

Registered number: 02814431

**Adare Sec Limited**

**Annual report and financial statements**

**For the period ended 31 March 2022**

## **Adare Sec Limited**

### **Company Information**

#### **Directors**

C A P Dickson  
S C Johnson (appointed 1 November 2021)  
T G Prestwich  
H J Savage (appointed 1 November 2021)  
A J Strong (appointed 1 November 2021)  
A D Herd (appointed 30 June 2022)

#### **Company secretary**

S J Ghysen

#### **Registered number**

02814431

#### **Registered office**

133 Scudamore Road  
Braunstone Frith Industrial Estate  
Leicester  
Leicestershire  
LE3 1UQ

#### **Independent auditors**

Kreston Reeves LLP  
Chartered Accountants & Statutory Auditor  
37 St Margaret's Street  
Canterbury  
Kent  
CT1 2TU

#### **Bankers**

Bank of Scotland Plc  
The Mound  
Edinburgh  
EH1 1YZ

HSBC Bank plc  
33 Park Row  
Leeds  
LS1 1LD

#### **Solicitors**

Pinsent Masons LLP  
3 Colmore Circus  
Birmingham  
B4 6BH

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**Strategic report**

**For the period ended 31 March 2022**

**Introduction**

On 1st November 2021 Adare SEC Limited was acquired by Opus Trust Marketing Limited. Opus Trust operates within broadly the same business sectors as Adare SEC and has the same values, culture and focus on client-centricity creating a group with turnover in excess of £110m and over 500 employees across four sites.

Prior to the sale of the company to Opus Trust the seller, Adare SEC Holdings Limited, undertook a reorganisation of the balance sheet settling amounts due to other companies in the previous group including a sale and lease back of the primary trading premises in Huddersfield. Following the acquisition Opus Trust invested £8m in new share capital and aligned the account reference date with the group resulting in a 17 month reporting period to 31 March 2022.

**Business review**

Adare SEC is an integrated business services company with a commitment to drive value for our clients and sustainable profit improvement, through the provision of increasingly digitally enabled solutions for all sectors of the transactional communications market.

Adare SEC continues to enhance its provision of increasingly digitally enabled solutions for all sectors of the transactional communications market and guides its clients through their digital transformation journey. During this year Adare SEC has taken global presidency of Quadient's Digital NOW programme which develops digital workflow solutions for a range of clients, improving Customer Experience and reducing communications costs for them.

The Opus Trust Marketing group of companies that Adare SEC is now part of, has undertaken a consolidation of the brands in its portfolio and now focusses all the companies in the group on trading as Adare SEC. The directors believe this is the strongest brand and leverages the previous investment in the Adare SEC branding and marketing collateral. Following this decision, the directors have refreshed their vision statement to Reimagining Customer Communication.

Despite continuing to navigate the effects of COVID through much of this fiscal period the company has delivered a strong set of results.

The 17 month period to 31 March 2022 has seen revenue grow from £58.6m to £93.6m however difficult trading conditions through the Covid period saw the company make an Operating Loss of £0.8m compared to a profit of £0.25m for the previous year. The acquisition of Adare SEC Limited by Opus Trust has also led to significant synergy cost savings being implemented to create a stronger combined business. Despite strong performance from the Nottingham site, the directors made the difficult decision to close it and move most of the work to the Huddersfield site. Exceptional Costs of £2.7m in the period include the restructure costs incurred to substantially lower future operating costs. The progress of the company and the group can be seen in the excellent result for the 6 months to 30 September 2022 however the financial impact of the closure of the Nottingham site will flow into Operating Profit in the second half of the new financial year:

**Strategic report (continued)**  
**For the period ended 31 March 2022**

**6 months to 30 September 2022**

	<b>H1 FY 23</b>	<b>H1 Prior year</b>
	<b>£000</b>	<b>£000</b>
Revenue	<b>36,214</b>	35,475
Gross margin	<b>7,973</b>	7,499
Operating profit before exceptionals	<b>609</b>	175
EBITDA	<b>1,817</b>	1,382

The results for the first half of the new fiscal year demonstrate the benefit of bringing the two organisations together, particularly as the companies have similar cultures which has assisted in the integration of the businesses. We will continue with our focus on delivering the best results for our clients and the level of service and customer interaction has been a major contributor to the success the company and the group pre and post-acquisition. The results for the business for the 6 months to 30 September 2022, when consolidated with the parent company and it's group, demonstrated the progress made with revenue £1.1m higher at £58.1m and Operating Profit before Exceptionals £0.7m higher at £1.3m on a like for like basis.

**Principal risks and uncertainties**

*Competitive and pricing risks*

The business-critical mailing activity is exposed to significant competitive and pricing risks which affect the ability to renew contracts and also win new work. The business manages these risks by ensuring that it is both competitive in terms of cost and leading edge in terms of technology products and solutions that it offers. It has very long-term relationships with customers and suppliers and a strong experienced management team.

*Credit risk*

Trade debtors are managed in respect of credit and cash flow risk by policies concerning the credit offered to customers and the regular monitoring of both time and credit limits.

*Liquidity risk*

Liquidity is managed through forecasting of future cash flow requirements for the business and maintaining sufficient cash balances to support the operations.

*Economic risk*

The group is subject to many of the same general economic risks faced by other businesses in the sector. The group seeks to mitigate these risks by having a diverse customer base together with robust forecasting and planning. Currently the group is managing the economic risks posed by the increased cost of energy through passing the majority of it on as a surcharge to clients, and through a programme to reduce usage of both gas and electricity.

The company continues to make significant investment in cyber security.

**Financial key performance indicators**

The directors regularly review and analyse a balanced scorecard of KPIs in order to assess and measure the company's performance and its financial position. These include turnover, profit margins, balance sheet indicators and cash flow.

**Strategic report (continued)**  
**For the period ended 31 March 2022**

**Future**

The forward view includes expansion of our service lines and continuing to adhere to our digital product roadmap. Once launched we are committed to the development, upgrade and maintenance of our products. We will also continue our investment into state-of-the-art printing and enclosing equipment and into our technology infrastructure which will include greater interoperability across our four sites.

