

Open International Limited

**Annual report and financial
statements**

Registered number 05716519
For the year ended 31 May 2022



Open International Limited

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Open International Limited

Company information

Directors	S A Badley C P Ralph
Company Secretary	C P Ralph
Registered office	Buckholt Drive Warndon Worcester WR4 9SR
Auditor	KPMG LLP One Snowhill Snow Hill Queensway Birmingham B4 6GH

Open International Limited

Directors' report

The directors present their report and the financial statements for the year ended 31 May 2022.

Principal activity

The principal activity of the Company is that of a holding company. **Directors of the Company**

The directors, who held office during the year and up to the date of this report, were as follows:

S A Badley

C P Ralph

Business review

The Company has performed in line with directors expectations, noting the activities of the Company are that of a holding company.

Risk management

Risk management is a high priority for the business. Processes are designed to identify, mitigate and manage risk. The Board of Directors is ultimately responsible for risk management.

The risks for the Company alone are small, however, the risks for the Group, and the controls in place to mitigate these, are as follows:

Covid-19 risk

Covid-19 is a potential source of uncertainty. Up to now, the impact has been relatively modest and were another outbreak to occur, we would expect that resilience to be evidenced again

Development of the Group's product suite to retain and grow the customer base

The business continues to develop and enhance its product suite through increased research and development.

Attracting and retaining skilled people

The Group encourages its employees to reach their full potential through training and development programs. A number of talent management initiatives are in place to optimise the opportunities and development of our employees.

Competitive risk

The business continues to innovate, develop and enhance its product suite, taking into account feedback from its user group as well as our market intelligence in order to retain and expand its customer base.

Credit risk

The Group's primary financial assets are bank balances, trade and other debtors. Cash balances are lodged with UK domiciled banks which carry high credit ratings. The Group has a good record of cash collection for its customer base.

Currency risk

The Group includes operations in the Republic of Ireland, the Netherlands, Poland and Macedonia. The functional currency of these companies is the Euro, Zloty, and Denar respectively. Whilst the Group does have exposure to currency fluctuations, which it monitors on a regular basis, the net assets held in these currencies are very modest in comparison to the Group as a whole.

Regulatory risk

The Powerplace business is regulated by the Financial Conduct Authority ("FCA"). The Group actively monitors its compliance with the regulatory and capital resource requirements of the FCA.

Liquidity risk

The Group maintains and monitors cash balances and undrawn facilities to ensure it has sufficient available liquid resources for it to operate.

Open International Limited

Directors' report *(continued)*

Risk management *(continued)*

Interest risk

The Group generates sufficient cash to service its bank loans under the current facility provided by the sponsoring lenders. The Group regularly monitors forecast cash flows to ensure sufficient covenant headroom will be available in the future. The forecast cash flows take into account the potential for realistic movements in future benchmark interest rates. During the year, the Group entered into a new interest rate hedge to replace an earlier one that expired, thereby reducing interest rate risk.

Cyber risk

The Group's operations are dependent on maintaining and protecting the confidentiality, integrity and availability of the IT systems and information. The Group has a highly skilled technology team which monitors and reviews the performance and availability of the Group's IT systems including the risk of cyber-attack. Controls in place include physical controls over server room access; penetration testing, open source compliance reviews and denial of service attack protection. In addition, the Group has also included protection from various cyber-related events in its corporate insurance policies.

Business interruption risk

The Group maintains and regularly reviews its business continuity plan. The plan is documented and tested to ensure risk of business interruption is minimised. The Group maintains duplicated servers at physically separate locations with virtually real-time failover capability. In addition, the Group has protection from various business interruption risks included in its corporate insurance policies.

S172 Statement

The Directors are required to include a statement of how they have had regard to stakeholders to promote the success of the Company, in accordance with section 172 of the Companies Act 2006.

Under s172, a director must act in the way he considers, in good faith, would be most likely to promote the success of the company for the benefit of its members as a whole, and in doing so have regard to:

- the likely consequences of any decision in the long-term,
- the interests of the Group employees,
- the need to foster the Group business relationships with suppliers, customers and others,
- the impact of the Group operations on the community and the environment,
- the desirability of the Group maintaining a reputation for high standards of business conduct, and
- the need to act fairly as between members of the Group.

