance for the business:

	2021	2020	% change
Revenue	£31.2m	£31.6m	-1.16%
Gross Margin	£13.5m	£14.3m	-5.42%
Gross Margin %	43.3%	45.3%	-2.0pp
EBITDA	£1.8m	£2.3m	-20.45%

Future developments and post balance sheet events

On 19 February 2021, the Group was acquired by Onecom, a PE backed leading provider of fixed line, mobile, connectivity, and integrated unified communications & cloud solutions.

This has resulted in the formation of a much enlarged Group, with expanded reach, expertise and customer offerings with a "best of breed" approach to integration.

Roger Flynn resigned as a director on 19 February 2021

Brett Morris resigned as a director on 19 February 2021

Mark Geraghty resigned as a director on 19 February 2021

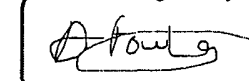
Adam Fowler was appointed as a director on 19 February 2021

Christian Craggs was appointed as a director on 19 February 2021

Lawrence Furlong was appointed as a director on 19 February 2021

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

DocuSigned by:



.....A09DD55FA1384F0.....

A Fowler

Director

Date: 24/2/2022 | 14:06:26 GMT

OLIVE BUSINESS SOLUTIONS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 JANUARY 2021

The directors present their report and the financial statements for the year ended 31 January 2021.

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 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.

Results and dividends

The profit for the year, after taxation, amounted to £689,377 (2020 - £946,024).

The Company has not paid any dividends during the year under review (2020 - £nil).

Directors

The directors who served during the year were:

M Geraghty (resigned 19 February 2021)

M Flick

R Flynn (resigned 19 February 2021)

B Morris (appointed 28 January 2021, resigned 19 February 2021)

OLIVE BUSINESS SOLUTIONS LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 JANUARY 2021**

Future developments

On 19 February 2021, the Group was acquired by Onecom, a PE backed leading provider of fixed line, mobile, connectivity, and integrated unified communications & cloud solutions.

This has resulted in the formation of a much enlarged Group, with expanded reach, expertise and customer offerings with a "best of breed" approach to integration.

Roger Flynn resigned as a director on 19 February 2021

Brett Morris resigned as a director on 19 February 2021

Mark Geraghty resigned as a director on 19 February 2021

Adam Fowler was appointed as a director on 19 February 2021

Christian Craggs was appointed as a director on 19 February 2021

Lawrence Furlong was appointed as a director on 19 February 2021

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.

Post balance sheet events

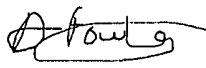
There have been no significant events affecting the Company since the year end.

Auditors

The auditors, Hillier Hopkins 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.

DocuSigned by:



.....A69DD53FA1384F8.....

A Fowler

Director

Date: 24/2/2022 | 14:06:26 GMT

OLIVE BUSINESS SOLUTIONS LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF OLIVE BUSINESS SOLUTIONS LIMITED

Opinion

We have audited the financial statements of Olive Business Solutions Limited (the 'Company') for the year ended 31 January 2021, which comprise the Profit and Loss Account, the Balance Sheet, the Statement of Changes in Equity and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 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 January 2021 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

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.

OLIVE BUSINESS SOLUTIONS LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF OLIVE BUSINESS SOLUTIONS LIMITED (CONTINUED)

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our Auditors' 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 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

OLIVE BUSINESS SOLUTIONS LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF OLIVE BUSINESS SOLUTIONS LIMITED (CONTINUED)

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.

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

- the nature of the industry and sector, control environment and business performance including the remuneration incentives and pressures of key management;
- the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management. We consider the results of our enquiries of management about their own identification and assessment of the risks of irregularities;
- any matters we identified having obtained and reviewed the Company's documentation of their policies and procedures relating to:
 - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud;
 - the internal controls established to mitigate risks of fraud or non-compliance with laws and regulations;
- the matters discussed among the audit engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud and identified the greatest potential for fraud. In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override, including testing journals and evaluating whether there was evidence of bias by the directors that represented a risk of material misstatement due to fraud.