Future market conditions remain highly competitive and will continue to be challenging in the medium-term. Consolidation of service providers continues but this activity also continues to create further opportunities for the company.

The company is well positioned to maintain our positive progress with increasing demand for our omnichannel customer communication solutions, which play a key role in helping our clients deliver on their digital transformational and mission critical business objectives.

Our focus remains on delivering true customer intimacy, by gaining a deep understanding of our clients' businesses, identifying our clients' unique needs, and delivering sustainable robust and regulatory compliant solutions.

We continue to invest in new solutions, products and services to support the needs of our existing and new clients, successfully combined with production facilities that can meet the growing capacity requirements. We also continue to invest in our people who make the key difference in our business providing the energy and drive to meet the challenges we face moving forward.

We are well positioned to benefit positively from the changes in our market and have built a strong and capable business to meet the fast-changing needs of our clients. I would like to thank our employees for their continued hard work and dedication to making this company such a growing success.

**Strategic report (continued)**  
**For the period ended 31 March 2022**

**Companies Act, s172 Statement**

The Directors of the Company are confident that the strategy they have set for the Company promotes the long term success for the benefit of the Company's stakeholders. The Board has determined a number of measures of success central to the success of our strategy and these key policies include:

*People*

The Directors regard engaging with employees as a key focus and seek to drive increased employee engagement with effective two-way communication to retain and attract the best talent. The Directors aim to attract, nurture and develop an inclusive and diverse workforce as a Real Living Wage Employer.

*Clients*

The company's relationships with clients both large and small are critical to its long-term success. Client intimacy is a key objective across all areas of the business to improve our service and product offering.

The Directors believe the company's size, technology and well recognised brand allows it to be adaptable to client needs and has earned its clients' trust to deliver on service levels across all our products and services.

*Shareholders*

Representatives of the company's shareholders attend monthly Board meetings and presentations are made to its shareholders at least twice a year, the Directors believe this ensures they are kept informed of the key commercial activities and decisions.

*Community and Environment*

The Directors are committed to ensuring the company continues to operate to a high standard of responsible and sustainable practice, working continually to raise expectations internally and through our supply chain. The Directors seek to continuously lower environmental impact through Greenhouse Gas emissions, trade with those who comply with an Ethical Code and seek to improve social outcome in the geographical areas we work within.

The company has been awarded an EcoVadis Gold rating.

*Business conduct*

The Directors are committed to conducting the business ethically, with honesty and integrity, ensuring compliance with all relevant laws and regulations and do not tolerate any form of bribery, corruption or other unethical business conduct.

Relevant policies and procedures include Anti-Bribery, Whistleblowing policy, Modern Slavery and Equal Opportunities policies.

This report was approved by the board on 22 December 2022 and signed on its behalf.

**A J Strong**  
Director

**Directors' report**

**For the period ended 31 March 2022**

The directors present their report and the financial statements for the period ended 31 March 2022.

**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 judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 loss for the period, after taxation, amounted to £2,877,000 (2020 - loss £1,540,000).

During the period ended 31 March 2022, the company declared a dividend of £48,204,391.

**Directors**

The directors who served during the period were:

C A P Dickson  
S C Johnson (appointed 1 November 2021)  
T G Prestwich  
H J Savage (appointed 1 November 2021)  
A J Strong (appointed 1 November 2021)  
P C De Haan (appointed 1 November 2021, resigned 30 March 2022)  
R R Nevins (resigned 1 November 2021)  
A Rowan (appointed 30 June 2022, resigned 1 December 2022)

**Future developments**

For information regarding the future developments of the group please see the Strategic Report.



**Directors' report (continued)**  
**For the period ended 31 March 2022**

**Engagement with employees**

The directors give special attention to the health and safety of their employees and endeavour to ensure that as far as possible applications for employment, training and career development and promotion of disable persons is the same as other employees. Should employees become disable, every effort is made to ensure that their employment continues and appropriate retaining is provided. Consultation with employees and good industrial relations are actively promoted through comprehensive and agreed procedures included:

- Regular newsletters
- Regular team briefs
- Notice boards
- Regular meetings with the union
- Annual appraisals

These help achieve common awareness of employees in relation to financial and economic factors that affect the performance of the company.

Meetings with the union and team briefings ensure that employees' views can be taken into account in making decisions that are likely to affect their interests.

**Engagement with suppliers, customers and others**

For information regarding the engagement with suppliers, customers and others please see the s172 statement.

**Directors' report (continued)**  
**For the period ended 31 March 2022**

**Streamlined energy and carbon reporting (SECR)**

The company has appointed CarbonQuota to independently assure the accuracy, completeness and consistency of energy use, greenhouse gas (GHG) emissions data and energy efficiency action.

The operational boundaries of this study comprise the scope 1 GHG emissions associated with combustion of gas and fuel for transport, scope 2 GHG emission associated with purchased electricity and scope 3 GHG emissions associated with business travel in rental vehicles and employee-owned vehicles. All other scope 1, 2 and 3 GHG emissions were excluded as permitted under SECR requirements for unquoted companies.

*Methodology*

In carrying out carbon footprint calculations, CarbonQuota has followed the requirements of the UK Government's SECR Guidelines and the general principles of the Greenhouse Gas Protocol (Corporate Standard), with further guidance from the Greenhouse Gas Protocol (Corporate Value Chain Accounting and Reporting Standard).

Within the organisational boundaries, a consistent approach was used to quantify and to document GHG emissions and removals by completing, as applicable, the following steps:

1. Identification of GHG sources and sinks
2. Selections of quantification methods
3. Selection and collection of GHG activity data
4. Selection or development of GHG emission or removal factors
5. Calculation of GHG emissions and removals

The underlying primary data used to calculate the carbon and energy footprints included utility company bills, supplier invoices and employee expense claims.

All IPCC 2007 GHGs were considered in the calculation of this organisational carbon footprint, which were converted to carbon dioxide equivalents (CO<sub>2</sub>e) using 2007 IPCC Global Warming Potentials (GWPs). Whilst more recent IPCC GWPs are available, the latest version of the main source of secondary data used in this study (i.e. Defra) currently uses IPCC 2007 GWPs.