Information about our stakeholders is included in the Corporate Social Responsibility section of this report and information on how the Board has discharged its duties is included in the Board Responsibilities section.

Board Responsibilities

The Board of Directors is responsible to shareholders for effective direction and control of the Company. This report describes the framework for corporate governance and internal control that the Directors have established to enable them to carry out this responsibility.

The Board's main responsibilities are:

Open International Limited

Directors' report (*continued*)

Board Responsibilities (*continued*)

- providing leadership of the Company within a framework that enables risk to be assessed and managed,
- reviewing and approving the overall Company strategy and direction,
- reviewing operational and financial performance,
- approving the year-end financial statements and annual budget,
- approving material agreements and contracts including acquisitions and disposals,
- determining, maintaining and overseeing controls and risk management policies,
- reviewing the environmental and health and safety performance of the Group,
- reviewing and approving remuneration policies and appointments to the Board, and
- monitoring and maintaining the Companies financing relationships.

Corporate Social Responsibility

The Group's relationships with stakeholders enable them to create sustainable value and deliver the strategy. We aim to maintain and develop these relationships to best serve customers, generate shareholder returns and benefit wider society.

Shareholders

It is essential the Group has fair and transparent communication with investors. The Group's CEO, and the CFO regularly meet our majority shareholder to discuss the Group's performance and strategic objectives to maximise shareholder return.

Customers

The Group's customers are paramount to the success of the business in both growing our revenues and optimising cashflow. We continue to work hard to deepen our relationships with our customers, recognising their increasing expectations in terms of our current and future products and the service levels we deliver.

Providing sustainable, high quality products to these customers is imperative to our reputation and long-term success. We invest in advancing technologies and rigorous testing to deliver a high-quality performance from our products.

Suppliers

The Group's supplier relationships are an important part of the value chain and processes are in place to ensure they comply with standards and legislation, as well as meeting ethical and quality expectations.

Employees

The Group's employees are the foundation of our business and imperative to its success. The Group promotes a positive working environment for all employees with rigorous policies and procedures that protect, develop and satisfy our existing and future employees.

Health & Safety

Providing a healthy and safe environment for people is an absolute priority in our business. H&S is part of a continuous training programme across the Group.

Employee Satisfaction

The Group aims to recruit, develop and retain employees by providing training and personal development, engagement through local working groups, reviewing reward, incentive and benefit programmes, whilst also recruiting apprentices to build the pipeline of talent for the future.

Wider Society

The Group aims to have a positive impact on the local communities in which we operate. The Group continues to support charities and local community projects.

Open International Limited

Directors' report (*continued*)

Corporate Social Responsibility (*continued*)

Economic Sustainability

The Group is focused on providing sustainable value creation that enables the business to trade successfully in the longer term. To meet this objective, the Group is selective about investment and who we trade with, to protect our reputation for ethics, standards and quality.

The Group has policies and processes in place to ensure that its own operations, as well as those of its customers and suppliers, comply with legal and regulatory requirements. This includes key areas such as data protection, responsible sourcing, health and safety, quality, modern slavery and equal opportunities.

Streamlined Energy and Carbon Report (SECR)

In compliance with the Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018, the Group has prepared a report on its current UK based energy usage and greenhouse gas (GHG) emissions. The report has been compiled from information collected from the Group's UK based entities and includes emissions relating to natural gas, electricity, refrigerants, and fuel for company fleet vehicles.

Quantification and methodology

The 2021 UK Government Conversion Factors for GHG reporting were used for the calculation of 21/22 emissions and the GHG Protocol was used to classify emissions into "scopes" for reporting purposes using a control approach. Where available, actual electricity and natural gas consumption were used, however, for certain shared sites, estimates were taken where actual information was not available. Company fuel card data was used to calculate fleet vehicle emissions with an estimation being applied to account for personal vehicle usage by employees. Invoices were the source of information on refrigerant usage. During the year ended May 2022, the Group saw an increase in energy consumption and emissions, compared to the prior year. This was wholly the result of the return of staff to the office, post Covid-19, as well as an increase in travel by our sales team and engineers to visit customers. The Group continue to take actions to reduce emissions and improve energy efficiency, as outlined below.

