

REGISTERED NUMBER: 02695133 (England and Wales)

**STRATEGIC REPORT, REPORT OF THE DIRECTOR AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2021
FOR
OPUS BUSINESS SYSTEMS LIMITED**

OPUS BUSINESS SYSTEMS LIMITED (REGISTERED NUMBER: 02695133)

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FOR THE YEAR ENDED 30 APRIL 2021**

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OPUS BUSINESS SYSTEMS LIMITED

**COMPANY INFORMATION
FOR THE YEAR ENDED 30 APRIL 2021**

DIRECTOR: M H O'Donnell

SECRETARY: M J O'Donnell

REGISTERED OFFICE: 1st Floor London Court
39 London Road
Reigate
Surrey
RH2 9AQ

REGISTERED NUMBER: 02695133 (England and Wales)

**SENIOR STATUTORY
AUDITOR:** Elizabeth Hart

AUDITORS: LBCA Ltd
Statutory Auditor
1 Waterside
Station Road
Harpenden
Hertfordshire
AL5 4US

OPUS BUSINESS SYSTEMS LIMITED (REGISTERED NUMBER: 02695133)**STRATEGIC REPORT
FOR THE YEAR ENDED 30 APRIL 2021**

The director presents his strategic report for the year ended 30 April 2021.

REVIEW OF BUSINESS

Following on from a previously successful prior year of trading which saw growth in both revenue and EBITDA, this has been another good year for Opus, showing continued growth in both revenue with record sales of £18.1m (£9.1m 2020), with an EBITDA of £2.2m (£1.0m 2020) and total cash increasing to £2.8m (£1.4m 2020).

Following the successful attainment of the CCS (Crown Commercial Services) Framework RM3808, during the FY2021, Opus secured its largest deals to date from the Public Sector, as well as largest Private Sector offering; with significant long-term annuity contracts covering local authorities, NHS Trusts and Financial Services.

Our primary focus in the past 24 months to date has been the development of recurring revenue (MRR), with the acceleration due to Covid-19 and the market's increased shift to cloud in a very short time, as well as an increased offering of products and services on a subscription basis. This change has allowed Opus to increase its MRR during the period to 72.28% of total sales (from 65.50% in 2020), with continued growth expected in FY22 to 83.71%.

Continued investment in our staff, product offering and rebranding during the course of the year led to the launch of the Opus Together portfolio shortly after Financial Year Ending April 2021, in July. The Opus Together branding combines 6 key products into one dynamic proposition. In the coming 12 months and beyond, Opus will continue to invest in its product portfolio, offering and proposition.

PRINCIPAL RISKS AND UNCERTAINTIES

The management and stewardship of the business and the execution of the company's strategy are subject to a number of risks. The key risks to Opus are Social and Economic Risks, Competition Risk, Credit Risk and Liquidity Risk.

Social and Economic Risks

Social and Economic Risks including but not limited to; Covid-19, Brexit and Inflation are a risk to all companies and sectors, and not just isolated to the company and technology sector. The directors and leadership team have bi-monthly reviews of these risks and review the impact this has had or could have on the company in the future, including ways in which these risks can be mitigated and/or managed in the future.

Competitive Risk

The unified communications market continues to remain highly competitive with pressures on margins and rapid product development. We continue to advance our product suite, develop our staff and select our partners carefully; in order to deliver cost effective, efficient and enhancing solutions for our customers.

Credit Risk

Opus's principle financial assets are cash, trade, and other receivables. The Company's credit risk primarily arises from trade receivables. A large proportion of our revenue is received on a monthly basis, with a high volume of this amount derived from large corporations and public sector customers. The credit risk is managed through controlled credit allocation and cash collection process, with credit checks on daily basis automated by our CRM system and monthly reviews on outstanding balances.

Liquidity Risk

The Company manages their liquidity risk through regular short to medium term cash flow and revenue forecasts, which are reviewed bi-monthly by senior management. At the date of this report, the Company have no short or long-term liabilities with the bank, and are solely funded through cash management and retained earnings.

