

Optamor Limited

Report and Unaudited Financial Statements

Year Ended

29 February 2020

Company Number 04271349



Optamor Limited

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Company Information

Directors	M J Gawthorne (resigned 12 November 2020) M D Gawthorne (resigned 12 November 2020) D J Wilson S T Pope (appointed 12 November 2020) L J Howgill (appointed 12 November 2020)
Company secretary	S T Pope
Registered number	04271349
Registered office	Shore House North Harbour Business Park Compass Road Portsmouth Hampshire PO6 4PR

Optamor Limited

Strategic Report For the Year Ended 29 February 2020

Introduction

The directors present their Strategic Report together with the financial statements for the year ended 29 February 2020.

Principal activities

The Company's principal activity is the provision of more complex solutions within the field of human capital management, delivering a range of innovative services across the talent acquisition, learning & development and talent management streams of workforce planning.

The directors consider the turnover, gross margin, the conversion ratio of gross profit (or net fee income) to operating profit and operating cashflow are the principal KPIs to drive the growth of the business over the medium to long term.

Optamor remains a key driver of future growth for the Group and we continue to broaden the managed service offering across permanent, contract and training. Two new managed services contracts were entered into during the year with further new client wins being a key strategic goal of the business.

Growth in profitability was marginal in the year but continues to generate positive returns for the group on the back of strong client relationships and a sustainable business model.

Turnover remained in line with the prior year (2019: 6.0% increase) whilst gross margin increased to 8.9% (2019: 8.7%). The continued improvements in efficiencies gained through greater operational management resulted in a small increase in gross margin conversion. The business continues to deliver the improved results of the past few years and is now structured for consistent delivery, further growth will be achieved through new client wins. Operating cashflow is measured and managed at group level.

In view of the interdependencies of the business activities within the group, the directors believe that in order to fully appreciate how the company has performed, a reproduction of extracts of the Group's Strategic Report will enhance understanding and as such this is included below.

Group overview of operations and business model

The principal activities of the Group during the year were the supply of specialist technology, IT and engineering staff on a contract and permanent basis together with the provision of related learning & development services. The majority of our customers are in the private sector in the UK and, to a more limited extent, overseas.

Our key strategy is to focus on good long term growth markets utilising deep specific expertise and knowledge to provide a premium level of service to our clients as well as to both our contractors and permanent candidates. We pride ourselves on our strong relationships and personalised professional approach to attract candidates which is of vital importance as market sectors continue to suffer from talent shortages.

People

Our staff remain our greatest and most prized asset and are the key drivers of the success of the business. They continue to demonstrate high levels of commitment, tenacity, effort and should take genuine pride in their ongoing achievements. We believe that the Groups operational structure continues to enhance career potential and opportunities to progress within the Group whilst also facilitating the attraction of new talent and expansion into new markets.

The directors would like to take this opportunity to thank all our staff for their efforts over the past year which are very much appreciated, especially in light of the sacrifices made by our staff throughout the Covid-19 pandemic. The significant operational improvements achieved in FY20 would not have been possible without their enthusiasm and support.

Optamor Limited

Strategic Report (continued) For the Year Ended 29 February 2020

Outlook

The Group continues to operate in robust markets and the board is confident with a fresh new strategic approach and appropriate flexible business model, as well as the skills, services, management and customer relationships, to build and grow market share and to continue its growing profitability over the coming years.

The recently completed MBO has allowed us to instil a greater level of agility and focus into our management team which will drive the growth we expect.

The latest lockdown implemented by the government is not expected to have any further detrimental impact to the group's revenue, we saw an initial fall in our contract revenue back in April 2020 and despite varying levels of lockdown this has remained consistent since that time. Our contractor revenue is showing a steady increase at the start of 2021 and is above our 2020 closing levels.

Now that a deal has been reached with the EU we have greater visibility around the impact of Brexit, more information will be released from the government in the coming months but there is nothing of note to cause any material concern for the business going forwards.

Our German subsidiary (Orson GMBH) continues to provide a footprint in the EU.

The Group is also cognisant of the potential impact to the UK staffing industry of further impending legislative changes to the contract market. The Group continues to monitor, consider and prepare for these changes as well as proactively engaging with all stakeholders in this regard.

Group financing and risk management

The Group uses financial instruments comprising a commercial finance loan (invoicing discounting) and director's loan notes, the main purpose of these financial instruments is to raise finance for the Groups operation.

A cash flow loan has since been introduced following completion of the recent MBO.

It is the Groups policy to minimise the cost of borrowings whilst retaining the flexibility of funding opportunities.

The director's loan notes of £1m were repaid in full by the end of the financial year, further loan notes have been issued as a result of the MBO.

Interest rate exposure:

The commercial finance loan incurs interest linked to base rate and the director's loan notes incur interest at 4% above base, albeit these rates have changed following the re-finance linked to the MBO.

Available facilities:

At 29 February 2020, the Groups commercial loan facility provided for a facility ceiling of the lower of £15,000,000 (2019: £15,000,000) or 85% of certain qualifying debtors. All borrowings are denominated in sterling and have floating interest rate terms. The provider of our commercial loan facility was changed on the 12th November 2020 following completion of the MBO, the terms of the commercial loan facility have therefore altered as well.

At 29 February 2020 the Group had undrawn committed facilities of £7,021,000 (2019: £8,319,000).