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Directors' report (continued)

Group Energy Consumption used to calculate emissions:

Energy Type	Last financial year (20/21)	Current financial year (21/22)
Natural Gas (kWh)	62,405	80,881
Electricity (kWh)	842,622	950,422
Fleet Petrol (litres)	8616	15037
Fleet Diesel (litres)	14594	19464
Refrigerant charge (kg)	5	16

Breakdown of emissions:

Energy Type	Last financial year (20/21)	Current financial year (21/22)
	tCO ₂ e	tCO ₂ e
Scope 1 (direct emissions):		
Natural Gas	11	15
Transport (Petrol)	19	33
Transport (Diesel)	37	49
Refrigerant charge	9	30
Scope 2 (indirect emissions):		
Electricity	196	202
Total Emissions:	272	329
Intensity Ratio: tCO ₂ e per employee (UK only)	0.62 (437 employees)	0.85 (386 employees)

Energy Efficiency Actions during the current financial year:

We have an ongoing project to gradually replace all existing lighting (the traditional lamp tubes) with low energy LEDs to reduce energy usage. We have replaced old air-conditioning systems with newer more energy efficient models and during refurbishments to sections of our buildings, further insulation has been installed in ceilings and roofs. We have recently launched a new electric vehicle leasing scheme for Open GI employees to run alongside the already installed charge points and a cycle shelter was installed at our Winchester office to encourage cycling in to work.

Financial instruments

The Company's principal financial instruments comprise loans from Group companies.

Results and dividends

The results for the year are set out in the profit and loss account on page 12.

The profit for the financial year of £256,000 (2021: profit of £3,349,000) has been transferred to reserves.

The directors do not recommend the payment of a dividend. (2021: £Nil).

Disclosure of information to the auditors

Each director has taken steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information. The directors confirm that there is no relevant information that they know of and of which they know the auditor is unaware.

Going concern

The directors continue to adopt the going concern basis in preparing the financial statements, as set out in the Going Concern section of the Basis of Preparation note in Note 1 of these financial statements.

Open International Limited

Directors' report *(continued)*

Auditor

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be re-appointed and KPMG LLP will therefore continue in office,

Approved by the Board on 3 November 2022 and signed on its behalf by:



C P Ralph
Director

Buckholt Drive,
Warndon,
Worcester,
WR4 9SR

Open International Limited

Statement of directors' responsibilities in respect of the Directors' report and the financial statements

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 101 *Reduced Disclosure Framework*.

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

- select suitable accounting policies and then apply them consistently;
- make judgements and 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;
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

KPMG LLP

One Snowhill
Snow Hill Queensway
Birmingham
B4 6GH
United Kingdom

Independent auditor's report to the members of Open International Limited

Opinion

We have audited the financial statements of Open International Limited ("the company") for the year ended 31 May 2022 which comprise the Profit and Loss Account and Other Comprehensive Income, Balance Sheet, Statement of Changes in Equity and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 May 2022 and of its profit for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 101 *Reduced Disclosure Framework*; 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 are described below. We have fulfilled our ethical responsibilities under, and are independent of the company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the company or to cease its operations, and as they have concluded that the company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

In our evaluation of the directors' conclusions, we considered the inherent risks to the company's business model and analysed how those risks might affect the company's financial resources or ability to continue operations over the going concern period.

Our conclusions based on this work:

- we consider that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- we have not identified, and concur with the directors' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for the going concern period.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the company will continue in operation.

Fraud and breaches of laws and regulations – ability to detect

Identifying and responding to risks of material misstatement due to fraud

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

Independent auditor's report to the members of Open International Limited *(continued)*

Fraud and breaches of laws and regulations – ability to detect *(continued)*

Identifying and responding to risks of material misstatement due to fraud (continued)

- Enquiring of directors and inspection of policy documentation as to the Company's high-level policies and procedures to prevent and detect fraud, and the Company's channel for "whistleblowing", as well as whether they have knowledge of any actual, suspected or alleged fraud.
- Reading Board minutes.
- Using analytical procedures to identify any unusual or unexpected relationships.