FINANCIAL KEY PERFORMANCE INDICATORS

	2021 £ 's	2020 £ 's	Variance
Turnover	18,025	9,149	97.0%
Gross Profit	9,630	6,882	39.93%
GP Margin	53.43%	75.22%	28.90%
EBITDA	2,228	1,042	114.0%
EBITDA Margin	12.36%	11.39%	8.52%

OPUS BUSINESS SYSTEMS LIMITED (REGISTERED NUMBER: 02695133)

**STRATEGIC REPORT
FOR THE YEAR ENDED 30 APRIL 2021**

NON FINANCIAL KEY PERFORMANCE INDICATORS

Environmental

We are committed to our on-going environmental objective of offsetting our carbon emission by investing in certified sustainability projects around the world. Opus continue to educate our staff and customers on ways to reduce their energy consumption with the use of technology to help drive cleaner and more environmentally friendly ways in operating. We are also committed to being Net Zero by 2050 with the implementation of a Carbon Reduction Plan.

Operational

As a Group we continue to maintain a high quality of operational standard, monitored, and certified under Cyber Essentials, ISO14001 and ISO9001 British Standards Accreditations. During the coming 12 months we also expect to obtain ISO27001 and Cyber Essentials Plus.

Customers

Opus continue to ensure they focus strongly on customer services and customer satisfaction, tracking a key industry metric of Net Promoter Score. In the period 1st May 2020 - 30th April 2021 Opus received a NPS score of 76.

Supported Users

A key measurement that the Opus Board of Directors focus on, is total amount of end users supported by our telecommunication services. In the period from May 2020 to April 2021, the company increased their end user support from 63,000 to 85,000 in 12 months, demonstrating a 33.85% increase in end user support.

ON BEHALF OF THE BOARD:

M H O'Donnell - Director

28 April 2022

OPUS BUSINESS SYSTEMS LIMITED (REGISTERED NUMBER: 02695133)

**REPORT OF THE DIRECTOR
FOR THE YEAR ENDED 30 APRIL 2021**

The director presents his report with the financial statements of the company for the year ended 30 April 2021.

PRINCIPAL ACTIVITY

Opus Business Systems Limited ("Opus") is a leading provider of unified communications solutions to the private and public sector.

DIVIDENDS

The total distribution of dividends for the year ended 30 April 2021 will be £ 1,575,450 .

FUTURE DEVELOPMENTS

Refer to Strategic Report for matters relating to future developments and risk.

DIRECTOR

M H O'Donnell held office during the whole of the period from 1 May 2020 to the date of this report.

STATEMENT OF DIRECTOR'S RESPONSIBILITIES

The director is responsible for preparing the Strategic Report, the Report of the Director and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the director must not approve the financial statements unless he is 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 director is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The director is 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 him to ensure that the financial statements comply with the Companies Act 2006. He is 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.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the director is aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and he has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

AUDITORS

The auditors, LBCA Ltd, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:

M H O'Donnell - Director

28 April 2022

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF OPUS BUSINESS SYSTEMS LIMITED

Opinion

We have audited the financial statements of Opus Business Systems Limited (the 'company') for the year ended 30 April 2021 which comprise the Statement of Comprehensive Income, Balance Sheet, Statement of Changes in Equity, Cash Flow Statement and Notes to the Cash Flow Statement, Notes to the Financial Statements, 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 30 April 2021 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC'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 director's 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 director with respect to going concern are described in the relevant sections of this report.

Other information

The director is responsible for the other information. The other information comprises the information in the Strategic Report and the Report of the Director, but does not include the financial statements and our Report of the Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether 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.

Comparative information in the financial statements is derived from the company's prior period financial statements which were not audited.

Opinions 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 Report of the Director for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Report of the Director 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 Report of the Director.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires

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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 director's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
OPUS BUSINESS SYSTEMS LIMITED**

Responsibilities of director

As explained more fully in the Statement of Director's Responsibilities set out on page four, the director is 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 director determines 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 director is 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 director either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

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

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Irregularities, including fraud are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, to detect material misstatements in respect of irregularities, including fraud.

We obtained an understanding of the legal and regulatory frameworks that the company operates in and identified the key laws and regulations.

Audit procedures included:

- enquiring of management concerning actual and potential litigation and claims and instances on non-compliance
- cut off testing around the year end
- testing the appropriateness of journal entries

There are inherent limitations in the audit procedures and the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error as fraud may involve deliberate concealment. However, the primary responsibility for the prevention of detection of fraud rests with both those charged with governance of the entity and management.