The calculations were assured on behalf of CarbonQuota by Dr Matt Fishwick who found no evidence to suggest that they were not a fair representation of the GHG data and information.

**Directors' report (continued)**  
**For the period ended 31 March 2022**

Results	12 months to 31 March 2022		12 months to 31 March 2021	
	GHG	Energy	GHG	Energy
	emissions tCO <sub>2</sub> e	kWh	emissions tCO <sub>2</sub> e	kWh
Combustion of gas (scope 1)	98.31	534,670	115.40	627,597
Combustion of fuel oil for heating (scope 1)	354.08	1,322,567	366.28	1,368,163
Combustion of fuel for transport (scope 1)	33.76	140,280	25.62	106,484
Purchased electricity, location-based (scope 2)	1,207.04	5,177,327	1,322.23	5,391,571
Business travel in rental cars or employee-owned vehicles where company is responsible for purchasing the fuel (Scope 3)	75.61	314,183	79.32	329,605
Total	1,768.79	7,489,027	1,908.85	7,823,420

  

Intensity ratios	12 months to 31 March 2022		12 months to 31 March 2021	
	GHG	Energy	GHG	Energy
	emissions tCO <sub>2</sub> e	kWh	emissions tCO <sub>2</sub> e	kWh
Per FTE	4.91	20,772	4.87	19,953
Per £ million turnover	26.81	113,527	35.96	147,376
Per tonne of purchased paper	0.301	1,276	0.321	1,316

**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, Kreston Reeves LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 22 December 2022 and signed on its behalf.

A J Strong  
Director

**Independent auditors' report to the members of Adare Sec Limited**

**Opinion**

We have audited the financial statements of Adare Sec Limited (the 'Company') for the period ended 31 March 2022, which comprise the Statement of comprehensive income, 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 March 2022 and of its loss for the period 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.

**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.

**Independent auditors' report to the members of Adare Sec Limited (continued)**

**Opinion on other matters prescribed by the Companies Act 2006**

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

- the information given in the Strategic report and the Directors' report for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic report and the Directors' report have been prepared in accordance with applicable legal requirements.

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

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic report or the Directors' report.

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

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

**Responsibilities of directors**

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

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

## Independent auditors' report to the members of Adare Sec 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:

#### *Capability of the audit in detecting irregularities, including fraud*

Based on our understanding of the company and industry, and through discussion with the directors and other management (as required by auditing standards), we identified that the principal risks of non-compliance with laws and regulations related to health and safety, anti-bribery and employment law. We considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006, Statement of Recommended Practice, taxation and pension legislation. We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries to increase revenue or reduce expenditure, management bias in accounting estimates and judgemental areas of the financial statements. Audit procedures performed by the engagement team included:

- Discussions with management and assessment of known or suspected instances of non-compliance with laws and regulations (including health and safety) and fraud; and
- Assessment of identified fraud risk factors; and
- Discussions with appropriate personnel to gain further insight into the control systems implemented, and the risk of irregularity; and
- Challenging assumptions and judgements made by management in its significant accounting estimates; and
- Performing analytical procedures to identify any unusual or unexpected relationships, including related party transactions, that may indicate risks of material misstatement due to fraud; and
- Confirmation of related parties with management, and review of transactions throughout the period to identify any previously undisclosed transactions with related parties outside the normal course of business; and
- Performing analytical procedures with automated data analytics tools to identify any unusual or unexpected relationships, including related party transactions, that may indicate risks of material misstatement due to fraud; and
- Reading minutes of meetings of those charged with governance; and
- Review of significant and unusual transactions and evaluation of the underlying financial rationale supporting the transactions; and
- Identifying and testing journal entries, in particular any manual entries made at the year end for financial statement preparation.

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.

**Independent auditors' report to the members of Adare Sec Limited (continued)**

As part of an audit in accordance with ISAs (UK), we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion of the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our Auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our Auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

**Use of our report**

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an Auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Peter Manser FCA DChA (Senior statutory auditor)

for and on behalf of

**Kreston Reeves LLP**

Chartered Accountants

Statutory Auditor

Canterbury

23 December 2022

**Statement of comprehensive income**  
**For the period ended 31 March 2022**

		<b>17 months ended 31 March 2022 £000</b>	<b>12 months ended 31 October 2020 £000</b>
	<b>Note</b>		
Turnover	4	<b>93,589</b>	58,573
Cost of sales		<b>(65,588)</b>	(39,673)
<b>Gross profit</b>		<b>28,001</b>	18,900
Distribution costs		<b>(1,967)</b>	(1,234)
Administrative expenses		<b>(27,004)</b>	(17,915)
Other operating income		<b>264</b>	499
Other operating charges		<b>(76)</b>	-
<b>Operating (loss)/profit</b>	6	<b>(782)</b>	250
Exceptional administrative expenses		<b>(2,677)</b>	(1,756)
<b>Total operating loss</b>		<b>(3,459)</b>	(1,506)
Profit/(loss) on disposal of tangible fixed assets		-	385
Interest payable and similar expenses	10	<b>(846)</b>	(437)
Other finance income		<b>75</b>	7
<b>Loss before tax</b>		<b>(4,230)</b>	(1,551)
Tax on loss	12	<b>1,353</b>	11
<b>Loss for the financial period</b>		<b>(2,877)</b>	(1,540)
<b>Other comprehensive income for the period</b>			
Actuarial gains on defined benefit pension scheme		<b>315</b>	497
Movement of deferred tax relating to pension (deficit)/surplus		-	(11)
<b>Other comprehensive income for the period</b>		<b>315</b>	486
<b>Total comprehensive income for the period</b>		<b>(2,562)</b>	(1,054)

The notes on pages 17 to 41 form part of these financial statements.