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.

As required by auditing standards, and taking into account our overall knowledge of the control environment and operations of the company, we perform procedures to address the risk of management override of controls, in particular the risk that management may be in a position to make inappropriate accounting entries. On this audit we do not believe there is a fraud risk related to revenue recognition because the company is a non-trading intermediary holding company.

We did not identify any additional fraud risks.

We performed procedures including identifying journal entries to test based on risk criteria and comparing the identified entries to supporting documentation. These included those posted to unusual account combinations.

Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience and through discussion with the directors (as required by auditing standards), and discussed with the directors the policies and procedures regarding compliance with laws and regulations.

The company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies legislation), and taxation legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items. This company, as a holding company, is not subject to other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements.

Context of the ability of the audit to detect fraud or breaches of law or regulation

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

Directors' report

The directors are responsible for the directors' report. Our opinion on the financial statements does not cover that report and we do not express an audit opinion thereon.

Our responsibility is to read the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the directors' report;
- in our opinion the information given in that report for the financial year is consistent with the financial statements; and
- in our opinion that report has been prepared in accordance with the Companies Act 2006.

Independent auditor's report to the members of Open International Limited (continued)

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report to you if, in our opinion:

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

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in their statement set out on page 8, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; 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 they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

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.

M Usman

Muhammad Usman (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
KPMG LLP
One Snowhill
Snow Hill Queensway
Birmingham
B4 6GH

4 November 2022

Open International Limited

Profit and Loss Account for the year ended 31 May 2022

	<i>Note</i>	2022 £000	2021 £000
Other operating income		198	198
Administrative expenses		(20)	(362)
Other income		-	3,361
		<hr/>	<hr/>
Operating profit before tax	2	178	3,197
Tax on profit	4	78	152
		<hr/>	<hr/>
Profit for the year		256	3,349
		<hr/>	<hr/>

The above results were derived from continuing operations.

There are no recognised gains or losses other than those included above and therefore no separate Statement of Other Comprehensive Income has been presented.

The notes on pages 15 to 22 form an integral part of these financial statements.

Open International Limited

Balance Sheet

at 31 May 2022

	Note	2022 £000	2021 £000
Fixed assets			
Investment property	5	2,073	2,092
Investments	6	173,595	173,595
		<u>175,668</u>	<u>175,687</u>
Current assets			
Debtors	7	4,785	4,750
Creditors: Amounts falling due within one year	8	(176,560)	(176,800)
Net current liabilities		<u>(171,775)</u>	<u>(172,050)</u>
Net assets		<u>3,893</u>	<u>3,637</u>
Capital and reserves			
Called up share capital	9	-	-
Profit and loss account		3,893	3,637
Shareholders' funds		<u>3,893</u>	<u>3,637</u>

The notes on pages 15 to 22 form an integral part of these financial statements.

These financial statements were approved by the Board on 3 November 2022 and were signed on its behalf by:



C P Ralph
Director

Company registered number: 05716519

Open International Limited

Statement of Changes in Equity *for the year ended 31 May 2022*

	Called up share capital £000	Profit and loss account £000	Total £000
At 1 June 2020	-	288	288
Profit for the year	-	3,349	3,349
	<hr/>	<hr/>	<hr/>
At 31 May 2021	-	3,637	3,637
	<hr/>	<hr/>	<hr/>
At 1 June 2021	-	3,637	3,637
Profit for the year	-	256	256
	<hr/>	<hr/>	<hr/>
At 31 May 2022	-	3,893	3,893
	<hr/>	<hr/>	<hr/>

The notes on pages 15 to 22 form an integral part of these financial statements.

Open International Limited

Notes

(forming part of the financial statements)

1 Accounting Policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Basis of preparation

The Company is exempt by virtue of s400 of the Companies Act 2006 from the requirement to prepare group financial statements. These financial statements present information about the Company as an individual undertaking and not about its Group.

These financial statements were prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework ("FRS 101").