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

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 a Report of the Auditors 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.

Elizabeth Hart (Senior Statutory Auditor)
for and on behalf of LBCA Ltd
Statutory Auditor
1 Waterside
Station Road
Harpenden
Hertfordshire
AL5 4US

28 April 2022

OPUS BUSINESS SYSTEMS LIMITED (REGISTERED NUMBER: 02695133)

STATEMENT OF COMPREHENSIVE
INCOME
FOR THE YEAR ENDED 30 APRIL 2021

	Notes	2021 £	2020 £
TURNOVER	3	18,025,596	9,149,224
Cost of sales		<u>8,395,980</u>	<u>2,267,591</u>
GROSS PROFIT		9,629,616	6,881,633
Administrative expenses		<u>8,142,734</u>	<u>6,745,856</u>
		1,486,882	135,777
Other operating income	4	<u>506,014</u>	<u>674,131</u>
OPERATING PROFIT	6	1,992,896	809,908
Interest payable and similar expenses	7	<u>3,589</u>	<u>8,079</u>
PROFIT BEFORE TAXATION		1,989,307	801,829
Tax on profit	8	<u>317,351</u>	<u>50,376</u>
PROFIT FOR THE FINANCIAL YEAR		1,671,956	751,453
OTHER COMPREHENSIVE INCOME		<u>-</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME			
FOR		1,671,956	751,453
THE YEAR		<u><u>1,671,956</u></u>	<u><u>751,453</u></u>

The notes form part of these financial statements

OPUS BUSINESS SYSTEMS LIMITED (REGISTERED NUMBER: 02695133)

BALANCE SHEET
30 APRIL 2021

	Notes	2021 £	£	2020 £	£
FIXED ASSETS					
Intangible assets	10		88,867		128,400
Tangible assets	11		<u>385,272</u>		<u>515,857</u>
			474,139		644,257
CURRENT ASSETS					
Stocks	12	154,986		297,471	
Debtors	13	3,005,778		2,835,493	
Cash at bank and in hand		<u>2,840,890</u>		<u>1,411,136</u>	
		6,001,654		4,544,100	
CREDITORS					
Amounts falling due within one year	14	<u>5,452,332</u>		<u>4,180,997</u>	
NET CURRENT ASSETS			<u>549,322</u>		<u>363,103</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			1,023,461		1,007,360
CREDITORS					
Amounts falling due after more than one year	15		-		(64,162)
PROVISIONS FOR LIABILITIES	19		<u>(9,313)</u>		<u>(25,556)</u>
NET ASSETS			<u><u>1,014,148</u></u>		<u><u>917,642</u></u>
CAPITAL AND RESERVES					
Called up share capital	20		100		100
Retained earnings	21		<u>1,014,048</u>		<u>917,542</u>
SHAREHOLDERS' FUNDS			<u><u>1,014,148</u></u>		<u><u>917,642</u></u>

The financial statements were approved by the director and authorised for issue on 28 April 2022 and were signed by:

M H O'Donnell - Director

The notes form part of these financial statements

OPUS BUSINESS SYSTEMS LIMITED (REGISTERED NUMBER: 02695133)

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 APRIL 2021

	Called up share capital £	Retained earnings £	Total equity £
Balance at 1 May 2019	100	616,315	616,415
Changes in equity			
Dividends	-	(450,226)	(450,226)
Total comprehensive income	-	751,453	751,453
Balance at 30 April 2020	<u>100</u>	<u>917,542</u>	<u>917,642</u>
Changes in equity			
Dividends	-	(1,575,450)	(1,575,450)
Total comprehensive income	-	1,671,956	1,671,956
Balance at 30 April 2021	<u>100</u>	<u>1,014,048</u>	<u>1,014,148</u>

The notes form part of these financial statements

OPUS BUSINESS SYSTEMS LIMITED (REGISTERED NUMBER: 02695133)

CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 APRIL 2021

	Notes	2021 £	2020 £
Cash flows from operating activities			
Cash generated from operations	1	1,886,422	1,587,790
Interest paid		(3,589)	(7,401)
Interest element of hire purchase or finance lease rental payments paid		-	(678)
Government grants		309,814	-
Tax paid		(76,852)	(108,573)
Net cash from operating activities		<u>2,115,795</u>	<u>1,471,138</u>
Cash flows from investing activities			
Purchase of intangible fixed assets		(25,519)	(49,300)
Purchase of tangible fixed assets		(42,480)	(131,319)
Sale of tangible fixed assets		1,475	6,494
Net cash from investing activities		<u>(66,524)</u>	<u>(174,125)</u>
Cash flows from financing activities			
Loan repayments in year		(117,434)	(125,945)
Equity dividends paid		(502,083)	(233,268)
Net cash from financing activities		<u>(619,517)</u>	<u>(359,213)</u>
Increase in cash and cash equivalents		<u>1,429,754</u>	<u>937,800</u>
Cash and cash equivalents at beginning of year	2	1,411,136	473,336
Cash and cash equivalents at end of year		<u><u>2,840,890</u></u>	<u><u>1,411,136</u></u>

The notes form part of these financial statements

OPUS BUSINESS SYSTEMS LIMITED (REGISTERED NUMBER: 02695133)

NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 APRIL 2021

1. RECONCILIATION OF PROFIT BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS

	2021 £	2020 £
Profit before taxation	1,989,307	801,829
Depreciation charges	234,992	222,728
Loss on disposal of fixed assets	1,650	9,758
Government grants	(309,814)	-
Finance costs	3,589	8,079
	<u>1,919,724</u>	<u>1,042,394</u>
Decrease/(increase) in stocks	142,485	(77,713)
Increase in trade and other debtors	(170,285)	(452,467)
(Decrease)/increase in trade and other creditors	(5,502)	1,075,576
Cash generated from operations	<u><u>1,886,422</u></u>	<u><u>1,587,790</u></u>

2. CASH AND CASH EQUIVALENTS

The amounts disclosed on the Cash Flow Statement in respect of cash and cash equivalents are in respect of these Balance Sheet amounts:

Year ended 30 April 2021

	30.4.21 £	1.5.20 £
Cash and cash equivalents	<u>2,840,890</u>	<u>1,411,136</u>

Year ended 30 April 2020

	30.4.20 £	1.5.19 £
Cash and cash equivalents	<u>1,411,136</u>	<u>473,336</u>

3. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.5.20 £	Cash flow £	At 30.4.21 £
Net cash			
Cash at bank and in hand	<u>1,411,136</u>	<u>1,429,754</u>	<u>2,840,890</u>
	<u>1,411,136</u>	<u>1,429,754</u>	<u>2,840,890</u>
Debt			
Debts falling due within 1 year	(121,254)	53,272	(67,982)
Debts falling due after 1 year	(64,162)	64,162	-
	<u>(185,416)</u>	<u>117,434</u>	<u>(67,982)</u>
Total	<u><u>1,225,720</u></u>	<u><u>1,547,188</u></u>	<u><u>2,772,908</u></u>

The notes form part of these financial statements

OPUS BUSINESS SYSTEMS LIMITED (REGISTERED NUMBER: 02695133)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2021**

1. STATUTORY INFORMATION

Opus Business Systems Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

The presentation currency of the financial statements is the Pound Sterling (£).

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Significant judgements and estimates

Preparation of the financial statements requires the Company to make certain judgements, assumptions and estimates about the carrying amounts of assets and liabilities. The Company believes that the estimates, assumptions and judgements upon which it relies are reasonable based on the information available to it at the time that those estimates, assumptions and judgements are made. The estimates and underlying assumptions are reviewed on an ongoing basis. Although these estimates are based on management's best knowledge of the amount, event or actions, actual results may ultimately differ from these estimates.

The key sources of estimation uncertainty and critical accounting judgements are as follows:

Impairment of assets

The carrying value of tangible assets is calculated on the basis of estimates of depreciation periods derived from the expected useful life of the asset concerned, and residual values. The expected useful life of the asset concerned and its estimated residual value may change under the influence of technological developments, market circumstances and changes in the use of the asset. These factors may also give rise to the need to recognise an impairment on assets.

Whenever there is an indication that these assets may be impaired. The recoverable amount is determined on an individual asset basis. If the recoverable amount of the asset is estimated to be less than its carrying amount, the carrying amount is reduced to its recoverable amount.