**Balance sheet**  
**As at 31 March 2022**

	<b>Note</b>	<b>31 March 2022 £000</b>	<b>31 October 2020 £000</b>
<b>Fixed assets</b>			
Intangible assets	15	114	275
Tangible assets	16	6,976	9,420
		<u>7,090</u>	<u>9,695</u>
<b>Current assets</b>			
Stocks	17	1,916	1,969
Debtors: amounts falling due after more than one year	18	2,122	930
Debtors: amounts falling due within one year	18	22,384	57,979
Cash at bank and in hand	19	279	3,484
		<u>26,701</u>	<u>64,362</u>
Creditors: amounts falling due within one year	20	(22,409)	(21,670)
<b>Net current assets</b>		<b>4,292</b>	<b>42,692</b>
<b>Total assets excluding pension asset less current liabilities</b>		<b>11,382</b>	<b>52,387</b>
Creditors: amounts falling due after more than one year	21	(4,291)	(4,184)
<b>Provisions for liabilities</b>			
Other provisions	23	(2,613)	(270)
		<u>(2,613)</u>	<u>(270)</u>
Pension asset	27	5,059	1,929
<b>Net assets</b>		<b>9,537</b>	<b>49,862</b>
<b>Capital and reserves</b>			
Called up share capital	24	8,500	-
Other reserves	25	1,941	896
Profit and loss account	25	(904)	48,966
		<u>9,537</u>	<u>49,862</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 22 December 2022.

**A J Strong**  
Director

The notes on pages 17 to 41 form part of these financial statements.

**Statement of changes in equity**  
**For the period ended 31 March 2022**

	Called up share capital	Other reserves	Profit and loss account	Total equity
	£000	£000	£000	£000
At 1 November 2020	-	896	48,966	49,862
<b>Comprehensive income for the period</b>				
Loss for the period	-	-	(2,877)	(2,877)
Actuarial gains on pension scheme	-	-	315	315
<b>Other comprehensive income for the period</b>	-	-	315	315
<b>Total comprehensive income for the period</b>	-	-	(2,562)	(2,562)
Dividends: Equity capital	-	-	(48,204)	(48,204)
Shares issued during the period	8,500	-	-	8,500
Bonus issue	48,396	(896)	(47,500)	-
Capital reduction	(48,396)	1,941	48,396	1,941
<b>Total transactions with owners</b>	8,500	1,045	(47,308)	(37,763)
<b>At 31 March 2022</b>	<b>8,500</b>	<b>1,941</b>	<b>(904)</b>	<b>9,537</b>

The notes on pages 17 to 41 form part of these financial statements.

**Statement of changes in equity**  
**For the period ended 31 October 2020**

	<b>Capital reserve</b>	<b>Profit and loss account</b>	<b>Total equity</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>
At 1 November 2019	896	50,020	50,916
<b>Comprehensive income for the year</b>			
Loss for the year	-	(1,540)	(1,540)
Actuarial gains on pension scheme	-	497	497
Deferred tax movements	-	(11)	(11)
<b>Other comprehensive income for the year</b>	-	486	486
<b>Total transactions with owners</b>	-	-	-
<b>At 31 October 2020</b>	<b>896</b>	<b>48,966</b>	<b>49,862</b>

The notes on pages 17 to 41 form part of these financial statements.

**Notes to the financial statements**  
**For the period ended 31 March 2022**

**1. General information**

Adare Sec Limited is a limited liability company incorporated in England.

The address of the registered office is 133 Scudamore Road, Braunstone Frith Industrial Estate, Leicester, LE3 1UQ.

The registered number is 02814431.

Details of the principal activities of the company are included in the directors' report.

**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 judgement in applying the Company's accounting policies (see note 3).

The company's functional and presentational currency is Pounds Sterling.

The financial statements are presented to the nearest thousand.

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 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Opus Trust Marketing Limited as at 31 March 2022 and these financial statements may be obtained from 133 Scudamore Road, Leicester, LE3 1UQ.

**2.3 Going concern**

The company made a loss before tax of £4,230,000 in the period. The company meets its day to day capital requirements through group support which will continued to be offered for the period of 12 months from the date of signing these accounts. As such this will enable the company to continue for the foreseeable future.

**Notes to the financial statements**  
**For the period ended 31 March 2022**

**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 Statement of comprehensive income within 'finance income or costs'. All other foreign exchange gains and losses are presented in profit or loss within 'other operating income'.

**2.5 Revenue**

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

**Rendering of services**

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

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

**2.6 Exceptional items**

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

**2.7 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.

**Notes to the financial statements**  
**For the period ended 31 March 2022**

**2. Accounting policies (continued)**

**2.7 Tangible fixed assets (continued)**

Land is not depreciated. Depreciation on other assets 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:

Freehold property	-	2%
Additions to leasehold premises	-	5%
Capital in progress	-	Not depreciated until brought into use
Improvements to freehold land and buildings	-	4% to 10%
Plant, machinery and equipment	-	10% to 30%

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.

**2.8 Intangible assets**

Acquired computer software licences are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortised over their estimated useful lives of three to seven years.

Costs associated with maintaining computer software programmes are recognised as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the company are recognised as intangible assets when the following criteria are met:

- it is technically feasible to complete the software product so that it will be available for use;
- management intends to complete the software product and use or sell it;
- there is an ability to use or sell the software product;
- it can be demonstrated how the software product will generate probable future economic benefits;
- adequate technical, financial and other resources to complete the development and to use or sell the software product are available; and
- the expenditure attributable to the software product during its development can be reliably measured.

Directly attributable costs that are capitalised as part of the software product include the software product include the software development employee costs and an appropriate portion of relevant overheads. Other development expenditures that do not meet these criteria are recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in the subsequent period.

Computer software development costs recognised as assets are amortised over their estimated useful lives, which does not exceed seven years.

**2.9 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.

**Notes to the financial statements**  
**For the period ended 31 March 2022**

**2. Accounting policies (continued)**

**2.10 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.

**2.11 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.

**2.12 Creditors**

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



**Notes to the financial statements**  
**For the period ended 31 March 2022**

**2. Accounting policies (continued)**

**2.13 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 and loans to related parties.

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 Statement of comprehensive income.

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

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.