In preparing these financial statements, the Company applied the recognition, measurement and disclosure requirements of International Accounting Standards in conformity with the requirements of the Companies Act 2006 ("Adopted IFRSs"), but makes amendments where necessary in order to comply with Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

The Company's ultimate parent undertaking, OM Topco Limited includes the Company in its consolidated financial statements. The consolidated financial statements of OM Topco Limited are prepared in accordance with International Financial Reporting Standards and are available to the public and may be obtained from the Company's registered address at PO Box 186, Royal Chambers, St. Julian's Avenue, St Peter Port, Guernsey, GY1 4HP.

In these financial statements, the Company has applied the exemptions available under FRS 101 in respect of the following disclosures:

- A Cash Flow Statement and related notes;
- Comparative period reconciliations for share capital;
- Disclosures in respect of transactions with wholly owned subsidiaries;
- Disclosures in respect of capital management;
- The effects of new but not yet effective IFRSs;
- Disclosure in respect of the compensation of key management personnel; and
- Disclosure of transactions with a management entity that provides key management personnel services to the company.

As the consolidated financial statements of OM Topco Limited include the equivalent disclosures, the Company has also taken the exemptions under FRS 101 available in respect of the following disclosures:

- Certain disclosures required by IFRS 13 Fair Value Measurement and the disclosures required by IFRS 7 Financial Instrument Disclosures.

The Company proposes to continue to adopt the reduced disclosure framework of FRS 101 in its next financial statements.

Judgements made by directors, in the application of these accounting policies that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in note 13.

Open International Limited

Notes (continued)

1 Accounting policies (continued)

Going concern

The Company is part of OM Topco Limited Group ("the Group"). The Company is a holding company and its operations are funded by the loans provided by other group companies. The Company's ability to operate as a going concern is directly linked to the Group's position.

The directors of OM Topco Limited have prepared detailed financial forecasts for the Group for a period not less than 12 months from the date of their approval of the Company's financial statements. The directors acknowledge that as with any forecasting, there is a degree of uncertainty as to the assumptions underlying the projections. They have been prepared with due consideration to the economic environment and to risks regarding the timing and extent of cash flows. The forecasts include sensitivities which in the Directors' opinion are reflective of plausible downside scenarios, and give due consideration to the anticipated impact that this would have on both the liquidity of the business as well as the covenants compliance. These forecasts show that the Group is capable of operating within the available bank facilities and of meeting the financial covenant tests so as to enable the Group to meet its liabilities as they fall due for a period of at least 12 months from the date of the Company's financial statements.

OM Topco Limited has indicated its intention to continue to make available such funds as are needed by the Company and not seek repayment of the amounts currently made available for at least 12 months from the date of approval of the Company's financial statements. This should enable the Company to continue in operational existence for 12 months from the date of approval of these financial statements.

As with any company placing reliance on other group entities for financial support, the Directors acknowledge that there can be no certainty that this support will continue although at the date of approval of these financial statements, they have no reason to believe that it will not do so.

The Directors are confident that the Company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

Turnover

On transition, the Group applied IFRS 15 retrospectively with the cumulative effect of adopting application of the standard from the date of initial application.

Tax

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity, in which case it is recognised directly in equity.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: the initial recognition of goodwill; the initial recognition of assets or liabilities that affect neither accounting nor taxable profit other than in a business combination, and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised.

Investment property

Investment properties are properties which are held either to earn rental income or for capital appreciation or both. Investment properties are stated at cost less accumulated depreciation. The Company rents its property to other group companies.

Open International Limited

Notes (continued)

1 Accounting policies (continued)

Investments

Investments in subsidiaries are carried at cost less impairment.

Trade and other debtors

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business. If collection is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade receivables is established when there is objective evidence the company will not be able to collect all amounts due according to the original terms of the receivables.

Trade and other creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest.

Leases

On transition, the Group applied IFRS 16 using the modified retrospective approach.

Share Capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

2 Expenses and auditor's remuneration

Arrived at after charging / (crediting):

	2022 £000	2021 £000
Depreciation of property	-	19
Rent receivable from group undertakings	(198)	(198)
Exceptional expenses	-	334
Exceptional income	-	(3,361)
	<hr/>	<hr/>

The audit and taxation fees for the year ended 31 May 2022 and the preceding financial year were borne by Open GI Limited, a fellow group undertaking.