We also obtained an understanding of the legal and regulatory frameworks that the Company operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. We focused on laws and regulations that could give rise to a material misstatement in the financial statements, including, but not limited to, the Companies Act 2006 and relevant tax legislation.

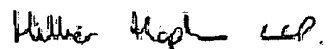
Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial

OLIVE BUSINESS SOLUTIONS LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF OLIVE BUSINESS SOLUTIONS LIMITED
(CONTINUED)

Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' Report.



Neil Cundale BSc FCA (Senior Statutory Auditor)

for and on behalf of
Hillier Hopkins LLP

Chartered Accountants
Statutory Auditor

Radius House
51 Clarendon Road
Watford
Hertfordshire
WD17 1HP

Date: 25 February 2022

OLIVE BUSINESS SOLUTIONS LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 JANUARY 2021**

	Note	2021 £	2020 £
Turnover	4	31,232,088	31,577,196
Cost of sales		(17,706,762)	(17,266,805)
Gross profit		13,525,326	14,310,391
Administrative expenses		(12,952,527)	(13,291,987)
Other operating income		301,138	-
Operating profit	6	873,937	1,018,404
Interest payable and similar expenses	10	(33,360)	(38,167)
Profit before tax		840,577	980,237
Tax on profit	11	(151,200)	(34,213)
Profit for the financial year		689,377	946,024

There were no recognised gains and losses for 2021 or 2020 other than those included in the statement of comprehensive income.

The notes on pages 13 to 29 form part of these financial statements.

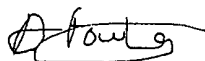
OLIVE BUSINESS SOLUTIONS LIMITED
REGISTERED NUMBER: 04648708

BALANCE SHEET
AS AT 31 JANUARY 2021

	Note	2021 £	2020 £
Fixed assets			
Intangible assets	12	1,564,449	587,182
Tangible assets	13	268,441	286,936
		<u>1,832,890</u>	<u>874,118</u>
Current assets			
Stocks	14	54,862	59,091
Debtors: amounts falling due within one year	15	18,787,579	20,470,453
Cash at bank and in hand	16	3,779,979	2,492,724
		<u>22,622,420</u>	<u>23,022,268</u>
Creditors: amounts falling due within one year	17	(26,546,357)	(26,808,919)
Net current liabilities		<u>(3,923,937)</u>	<u>(3,786,651)</u>
Total assets less current liabilities		<u>(2,091,047)</u>	<u>(2,912,533)</u>
Creditors: amounts falling due after more than one year	18	-	(10,457)
Provisions for liabilities			
Deferred tax	22	(294,175)	(151,609)
		<u>(294,175)</u>	<u>(151,609)</u>
Net liabilities		<u>(2,385,222)</u>	<u>(3,074,599)</u>
Capital and reserves			
Called up share capital	23	100	100
Profit and loss account	24	(2,385,322)	(3,074,699)
		<u>(2,385,222)</u>	<u>(3,074,599)</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 24 February 2022.

DocuSigned by:



.....A69DD55FA1384P6.....
A Fowler
 Director

The notes on pages 13 to 29 form part of these financial statements.

OLIVE BUSINESS SOLUTIONS LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 JANUARY 2021**

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 February 2019	100	(4,020,723)	(4,020,623)
Comprehensive income for the year			
Profit for the year	-	946,024	946,024
At 1 February 2020	100	(3,074,699)	(3,074,599)
Comprehensive income for the year			
Profit for the year	-	689,377	689,377
At 31 January 2021	100	(2,385,322)	(2,385,222)

The notes on pages 13 to 29 form part of these financial statements.

OLIVE BUSINESS SOLUTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JANUARY 2021

1. General information

Olive Business Solutions Limited (the "Company") is a company incorporated and domiciled in England & Wales.