**2.14 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.

**Notes to the financial statements**  
**For the period ended 31 March 2022**

**2. Accounting policies (continued)**

**2.15 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.

**Defined benefit pension plan**

The Company operates a defined benefit plan for certain employees. A defined benefit plan defines the pension benefit that the employee will receive on retirement, usually dependent upon several factors including but not limited to age, length of service and remuneration. A defined benefit plan is a pension plan that is not a defined contribution plan.

The liability recognised in the Balance sheet in respect of the defined benefit plan is the present value of the defined benefit obligation at the end of the balance sheet date less the fair value of plan assets at the balance sheet date (if any) out of which the obligations are to be settled.

The defined benefit obligation is calculated using the projected unit credit method. Annually the company engages independent actuaries to calculate the obligation. The present value is determined by discounting the estimated future payments using market yields on high quality corporate bonds that are denominated in sterling and that have terms approximating to the estimated period of the future payments ('discount rate').

The fair value of plan assets is measured in accordance with the FRS 102 fair value hierarchy and in accordance with the Company's policy for similarly held assets. This includes the use of appropriate valuation techniques.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to other comprehensive income. These amounts together with the return on plan assets, less amounts included in net interest, are disclosed as 'Remeasurement of net defined benefit liability'.

The cost of the defined benefit plan, recognised in profit or loss as employee costs, except where included in the cost of an asset, comprises:

- a) the increase in net pension benefit liability arising from employee service during the period; and
- b) the cost of plan introductions, benefit changes, curtailments and settlements.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is recognised in profit or loss as a 'finance expense'.

**Notes to the financial statements**  
**For the period ended 31 March 2022**

**2. Accounting policies (continued)**

**2.16 Current and deferred taxation**

The tax expense for the period 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.

**2.17 Operating leases: the Company as lessee**

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

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

**2.18 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 Statement of comprehensive income in the same period as the related expenditure.

**2.19 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.

**2.20 Dividends**

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

**Notes to the financial statements**  
**For the period ended 31 March 2022**

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

The company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

**Lease Commitments**

The company has entered into a range of lease commitments in respect of property, plant and equipment. The classification of these leases as either financial or operating leases requires the directors to consider whether the terms and conditions of each lease are such that the company has acquired the risks and rewards associated with the ownership of the underlying assets.

**Tangible fixed assets**

The company has recognised tangible fixed assets with a carrying value of £6,977,000 (2020: £9,420,000) at the reporting date (see note 16). These assets are stated at their cost less provision for depreciation and impairment. The group's accounting policy sets out the approach to calculating depreciation for immaterial assets acquired. For material assets such as land and buildings the group determines at acquisition reliable estimates for the useful life of the asset, its residual value and decommissioning costs. These estimates are based upon such factors as the expected use of the acquired asset and market conditions. At subsequent reporting dates the directors consider whether there are any factors such as technological advancements or changes in market conditions that indicate a need to reconsider the estimates used.

Where there are indicators that the carrying value of tangible assets may be impaired the company undertakes tests to determine the recoverable amount of assets. These tests require estimates of the fair value of assets less cost to sell and of their value in use. Wherever possible the estimate of the fair value of assets is based upon observable market prices less incremental cost for disposing of the asset. The value in use calculation is based upon a discounted cash flow model, based upon the company's forecasts for the foreseeable future which do not include any restructuring activities that the company is not yet committed to or significant future investments that will enhance the asset's performance. The recoverable amount is most sensitive to the discount rate used for the discounted cash flow model as well expected future cash flows and the growth rate used for extrapolation purposes.

**Impairment of trade receivables**

The company makes an estimate of the recoverable value of trade and other debtors. When assessing impairment of trade and other receivables, management considers factors including the credit rating of the receivable, the ageing profile of receivables and historical experience.

**Defined benefit scheme**

The company has an obligation to pay pension benefits to certain employees. Although the scheme is closed to future accrual, the cost of these benefits and the present value of the obligation depend on a number of factors, including; life expectancy, assets valuation and the discount rate on corporate bonds. Management estimates these factors in determining the net pension obligation in the balance sheet. The assumptions reflect historical experience and current trends.

**Notes to the financial statements**  
**For the period ended 31 March 2022**

**4. Turnover**

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

	<b>17 months ended 31 March 2022 £000</b>	<b>12 months ended 31 October 2020 £000</b>
Sale of goods	<b>87,654</b>	54,764
Services	<b>5,935</b>	3,809
	<b><u>93,589</u></b>	<b><u>58,573</u></b>

Analysis of turnover by country of destination:

	<b>17 months ended 31 March 2022 £000</b>	<b>12 months ended 31 October 2020 £000</b>
United Kingdom	<b>91,372</b>	57,660
Rest of Europe	-	332
Rest of the world	<b>2,217</b>	581
	<b><u>93,589</u></b>	<b><u>58,573</u></b>

**5. Other operating income**

	<b>17 months ended 31 March 2022 £000</b>	<b>12 months ended 31 October 2020 £000</b>
Government grants receivable	<b>264</b>	499
	<b><u>264</u></b>	<b><u>499</u></b>

**6. Operating loss**

The operating loss is stated after charging:

	<b>17 months ended 31 March 2022 £000</b>	<b>12 months ended 31 October 2020 £000</b>
Exchange differences	<b>48</b>	(47)
Other operating lease rentals	<b>625</b>	640
	<b><u>625</u></b>	<b><u>640</u></b>

**Notes to the financial statements**  
**For the period ended 31 March 2022**

**7. Auditors' remuneration**

	<b>17 months ended 31 March 2022 £000</b>	<b>12 months ended 31 October 2020 £000</b>
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	<u><b>29</b></u>	<u><b>77</b></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:

	<b>17 months ended 31 March 2022 £000</b>	<b>12 months ended 31 October 2020 £000</b>
Wages and salaries	<b>19,116</b>	14,227
Social security costs	<b>2,069</b>	1,438
Cost of defined benefit scheme	<b>380</b>	-
Cost of defined contribution scheme	<b>591</b>	401
Compensation for loss of office as employee	<b>-</b>	368
	<u><b>22,156</b></u>	<u><b>16,434</b></u>

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

	<b>17 months ended 31 March 2022 No.</b>	<b>12 months ended 31 October 2020 No.</b>
Production and administration	<u><b>365</b></u>	<u><b>400</b></u>

**Notes to the financial statements**  
**For the period ended 31 March 2022**

**9. Directors' remuneration**

	<b>17 months ended 31 March 2022 £000</b>	12 months ended 31 October 2020 £000
Directors' emoluments	<b>903</b>	678
Company contributions to defined contribution pension schemes	<b>20</b>	18
	<b><u>923</u></b>	<b><u>696</u></b>

During the period retirement benefits were accruing to 2 directors (2020 - 2) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £330,000 (2020 - £266,000).