The difference between the carrying amount and the recoverable amount is recognised as an impairment loss in profit or loss.

Turnover

Turnover is measured at the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

Income is recognised when the risks and rewards of ownership have transferred to the buyer. Turnover relating to services are recognised over the period they relate to.

Intangible assets

Intangible assets are initially measured at cost. After initial recognition, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses. Intangible assets relate to computer software and are being amortised over 3 or 4 years in line with estimated useful life.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Short leasehold	- 20% on cost
Plant and machinery	- 50% on cost and 25% on cost
Fixtures and fittings	- 20% on cost
Motor vehicles	- 25% on reducing balance

Tangible assets are measured at cost less accumulated depreciation and any accumulated impairment losses.

Government grants

Government grants are recognised when it is reasonable to expect that the grants will be received and that all related conditions will be met, usually on submission of a valid claim for payment.

Grants of a revenue nature are credited to income so as to match them with the expenditure to which they relate.

OPUS BUSINESS SYSTEMS LIMITED (REGISTERED NUMBER: 02695133)

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 APRIL 2021**

2. ACCOUNTING POLICIES - continued

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Cost is determined using the first-in, first-out (FIFO) method.

Financial instruments

Basic financial instruments are recognised at amortised cost, with changes recognised in profit or loss. Derivative financial instruments are initially recorded at cost and thereafter at fair value with changes recognised in profit or loss.

Financial instruments are recognised when the company becomes party to the contractual provisions of the instrument and derecognised when, in the case of assets, the contractual rights to cash flows from the assets expire or substantially all the risks and rewards of ownership are transferred to another party and in the case of liabilities, when the company's obligations are discharged, expire or are cancelled.

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Statement of Comprehensive Income, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Hire purchase and leasing commitments

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

Pension costs and other post-retirement benefits

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to profit or loss in the period to which they relate.

Employee benefits

Employee benefits are recognised as an expense in the period in which they are incurred.

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the balance sheet date.

Lease incentives

The benefit of lease incentives are recognised in the profit and loss account over the lease period.

OPUS BUSINESS SYSTEMS LIMITED (REGISTERED NUMBER: 02695133)**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 APRIL 2021****3. TURNOVER**

The turnover and profit before taxation are attributable to the one principal activity of the company.

An analysis of turnover by class of business is given below:

	2021 £	2020 £
Telephony Equipment	4,570,922	2,854,129
Telephony Services	<u>13,454,674</u>	<u>6,295,095</u>
	<u>18,025,596</u>	<u>9,149,224</u>

4. OTHER OPERATING INCOME

	2021 £	2020 £
Commission	105,200	-
Management charge	91,000	674,131
Government grants	<u>309,814</u>	<u>-</u>
	<u>506,014</u>	<u>674,131</u>

During the financial year the company received grants from the Government as a result of the Covid-19 pandemic under the Coronavirus Job Retention Scheme.

Within turnover in the comparative year is an amount of £1,685,366 relating to commission and an additional amount of £74,344 relating to management charges.

5. EMPLOYEES AND DIRECTORS

	2021 £	2020 £
Wages and salaries	5,197,650	3,971,859
Social security costs	645,187	472,640
Other pension costs	<u>515,519</u>	<u>417,020</u>
	<u>6,358,356</u>	<u>4,861,519</u>

The average number of employees during the year was as follows:

	2021	2020
Operation	10	11
Finance	8	6
Sales	24	21
Professional Services	<u>40</u>	<u>32</u>
	<u>82</u>	<u>70</u>

	2021 £	2020 £
Director's remuneration	83,195	52,915
Director's pension contributions to money purchase schemes	<u>46,000</u>	<u>43,600</u>

The number of directors to whom retirement benefits were accruing was as follows:

Money purchase schemes	<u>1</u>	<u>1</u>
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OPUS BUSINESS SYSTEMS LIMITED (REGISTERED NUMBER: 02695133)**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 APRIL 2021****6. OPERATING PROFIT**

The operating profit is stated after charging:

	2021	2020
	£	£
Other operating leases	27,333	65,518
Depreciation - owned assets	169,940	180,416
Loss on disposal of fixed assets	1,650	9,758
Computer software amortisation	65,052	42,313
Auditors' remuneration	21,000	-
Foreign exchange differences	10	209
Operating leases - Rent	200,258	200,253
Operating leases - Other leases	<u>27,333</u>	<u>65,518</u>

7. INTEREST PAYABLE AND SIMILAR EXPENSES

	2021	2020
	£	£
Bank loan interest	3,589	7,401
Hire purchase	-	678
	<u>3,589</u>	<u>8,079</u>

8. TAXATION**Analysis of the tax charge**

The tax charge on the profit for the year was as follows:

	2021	2020
	£	£
Current tax:		
UK corporation tax	333,594	173,921
Corporation tax overprovision	-	(123,148)
Total current tax	<u>333,594</u>	<u>50,773</u>
Deferred tax timing difference	<u>(16,243)</u>	<u>(397)</u>
Tax on profit	<u>317,351</u>	<u>50,376</u>

Reconciliation of total tax charge included in profit and loss

The tax assessed for the year is lower than the standard rate of corporation tax in the UK. The difference is explained below:

	2021	2020
	£	£
Profit before tax	<u>1,989,307</u>	<u>801,829</u>
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2020 - 19%)	377,968	152,348
Effects of:		
Expenses not deductible for tax purposes	2,245	5,781
Depreciation in excess of capital allowances	1,367	10,887
Group relief	(71,334)	(43)
Pension & other timing difference	7,105	4,551
Corporation tax over provision prior year	-	(123,148)
Total tax charge	<u>317,351</u>	<u>50,376</u>

The main rate of Corporation tax has been set to remain at 19% for financial year 2022 which will have effect from 1 April 2022 to 31 March 2023.

OPUS BUSINESS SYSTEMS LIMITED (REGISTERED NUMBER: 02695133)

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 APRIL 2021

9.	DIVIDENDS		
		2021	2020
		£	£
	Final	<u>1,575,450</u>	<u>450,226</u>
10.	INTANGIBLE FIXED ASSETS		Computer software
			£
	COST		
	At 1 May 2020		200,878
	Additions		<u>25,519</u>
	At 30 April 2021		<u>226,397</u>
	AMORTISATION		
	At 1 May 2020		72,478
	Amortisation for year		<u>65,052</u>
	At 30 April 2021		<u>137,530</u>
	NET BOOK VALUE		
	At 30 April 2021		<u>88,867</u>
	At 30 April 2020		<u>128,400</u>
	Amortisation of intangible fixed assets is included in administrative expenses.		
11.	TANGIBLE FIXED ASSETS		Fixtures and fittings
		Short leasehold	£
		£	£
	COST		
	At 1 May 2020	379,942	251,209
	Additions	-	12,096
	Disposals	-	<u>(9,199)</u>
	At 30 April 2021	<u>379,942</u>	<u>254,106</u>
	DEPRECIATION		
	At 1 May 2020	134,131	140,435
	Charge for year	38,332	49,756
	Eliminated on disposal	-	<u>(8,485)</u>
	At 30 April 2021	<u>172,463</u>	<u>181,706</u>
	NET BOOK VALUE		
	At 30 April 2021	<u>207,479</u>	<u>72,400</u>
	At 30 April 2020	<u>245,811</u>	<u>110,774</u>

OPUS BUSINESS SYSTEMS LIMITED (REGISTERED NUMBER: 02695133)

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 APRIL 2021

11. TANGIBLE FIXED ASSETS - continued

	Motor vehicles £	Computer equipment £	Totals £
COST			
At 1 May 2020	33,400	273,109	1,180,652
Additions	-	21,590	42,480
Disposals	-	(31,186)	(54,186)
At 30 April 2021	<u>33,400</u>	<u>263,513</u>	<u>1,168,946</u>
DEPRECIATION			
At 1 May 2020	17,125	174,167	664,795
Charge for year	4,069	48,394	169,940
Eliminated on disposal	-	(29,234)	(51,061)
At 30 April 2021	<u>21,194</u>	<u>193,327</u>	<u>783,674</u>
NET BOOK VALUE			
At 30 April 2021	<u>12,206</u>	<u>70,186</u>	<u>385,272</u>
At 30 April 2020	<u>16,275</u>	<u>98,942</u>	<u>515,857</u>

12. STOCKS

	2021 £	2020 £
Stocks goods	84,079	297,471
Stock licensing	<u>70,907</u>	-
	<u>154,986</u>	<u>297,471</u>

Within the comparative stock figure is an amount of £104,487 relating to stock licensing.

13. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021 £	2020 £
Trade debtors	1,627,822	1,741,768
Other debtors	91,820	10,559
Prepayments and accrued income	893,148	438,166
Related party debtors	<u>392,988</u>	<u>645,000</u>
	<u>3,005,778</u>	<u>2,835,493</u>

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021 £	2020 £
Bank loans and overdrafts (see note 16)	67,982	121,254
Trade creditors	889,888	840,336
Tax	307,515	50,773
Social security and other taxes	175,151	411,556
VAT	467,472	528,273
Other creditors	123,578	40,379
Related party creditor parent	1,328,976	255,701
Accrued expenses	<u>2,091,770</u>	<u>1,932,725</u>
	<u>5,452,332</u>	<u>4,180,997</u>

15. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2021 £	2020 £
Bank loans (see note 16)	<u>-</u>	<u>64,162</u>

OPUS BUSINESS SYSTEMS LIMITED (REGISTERED NUMBER: 02695133)**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 APRIL 2021****16. LOANS**

An analysis of the maturity of loans is given below:

	2021 £	2020 £
Amounts falling due within one year or on demand:		
Bank loans	<u>67,982</u>	<u>121,254</u>
Amounts falling due between two and five years:		
Bank loans - 2-5 years	<u>-</u>	<u>64,162</u>

17. LEASING AGREEMENTS

Minimum lease payments under non-cancellable operating leases fall due as follows:

	2021 £	2020 £
Within one year	9,038	26,230
Between one and five years	2,076	19,298
In more than five years	<u>1,218,750</u>	<u>1,443,750</u>
	<u>1,229,864</u>	<u>1,489,278</u>

18. SECURED DEBTS

The following secured debts are included within creditors:

	2021 £	2020 £
Secured Loans	<u>67,982</u>	<u>-</u>

The current bank facilities are secured by a debenture, including fixed and floating charge.

19. PROVISIONS FOR LIABILITIES

	2021 £	2020 £
Deferred tax	<u>9,313</u>	<u>25,556</u>
		Deferred tax
		£
Balance at 1 May 2020		25,556
Difference between capital allowances and depreciation		(16,243)
Balance at 30 April 2021		<u>9,313</u>

The amount of the net reversal of deferred tax expected to occur next year is £6,972 relating to the reversal of existing timing differences.

20. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:			2021 £	2020 £
Number:	Class:	Nominal value:		
100	Ordinary	1	<u>100</u>	<u>100</u>

The ordinary shares have equal voting rights.

OPUS BUSINESS SYSTEMS LIMITED (REGISTERED NUMBER: 02695133)**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 APRIL 2021****21. RESERVES**

	Retained earnings £
At 1 May 2020	917,542
Profit for the year	1,671,956
Dividends	<u>(1,575,450)</u>
At 30 April 2021	<u>1,014,048</u>

Called up share capital - represents the nominal value of shares that have been issued.

Profit and loss account - includes all current and prior period retained profits and losses.

22. PENSION COMMITMENTS

Pension contributions are made under a defined contribution scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The annual commitment under this scheme is for contributions of £515,519 (2020: £417,020). Contributions totalling £72,227 (2020: £34,831) were payable at the year end and are included in creditors.

23. ULTIMATE PARENT COMPANY

The company is a 100% owned subsidiary of Opus Telephone Systems Limited, a company incorporated in England & Wales. The accounts are available at the registered office.

24. RELATED PARTY DISCLOSURES

Within other creditors is an amount of £1,328,976 (£255,701) owed to the parent company.

Within other debtors is an amount of £392,988 (£978,308) owed from a company with common control. Supplier invoices totalling £2,937,785 (2020: £486,715) and Customer invoices totalling £nil (2020:£2,159,534) were raised during the year.

25. ULTIMATE CONTROLLING PARTY

By virtue of the shareholding in the parent company, the director is the ultimate controlling party.