Exceptional items

The exceptional expenses and income comprise the following:

		2022 £000	2021 £000
<i>Exceptional expenses</i>			
Acquisition costs	One-time costs related to acquisitions	-	334
<i>Exceptional income</i>			
Contract negotiations	Income related to PIK notes cancelled	-	(3,361)

Open International Limited

Notes (continued)

3 Staff costs

There were no employees during the year other than the directors. The directors received no remuneration for their qualifying services during the year (2021: £Nil).

4 Corporation tax

Tax credit in the profit and loss account.

	2022 £000	2021 £000
Current taxation		
UK corporation tax	(74)	(152)
UK corporation tax adjustment to prior periods	(4)	-
	<hr/>	<hr/>
Total credit in the profit and loss account	(78)	(152)
	<hr/>	<hr/>

The effective tax rate on profit before tax for the year is lower (2021: lower) than the standard rate of corporation tax in the UK of 19% (2021: 19%).

The differences are reconciled below:

	2022 £000	2021 £000
Profit before tax	178	3,197
	<hr/>	<hr/>
Corporation tax at 19% (2021: 19%)	34	607
Adjustments in respect of prior periods	(4)	-
Non-deductible expenditure	0	64
Transfer pricing adjustments	(111)	(188)
Fixed asset differences	3	4
Income not deductible for tax purposes	0	(639)
	<hr/>	<hr/>
Total tax credit	(78)	(152)
	<hr/>	<hr/>

Factors that may affect future current and total tax charges

An increase in the UK corporation tax rate from 19% to 25% (effective 1 April 2023) was substantively enacted on 24 May 2021. This will increase the company's future current tax charge accordingly. The deferred tax liability at 31 May 2022 has been calculated based on these rates, reflecting the expected timing of reversal of the related temporary differences (2021: 19%).

Open International Limited

Notes (continued)

5 Investment property

	Investment property £000
Cost	
At 1 June 2021	2,366
At 31 May 2022	2,366
Depreciation	
At 1 June 2021	(274)
Charge for the year	(19)
At 31 May 2022	(293)
Carrying amount	
At 31 May 2022	2,073
At 31 May 2021	2,092
Amount recognised in the profit and loss	
	<div>2022</div> <div>2021</div> <div>£000</div> <div>£000</div>
Rental income	<div>198</div> <div>198</div>

The rental income is included in 'other operating income'.

This relates to a property stated at cost less accumulated depreciation. The above property is leased out to wholly owned subsidiaries.

The carrying amount above includes non-depreciable land of £1,421,000 (2021: £1,421,000). The estimated value of the land and building as at 31 May 2022 is £3 million (2021: £3 million).

6 Fixed asset investments

	Shares in subsidiary undertakings
Cost	
At beginning and end of year	173,595

Open International Limited

Notes (continued)

6 Fixed asset investments (continued)

Company	Principal activity	Registered office location	Shareholding	
			2022	2021
Open GI Limited*	Software & related systems	England & Wales	100%	100%
Open GI Limited*	Software & related systems	Republic of Ireland	100%	100%
Open GI London Limited	Software & related systems	England & Wales	100%	100%
Powerplace Insurance Services Limited*	Commercial lines e-trading facility	England & Wales	100%	100%
Blue Fire Communications Limited*	Telecommunications provider	England & Wales	100%	100%
Penta Group plc	Dormant	England & Wales	100%	100%
Open: I Limited	Dormant	England & Wales	100%	100%
Open Power Limited	Dormant	England & Wales	100%	100%
Open Insurance Management Limited	Dormant	England & Wales	100%	100%
Penta Insurance Systems Limited	Non-trading	England & Wales	100%	100%
Penta Technologies Limited	Non-trading	England & Wales	100%	100%
Greenwich Insurance Services Limited	Non-trading	England & Wales	100%	100%
Greenwich Acquisition Co Limited	Non-trading	England & Wales	100%	100%
Open Life (UK) Limited	Non-trading	England & Wales	100%	100%
Consolidated Telecommunications Limited	Non-trading	England & Wales	100%	100%
ACT Insurance Systems Limited*	Dormant	England & Wales	100%	100%
Greenwich Financial Systems Limited	Non-trading	England & Wales	100%	100%
Transactor Global Solutions Limited*	Software & related systems	England & Wales	100%	100%
Transactor London Market Limited	Software & related systems	England & Wales	100%	100%
Theinsurercloud.com Limited	Software & related systems	England & Wales	100%	100%
Theclaimscloud.com Limited	Software & related systems	England & Wales	100%	100%
Transactor Poland sp.z.o.o	Software & related systems	Poland	100%	100%
Open GI Group LLC Skopje	Software & related systems	Macedonia	100%	100%
Transactor London Market and Overseas Holdings Limited	Holding company	England & Wales	100%	100%
i-WH Newco 1 Limited*	Holding company	England & Wales	100%	100%
MLP Newco 1 Limited*	Software and related systems	England & Wales	70%	70%
MLP Newco BV	Software and related systems	Netherlands	70%	70%