The value of the Company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £NIL (2020 - £8,000).

**10. Interest payable and similar expenses**

	<b>17 months ended 31 March 2022 £000</b>	12 months ended 31 October 2020 £000
Other loan interest payable	<b>142</b>	133
Finance leases and hire purchase contracts	<b>704</b>	304
	<b><u>846</u></b>	<b><u>437</u></b>

**11. Other finance costs**

	<b>17 months ended 31 March 2022 £000</b>	12 months ended 31 October 2020 £000
Net interest on net defined benefit liability	<b>75</b>	7
	<b><u>75</u></b>	<b><u>7</u></b>

**Notes to the financial statements**  
**For the period ended 31 March 2022**

**12. Taxation**

	<b>17 months ended 31 March 2022 £000</b>	12 months ended 31 October 2020 £000
<b>Corporation tax</b>		
Adjustments in respect of previous periods	<u>21</u>	<u>(11)</u>
	<u>21</u>	<u>(11)</u>
<b>Total current tax</b>	<u><u>21</u></u>	<u><u>(11)</u></u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	<u>(1,374)</u>	<u>-</u>
<b>Total deferred tax</b>	<u><u>(1,374)</u></u>	<u><u>-</u></u>
<b>Taxation on loss on ordinary activities</b>	<u><u>(1,353)</u></u>	<u><u>(11)</u></u>



**Notes to the financial statements**  
**For the period ended 31 March 2022**

**12. Taxation (continued)**

**Factors affecting tax charge for the period/year**

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

	<b>17 months ended 31 March 2022 £000</b>	<b>12 months ended 31 October 2020 £000</b>
Loss on ordinary activities before tax	<u><b>(4,230)</b></u>	<u><b>(1,551)</b></u>
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2020 - 19%)	<b>(804)</b>	<b>(295)</b>
<b>Effects of:</b>		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	<b>877</b>	<b>5</b>
Fixed asset timing differences	<b>(1,736)</b>	<b>34</b>
Amounts relating to other comprehensive income or otherwise transferred	<b>-</b>	<b>(11)</b>
Deferred tax relating to other comprehensive income	<b>-</b>	<b>(11)</b>
Re-measurement of deferred tax - changes in UK tax rate	<b>-</b>	<b>(703)</b>
Movement in deferred tax asset not recognised	<b>-</b>	<b>970</b>
Other differences leading to an increase (decrease) in the tax charge	<b>289</b>	<b>-</b>
Difference relating to prior period	<b>21</b>	<b>-</b>
<b>Total tax charge for the period/year</b>	<u><b>(1,353)</b></u>	<u><b>(11)</b></u>

**Factors that may affect future tax charges**

The company has unutilised losses of approximately £8,110,000 (2020 - £3,201,000) being carried forward for offset against future taxable income. A deferred tax asset has been recognised in respect of these losses which the directors are confident will be utilised within the foreseeable future based upon their projections of the company's future profitability. As a consequence a deferred tax asset of £2,027,000 (2021: £Nil) has been recognised in respect of unutilised losses, which forms part of the total recognised deferred tax asset of £2,348,000 (2020: £974,000).

As part of the Finance Bill 2021, which was substantively enacted on 1 April 2022, the corporation tax main rate is to remain at 19% until 31 March 2023.

Following the end of the accounting period, the UK government have announced that the main rate will increase on 1 April 2023 to 25%, for companies with taxable profits above £250,000. Companies with taxable profits below £50,000 will continue to pay 19% and marginal relief will apply between these thresholds. This change was enacted on 1 April 2022.

Deferred taxes have been measured using rates substantively enacted at the reporting date and reflected in these financial statements.

**Notes to the financial statements**  
**For the period ended 31 March 2022**

**13. Dividends**

	<b>31 March 2022 £000</b>	31 October 2020 £000
Dividend on Ordinary shares	<b>48,204</b>	-
	<b>48,204</b>	-

**14. Exceptional items**

	<b>17 months ended 31 March 2022 £000</b>	12 months ended 31 October 2020 £000
Restructuring and reorganisation costs	<b>2,221</b>	1,296
Other	-	460
Relocation costs	<b>44</b>	-
Costs associated with the sale of the business	<b>412</b>	-
	<b>2,677</b>	1,756

**Notes to the financial statements**  
**For the period ended 31 March 2022**

**15. Intangible assets**

	<b>Computer software £000</b>
<b>Cost</b>	
At 1 November 2020	1,734
Additions	128
At 31 March 2022	<u>1,862</u>
<b>Amortisation</b>	
At 1 November 2020	1,459
Charge for the period on owned assets	289
At 31 March 2022	<u>1,748</u>
<b>Net book value</b>	
At 31 March 2022	<u><u>114</u></u>
<b>At 31 October 2020</b>	<u><u>275</u></u>

**Notes to the financial statements**  
**For the period ended 31 March 2022**

**16. Tangible fixed assets**

	Freehold property £000	Short-term leasehold property £000	Plant and machinery £000	Other fixed assets £000	Total £000
<b>Cost or valuation</b>					
At 1 November 2020	2,860	606	13,848	1,634	18,948
Additions	-	-	3,558	-	3,558
Disposals	(2,860)	-	(3,566)	-	(6,426)
Transfers between classes	-	-	1,509	(1,509)	-
At 31 March 2022	-	606	15,349	125	16,080
<b>Depreciation</b>					
At 1 November 2020	919	228	8,381	-	9,528
Charge for the period on owned assets	26	144	3,910	-	4,080
Disposals	(945)	-	(3,559)	-	(4,504)
At 31 March 2022	-	372	8,732	-	9,104
<b>Net book value</b>					
At 31 March 2022	-	234	6,617	125	6,976
<b>At 31 October 2020</b>	1,940	378	5,468	1,634	9,420