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.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 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 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirements of Section 26 Share-based Payment paragraphs 26.18(b), 26.19 to 26.21 and 26.23;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Olive Communications Solutions Limited as at 31 January 2021 and these financial statements may be obtained from Companies House.

2.3 Going concern

As at the balance sheet date the company is in a net liabilities position, despite the profit generated this year.

Management have prepared detailed cash flow forecasts, covering a period of not less than 12 months into the future. Based on these and the trading activity and pipeline that exists, they have concluded that the application of the going concern assumption in the preparation of these financial statements is appropriate.

OLIVE BUSINESS SOLUTIONS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2021**

2. Accounting policies (continued)

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 Profit and Loss Account within 'finance income or costs'. All other foreign exchange gains and losses are presented in profit or loss within 'other operating income'.

OLIVE BUSINESS SOLUTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JANUARY 2021

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:

Sale of goods

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the Company has transferred the significant risks and rewards of ownership to the buyer;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

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.

The Company has taken advantage of the optional exemption available on transition to FRS 102 which allows lease incentives on leases entered into before the date of transition to the standard 01 February 2019 to continue to be charged over the period to the first market rent review rather than the term of the lease.

OLIVE BUSINESS SOLUTIONS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2021**

2. Accounting policies (continued)

2.7 Government grants

Grants are accounted under the accruals model as permitted by FRS 102. Grants relating to expenditure on tangible fixed assets are credited to profit or loss at the same rate as the depreciation on the assets to which the grant relates. The deferred element of grants is included in creditors as deferred income.

Grants of a revenue nature are recognised in the Profit and Loss Account in the same period as the related expenditure.

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 Borrowing costs

All borrowing costs are recognised in profit or loss in the year in which they are incurred.

2.10 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 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.

OLIVE BUSINESS SOLUTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JANUARY 2021

2. Accounting policies (continued)

2.11 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.

2.12 Intangible assets

Goodwill

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight line basis to the Profit and Loss Account over its useful economic life.

Other 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.

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.

OLIVE BUSINESS SOLUTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JANUARY 2021

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, using the straight-line method.

Depreciation is provided on the following basis:

Long-term leasehold property	- 10 years straight line or life of lease if shorter
Improvements	
Motor vehicles	- 3 years straight line
Fixtures and fittings	- 3 years straight line
Office equipment	- 3 years straight line
Computer equipment	- 3 to 5 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

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 first in, first out 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.

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.

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.

OLIVE BUSINESS SOLUTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JANUARY 2021

2. Accounting policies (continued)

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 at 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 cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

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 Profit and Loss Account.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the balance sheet date.

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.

OLIVE BUSINESS SOLUTIONS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2021**

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.

The following judgements (apart from those involving estimates) have had the most significant effects on the amounts recognised in the financial statements:

- The revenue and costs recognised under long term Converged Solutions contracts, has been individually assessed for each contract as at the period end. Management have recognised revenue and cost based on the expected total profit margin for the contract and the amounts delivered and utilised by the customer as at the period end.

- Deferred cost of goods sold has been recognised based on the age and usage profile of the contacts. The amounts deferred for each contract represent the expected future costs for new and replacement devices.

4. Revenue

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

	2021 £	2020 £
Telecommunication sales	<u>31,232,088</u>	<u>31,577,196</u>

All turnover arose within the United Kingdom.

5. Other operating income

	2021 £	2020 £
Government grants receivable	<u>301,138</u>	-
	<u>301,138</u>	<u>-</u>

6. Operating profit

The operating profit is stated after charging:

	2021 £	2020 £
Exchange differences	3,453	1,029
Other operating lease rentals	<u>48,491</u>	<u>63,873</u>

OLIVE BUSINESS SOLUTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2021

7. Auditors' remuneration

	2021 £	2020 £
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	<u>42,000</u>	<u>40,950</u>

The Company has taken advantage of the exemption not to disclose amounts paid for non audit services as these are disclosed in the group accounts of the parent Company.