*indicates direct investment of the Company

The above companies are registered at Open GI Limited, Buckholt Drive, Warndon, Worcester, WR4 9SR with the exception to the following:

Open GI Limited (Ireland) registered at 25-28 North Wall Quay, Dublin 1.

Transactor Poland sp.z.o.o registered at ul. prof. Michala Zyczkowskiego 14, Krakow 31-864, Poland.

Open GI Group LLC Skopje registered at Str. 23 Oktomvri 11A, 1000, Skopje, Macedonia.

MLP Newco BV registered at Science Park 608, Startup Village, Unit B.02, 1098XH, Amsterdam, Netherlands.

7 Trade and other debtors

	2022	2021
	£000	£000
Amounts owed by group undertakings	4,785	4,750

Amounts owed by group undertakings are unsecured, repayable on demand and interest free.

Open International Limited

Notes (continued)

8 Creditors: amounts falling due within one year

	2022 £000	2021 £000
Amounts owed to group undertakings	176,560	176,800
	<u>176,560</u>	<u>176,800</u>

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

9 Share capital

Allotted, called up and fully paid shares

	2022 Number	2022 £	2021 Number	2021 £
Ordinary shares of £1 each	1	1	1	1
	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>

10 Capital commitments

The Company had no capital commitments, nor any commitments under non-cancellable operating leases at 31 May 2022 (2021: £Nil).

11 Guarantees

The Company is a cross-guarantor under a funding agreement between the sponsoring bank and OM Midco Limited, an intermediate holding company which, at 31 May 2022, amounted to £346 million (2020: £330 million).

12 Related party transactions

As disclosed in note 1, the Company has applied the exemption under FRS 101 and has not disclosed any related party transactions with wholly owned subsidiaries within the Group.

There were no related party transactions requiring disclosure during the period to 31 May 2022 (2021: none).

13 Accounting estimates and judgements

The preparation of the financial statements in conformity with generally accepted accounting principles requires the directors to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. actual results in the future could differ from those estimates. in this regard, the Directors believe the following critical accounting policy is where judgements or estimations have been necessarily applied.

Carrying value of investments

The Company continually assesses investments for impairment whenever events or changes in circumstances indicate that the carrying value of an investment may not be recoverable. if any such indication of impairment exists, the Company makes an estimate of the recoverable amount. if the recoverable amount of the cash-generating unit is less than the value of the investment, the investment is considered to be impaired and has written down to its recoverable amount. An impairment loss is recognised immediately in the profit and loss account.

Open International Limited

Notes *(continued)*

14 Ultimate parent company and controlling party

The Company's ultimate parent company is OM Topco Limited, a company incorporated in Guernsey.

The results of the Company are consolidated within the group headed by OM Topco Limited. Copies of the Group financial statements, incorporating those of the Company, are available from the Company's registered address at OM Topco Limited, PO Box 186, Royal Chambers, St. Julian's Avenue, St. Peter Port, Guernsey GY1 4HP.

The Company's ultimate controlling party is Montagu Private Equity LLP.