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

	31 March 2022 £000	31 October 2020 £000
Plant and machinery	4,971	3,619
	<u>4,971</u>	<u>3,619</u>

**Notes to the financial statements**  
**For the period ended 31 March 2022**

**17. Stocks**

	<b>31 March 2022 £000</b>	<b>31 October 2020 £000</b>
Raw materials	<b>1,341</b>	1,170
Work in progress	<b>43</b>	179
Finished goods	<b>532</b>	620
	<b><u>1,916</u></b>	<b><u>1,969</u></b>

**18. Debtors**

	<b>31 March 2022 £000</b>	<b>31 October 2020 £000</b>
<b>Due after more than one year</b>		
Deferred tax asset	<b><u>2,122</u></b>	<u>930</u>
<b>Due within one year</b>		
Trade debtors	<b>10,358</b>	6,652
Amounts owed by group undertakings	<b>11,164</b>	51,037
Other debtors	<b>21</b>	-
Prepayments and accrued income	<b>615</b>	246
Deferred taxation	<b>226</b>	44
	<b><u>22,384</u></b>	<b><u>57,979</u></b>

**19. Cash and cash equivalents**

	<b>31 March 2022 £000</b>	<b>31 October 2020 £000</b>
Cash at bank and in hand	<b>279</b>	3,484
	<b><u>279</u></b>	<b><u>3,484</u></b>

**Notes to the financial statements**  
**For the period ended 31 March 2022**

**20. Creditors: Amounts falling due within one year**

	<b>31 March 2022 £000</b>	31 October 2020 £000
Trade creditors	8,108	7,851
Amounts owed to group undertakings	1,350	1,948
Corporation tax	38	-
Other taxation and social security	3,277	3,434
Obligations under finance lease and hire purchase contracts	1,373	1,741
Invoice discounting facility	3,934	3,488
Other creditors	978	294
Accruals and deferred income	3,351	2,914
	<u><b>22,409</b></u>	<u><b>21,670</b></u>

The invoice financing facility of the company are secured by way of a charge over the assets of the company. Interest is payable on the invoice finance facility at a rate of 1.5% above the bank base rate.

**21. Creditors: Amounts falling due after more than one year**

	<b>31 March 2022 £000</b>	31 October 2020 £000
Net obligations under finance leases and hire purchase contracts	4,291	4,184
	<u><b>4,291</b></u>	<u><b>4,184</b></u>

**22. Deferred taxation**

	<b>2022 £000</b>
At beginning of year	974
Charged to profit or loss	1,374
<b>At end of year</b>	<u><b>2,348</b></u>

**Notes to the financial statements**  
**For the period ended 31 March 2022**

**22. Deferred taxation (continued)**

The deferred tax asset is made up as follows:

	<b>31 March 2022 £000</b>	31 October 2020 £000
Accelerated capital allowances	<b>320</b>	1,186
Tax losses carried forward	<b>2,028</b>	-
Other timing differences	-	(212)
	<u><b>2,348</b></u>	<u>974</u>

The deferred tax asset is recognised to the extent that management can foresee its utilisation. Additionally potential assets of £Nil (2020: £5,407,000) related to capital allowances and £Nil (2020: £571,000) in relation to losses have not been recognised on the grounds that their recoverability is uncertain.

**23. Provisions**

	<b>Restructuring £000</b>
At 1 November 2020	<b>270</b>
Charged to profit or loss	<b>2,714</b>
Utilised in period	<b>(370)</b>
	<u><b>2,614</b></u>
<b>At 31 March 2022</b>	

**Notes to the financial statements**  
**For the period ended 31 March 2022**

**24. Share capital**

	<b>31 March</b>	31 October
	<b>2022</b>	2020
	<b>£000</b>	£000
<b>Allotted, called up and fully paid</b>		
42,500,005 (2020 - 2) Ordinary shares of £0.20 each (2020 - £1 each)	<u><b>8,500</b></u>	<u>-</u>

a) On 22 October 2021, 48,396,114 Ordinary shares of £1 each was issued following a bonus issue. This bonus issue utilised £47,500,000 on retained earnings and a capital reduction of other reserves totalling £896,000.

b) On 22 October 2021, a capital reduction was carried out meaning the share capital of the company was reduced from 48,396,114 ordinary shares of £1 each to 48,396,116 ordinary shares of £0.0000000206. This capital reduction generated a distributable reserve of £48,396,115.

c) On 21 January 2022, the company carried out a consolidation of its shares. This consolidation resulted in 48,396,116 ordinary shares of £0.0000000206 each being consolidated into 5 ordinary shares of £0.20.

d) On 21 January 2022, 42,500,000 ordinary shares with a nominal value of £0.20 were allotted for consideration of £8,500,000.

**25. Reserves**

**Other reserves**

Other reserves comprises of the capitalisation of a previous intercompany loan.

**Profit and loss account**

This reserve comprises all current and prior period retained profits and losses after deducting any distributions made to the company's shareholders.

**26. Capital commitments**

At 31 March 2022 the Company had capital commitments as follows:

	<b>31 March</b>	31 October
	<b>2022</b>	2020
	<b>£000</b>	£000
Contracted for but not provided in these financial statements	<u>-</u>	<u>184</u>
	<u><b>-</b></u>	<u><b>184</b></u>



**Notes to the financial statements**  
**For the period ended 31 March 2022**

**27. Pension commitments**

**Defined contribution scheme**

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 charge amounted to £591,000 (2020 - £439,000). Contributions amounting to £65,000 (2020: £110,000) were payable to the fund at the year end and are included in creditors.

**Defined benefit scheme**

The Company operates a Defined benefit pension scheme.

The Company sponsors the Halcyon Business Solutions Pension Scheme, a funded defined benefit pension scheme in the UK. The scheme is administered within a separate trust independent of the Company and is supervised by independent trustees. The trustees are responsible for ensuring that the correct benefits are paid, that the scheme is appropriately funded and that scheme assets are appropriately invested.