8. Employees

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

	2021 £	2020 £
Wages and salaries	7,450,554	7,785,041
Social security costs	920,092	916,442
Cost of defined contribution scheme	200,660	168,820
	<u>8,571,306</u>	<u>8,870,303</u>

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

	2021 No.	2020 No.
Administration	81	83
Sales	26	25
Management	11	11
	<u>118</u>	<u>119</u>

OLIVE BUSINESS SOLUTIONS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2021**

9. Directors' remuneration

	2021 £	2020 £
Directors' emoluments	438,187	414,543
Company contributions to defined contribution pension schemes	9,600	9,667
	<u>447,787</u>	<u>424,210</u>

During the year retirement benefits were accruing to 1 director (2020 - 1) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £467,104 (2020 - £404,543).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £9,600 (2020 - £9,667).

10. Interest payable and similar expenses

	2021 £	2020 £
Bank interest payable	-	38,167
Other interest payable	<u>33,360</u>	<u>-</u>

11. Taxation

	2021 £	2020 £
Corporation tax		
Current tax on profits for the year	53,149	(74,893)
Adjustments in respect of previous periods	(44,515)	7,393
Total current tax	<u>8,634</u>	<u>(67,500)</u>
Deferred tax		
Origination and reversal of timing differences	142,566	101,713
Total deferred tax	<u>142,566</u>	<u>101,713</u>
Taxation on profit on ordinary activities	<u>151,200</u>	<u>34,213</u>

OLIVE BUSINESS SOLUTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2021

11. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2020 - lower than) the standard rate of corporation tax in the UK of 19% (2020 - 19%). The differences are explained below:

	2021 £	2020 £
Profit on ordinary activities before tax	840,577	980,237
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2020 - 19%)	159,710	186,245
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	5,316	73,190
Capital allowances for year in excess of depreciation	23,379	15,405
Utilisation of tax losses	(57,468)	-
Adjustments to tax charge in respect of prior periods	(44,545)	7,393
Adjustment in research and development tax credit leading to an increase (decrease) in the tax charge	-	(248,020)
Other differences leading to an increase (decrease) in the tax charge	64,808	-
Total tax charge for the year	151,200	34,213

Factors that may affect future tax charges

There were no factors that may affect future tax charges.

OLIVE BUSINESS SOLUTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2021

12. Intangible assets

	Computer software £	Goodwill £	Total £
Cost			
At 1 February 2020	602,218	8,604,366	9,206,584
Additions	1,308,759	-	1,308,759
At 31 January 2021	1,910,977	8,604,366	10,515,343
Amortisation			
At 1 February 2020	15,036	8,604,366	8,619,402
Charge for the year on owned assets	331,492	-	331,492
At 31 January 2021	346,528	8,604,366	8,950,894
Net book value			
At 31 January 2021	1,564,449	-	1,564,449
At 31 January 2020	587,182	-	587,182

OLIVE BUSINESS SOLUTIONS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2021**

13. Tangible fixed assets

	Long-term leasehold property £	Motor vehicles £	Fixtures and fittings £	Office equipment £	Computer equipment £	Total £
Cost or valuation						
At 1 February 2020	187,395	6,517	216,187	54,757	932,646	1,397,502
Additions	5,883	-	7	-	91,252	97,142
At 31 January 2021	193,278	6,517	216,194	54,757	1,023,898	1,494,644
Depreciation						
At 1 February 2020	134,947	6,517	216,187	47,842	705,073	1,110,566
Charge for the year on owned assets	12,551	-	7	2,952	99,460	114,970
Charge for the year on financed assets	-	-	-	-	667	667
At 31 January 2021	147,498	6,517	216,194	50,794	805,200	1,226,203
Net book value						
At 31 January 2021	45,780	-	-	3,963	218,698	268,441
At 31 January 2020	52,448	-	-	6,915	227,573	286,936

The net book value of land and buildings may be further analysed as follows:

	2021 £	2020 £
Long leasehold	45,780	52,448

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

	2021 £	2020 £
Computer equipment	3,336	4,003
	3,336	4,003

OLIVE BUSINESS SOLUTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2021

14. Stocks

	2021 £	2020 £
Stocks - finished goods	54,862	59,091

15. Debtors

	2021 £	2020 £
Trade debtors	3,504,160	3,802,350
Amounts owed by group undertakings	5,419,119	5,417,148
Other debtors	25,293	165,937
Prepayments and accrued income	9,839,007	11,085,018
	18,787,579	20,470,453

16. Cash and cash equivalents

	2021 £	2020 £
Bank & cash balances	3,779,979	2,492,724

17. Payables: Amounts falling due within one year

	2021 £	2020 £
Other loans	1,100,000	1,100,000
Trade creditors	5,051,789	4,366,055
Amounts owed to group undertakings	11,547,665	11,918,092
Corporation tax	53,149	-
Other taxation and social security	2,654,389	1,739,034
Obligations under finance lease and hire purchase contracts	4,226	42,460
Other creditors	3,685,214	3,665,635
Accruals and deferred income	2,449,925	3,977,643
	26,546,357	26,808,919

OLIVE BUSINESS SOLUTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2021

18. Payables: Amounts falling due after more than one year

	2021 £	2020 £
Net obligations under finance leases and hire purchase contracts	-	10,457

19. Loans

Analysis of the maturity of loans is given below:

	2021 £	2020 £
Amounts falling due within one year		
Other loans	1,100,000	1,100,000

20. Hire purchase and finance leases

Minimum lease payments under hire purchase fall due as follows:

	2021 £	2020 £
Within one year	4,226	42,460
Between 1-5 years	-	10,457
	4,226	52,917

Hire purchase and finance lease liabilities are secured by the assets they finance.

21. Financial instruments

	2021 £	2020 £
Financial assets		
Financial assets measured at fair value through profit or loss	3,779,979	2,492,724

Financial assets measured at fair value through profit or loss comprise of cash held at bank

OLIVE BUSINESS SOLUTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2021

22. Deferred taxation

	2021 £
At beginning of year	(151,609)
Charged to profit or loss	(142,566)
At end of year	(294,175)

The provision for deferred taxation is made up as follows:

	2021 £	2020 £
Accelerated capital allowances	(294,175)	(151,609)

23. Share capital

	2021 £	2020 £
Allotted, called up and fully paid		
100 (2020 - 100) Ordinary shares of £1.00 each	100	100

24. Reserves

Profit and loss account

Included in the retained earnings are all current and prior period retained profits and losses.

25. Pension commitments

The company operates a defined contribution 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 £168,678 (2020: £168,820).

Contributions totalling £nil (2020: £nil) were payable to the fund at the balance sheet date and are included in creditors.

OLIVE BUSINESS SOLUTIONS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2021**

26. Related party transactions

During the year, purchases of £nil (2020: £nil) were made from Olive Unified Communications Services Limited, a company in which M Geraghty is a Director. At the year end, £26,290 (2020: £26,290) is included as a debit in Trade payables.

During the year purchases of £53,000 (2020: £306) were made from Springboard Advisory Services Limited, a company where R Flynn is a Director. As at the year end £5,300 (2020: £5,300) is included within Trade payables.

During the year, consultancy charges of £200,000 (2020: £200,000) were paid to Geraghty Bloodstock Pty Ltd a company which is controlled by M Geraghty. As at the year end £33,333 (2020: £33,333) is included as a debit in Trade payables.

During the year, stock of £nil (2020: £2,081) was provided to M Geraghty at nil cost.

As at year end £nil (2020: £23,000) had been advanced to a Director to cover expenditure that was due to be incurred on behalf of the Company. No interest was charged on this amount and expenses comprising the full balance were claimed against this advance.

27. Controlling party

The immediate parent company is Olive Communications Solutions Limited.

In the opinion of the directors there is no ultimate controlling party.