The Scheme provides pensions and lump sums to members on retirement and to their dependants on their death. Members who leave service before retirement are entitled to a deferred pension. The Scheme closed to accrual of benefits on 30 March 2003.

A formal actuarial valuation was carried out as at 31 January 2021. The results of that valuation have been projected to 31 March 2022 by a qualified independent actuary. The figures in the following disclosure were measured using the Projected Unit Method.

Responsibility for making good any deficit within the Scheme lies with the Company. Under the Schedule of Contributions agreed as part of the 2021 valuation, the Company expects to make no further contributions to the Scheme from 31 March 2022. The Trustees are required to use prudent assumptions to value the liabilities and costs of the scheme whereas the accounting assumptions must be best estimates.

Reconciliation of present value of plan liabilities:

	<b>31 March</b>	31 October
	<b>2022</b>	2020
	<b>£000</b>	£000
<b>Reconciliation of present value of plan liabilities</b>		
At the beginning of the year	<b>34,673</b>	34,066
Interest cost	<b>765</b>	630
Actuarial (gains)/losses	<b>(4,445)</b>	1,787
Benefits paid	<b>(1,833)</b>	(1,810)
<b>At the end of the year</b>	<b>29,160</b>	34,673

**Notes to the financial statements**  
**For the period ended 31 March 2022**

**27. Pension commitments (continued)**

Reconciliation of present value of plan assets:

	<b>31 March 2022 £000</b>	<b>31 October 2020 £000</b>
At the beginning of the year	<b>36,602</b>	35,335
Current service cost	<b>(380)</b>	-
Interest income	<b>840</b>	655
Return on assets (excluding amount included in net interest expense)	<b>(4,130)</b>	2,284
Contributions	<b>3,120</b>	138
Benefits paid	<b>(1,833)</b>	(1,810)
<b>At the end of the year</b>	<b><u>34,219</u></b>	<b><u>36,602</u></b>

Composition of plan assets:

	<b>31 March 2022 £000</b>	<b>31 October 2020 £000</b>
Gilts	<b>3,177</b>	6,218
Index Linked	<b>4,279</b>	5,352
Absolute return fund	<b>24,382</b>	23,713
Cash in transit	<b>853</b>	-
Cash	<b>1,025</b>	766
Insured pensioner asset	<b>503</b>	553
<b>Total market value of assets</b>	<b><u>34,219</u></b>	<b><u>36,602</u></b>

	<b>31 March 2022 £000</b>	<b>31 October 2020 £000</b>
Fair value of plan assets	<b>34,219</b>	36,602
Present value of plan liabilities	<b>(29,160)</b>	(34,673)
<b>Net pension scheme asset</b>	<b><u>5,059</u></b>	<b><u>1,929</u></b>

**Notes to the financial statements**  
**For the period ended 31 March 2022**

**27. Pension commitments (continued)**

The amounts recognised in profit or loss are as follows:

	<b>31 March 2022 £000</b>	<b>31 October 2020 £000</b>
Administration expenses	380	-
Interest on obligation	(75)	(7)
Loss/(gain) on plan introductions, changes, curtailments and settlements	-	(7)
<b>Charge/(credit) recognised in profit or loss</b>	<b>305</b>	<b>(14)</b>
Remeasurements of net liability:		
Return on scheme assets (excluding amount included in net interest expense)	4,130	(2,284)
Actuarial (gains)/losses	(4,445)	1,787
<b>Charge/(credit) recorded in other comprehensive income</b>	<b>(315)</b>	<b>(497)</b>

The return on plan assets was:

	<b>31 March 2022 £000</b>	<b>31 October 2020 £000</b>
Interest income	840	655
Return on plan assets (excluding amount included in net interest expense)	(4,130)	2,284
Actuarial losses	315	-
<b>Total return in plan assets</b>	<b>(2,975)</b>	<b>2,939</b>

**Notes to the financial statements**  
**For the period ended 31 March 2022**

**27. Pension commitments (continued)**

Principal actuarial assumptions at the balance sheet date:

	<b>2022</b>	2020
Liability discount rate	<b>2.70%</b>	1.60%
Inflation assumption - RPI	<b>3.80%</b>	3.10%
Inflation assumption - CPI		
Pre 2030	<b>2.80%</b>	2.30%
Post 2030	<b>3.80%</b>	2.30%
Revaluation of deferred pensions:		
Pre 2030	<b>2.80%</b>	2.30%
Post 2030	<b>3.80%</b>	2.30%
Increases for pensions in payment:		
Pre 2030 (accrued post 97)	<b>2.80%</b>	2.30%
Post 2030 (accrued post 97)	<b>3.70%</b>	2.30%
Proportion of employees commuting pension for cash	<b>100.00%</b>	100.00%
Expected age at death of current pensioner at age 65:		
Male aged 65 at year end:	<b>87.4</b>	87.8
Female aged 65 at year end:	<b>89.8</b>	89.9
Expected age at death of future pensioner at age 65:		
Male aged 45 at year end:	<b>88.7</b>	89.5
Female aged 45 at year end:	<b>91.3</b>	91.7

**28. Commitments under operating leases**

At 31 March 2022 the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	<b>31 March 2022 £000</b>	31 October 2020 £000
Not later than 1 year	<b>1,175</b>	753
Later than 1 year and not later than 5 years	<b>2,106</b>	1,690
	<b><u>3,281</u></b>	<u>2,443</u>

**Notes to the financial statements**  
**For the period ended 31 March 2022**

**29. Related party transactions**

The company has taken advantage of the exemption from disclosing transactions with wholly owned group companies.

**30. Controlling party**

The immediate parent company is Opus Trust Marketing Limited (trading as Opus Trust Communications). The financial statements of Opus Trust Marketing Limited are consolidated and can be obtained from the company's registered office.

The ultimate parent undertaking is Opus 107 Limited, a company incorporated in England and Wales.

The financial statements of Opus 107 Limited are consolidated, copies of which can be obtained from the company's registered office.

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