Optamor Limited

Directors' Report For the Year Ended 29 February 2020

The directors present their report and the financial statements for the year ended 29 February 2020.

Results and dividends

The profit for the year, after taxation, amounted to £565,000 (2019 - £633,000).

No dividends (2019: £nil) have been proposed or paid.

Directors

The directors who served during the year were:

M J Gawthorne (resigned 12 November 2020)
M D Gawthorne (resigned 12 November 2020)
D J Wilson

Qualifying third party indemnity provisions

The Company has put in place qualifying third party indemnity provisions for the executive directors of the Company.

Subsidiary audit exemption

The members have not required the Company to obtain an audit of its accounts for the year in question in accordance with section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

Directors' report disclosures made in the strategic report

Information on: financial risk management objectives and policies; exposure to price risk, credit risk, liquidity risk and cash flow risk; likely future developments in the business of the Company have been included in the Strategic Report.

Post balance sheet events

Information on post balance sheet events has been included in the post balance sheet events note 20.

This report was approved by the board on 9/2/21 2021 and signed on its behalf.


S T Pope
Director

Optamor Limited

Strategic Report (continued) For the Year Ended 29 February 2020

Group financing and risk management (continued)

Currency exposure:

The Group does not have any material risks arising from the effects of exchange rate fluctuation as both its financial instruments and existing contracts are materially denominated in sterling.

Credit Risk:

The Groups credit risk is primarily attributable to its trade debtors. The Group seeks to only trade with recognised, creditworthy third parties. Trade debtor balances are monitored on an ongoing basis by reference to regular credit checks on new and existing customers and by monitoring payments against contractual agreements. The Group also utilises credit insurance to further strengthen its credit risk management safety.

Supplier payments:

The Group's policy is to confirm the terms of payment with suppliers when agreeing the terms of each transaction, to ensure that suppliers are made aware of these terms and to endeavour to abide by the terms of payment.

Employment Legislation:

The Group monitors closely the ever changing employment legislation issued by both the UK and EU governments. We have a dedicated compliance team that engages with trade bodies to ensure that our agency contracting models are compliant (whilst competitive) in order to protect both ourselves and our customers.

Other Risks:

The two primary areas of risk relate to credit risk and employment risk (as detailed above), the group continually monitors other areas of risk such as data, premises and markets as part of its ongoing business continuity plan.

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



S T Pope
Director

Date: 9/2/21

Optamor Limited

Chartered Accountant's Report to the Board of Directors on the Unaudited Financial Statements of Optamor Limited

In order to assist you to fulfil your duties under the Companies Act 2006, we have prepared for your approval the financial statements of Optamor Limited for the year ended 29 February 2020 which comprise the Statement of Income and Retained Earnings, the Balance Sheet and the related notes from the Company's accounting records and from information and explanations you have given us.

As a practising member firm of the Institute of Chartered Accountants in England and Wales (ICAEW), we are subject to its ethical and other professional requirements which are detailed at: <http://www.icaew.com/en/members/regulations-standards-and-guidance/>.

It is your duty to ensure that Optamor Limited has kept adequate accounting records and to prepare statutory accounts that give a true and fair view of the assets, liabilities, financial position and profit of Optamor Limited. You consider that Optamor Limited is exempt from the statutory audit requirement for the year.

We have not been instructed to carry out an audit or a review of the financial statements of Optamor Limited. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the statutory accounts.

Use of our report

This report is made solely to the board of directors of Optamor Limited, as a body, in accordance with the terms of our engagement letter dated 23 April 2018. Our work has been undertaken solely to prepare for your approval the accounts of Optamor Limited and state those matters that we have agreed to state to the board of directors of Optamor Limited, as a body, in this report in accordance with ICAEW Technical Release TECH07/16AAF. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Optamor Limited as a body for our work or for this report.



BDO LLP
Southampton
United Kingdom

09.02.21 Date:

BDO LLP is a limited liability partnership registered in England and Wales (with registered number 0C305127).

Optamor Limited

Statement of Income and Retained Earnings For the Year Ended 29 February 2020

	Note	2020 £000	2019 £000
Turnover	5	44,047	44,048
Cost of sales		(40,129)	(40,207)
Gross profit		3,918	3,841
Administrative expenses		(3,266)	(3,181)
Operating profit	6	652	660
Interest receivable and similar income		1	-
Interest payable and expenses	8	(29)	(63)
Profit before tax		624	597
Tax on profit	9	(59)	36
Profit after tax		565	633
Retained earnings at the beginning of the year		(1,874)	(2,507)
Profit for the year		565	633
Retained earnings at the end of the year		(1,309)	(1,874)

The notes on pages 8 to 19 form part of these financial statements.

Optamor Limited
Registered number: 04271349

Balance Sheet
As at 29 February 2020

	Note	2020 £000	2019 £000
Fixed assets			
Intangible assets	10	7	13
Tangible assets	11	21	1
		<u>28</u>	<u>14</u>
Current assets			
Debtors: amounts falling due within one year	12	8,347	8,131
Cash at bank and in hand		213	31
		<u>8,560</u>	<u>8,162</u>
Creditors: amounts falling due within one year	13	(9,833)	(9,989)
Net current liabilities		<u>(1,273)</u>	<u>(1,827)</u>
Total assets less current liabilities		<u>(1,245)</u>	<u>(1,813)</u>
Provisions for liabilities			
Deferred tax	14	(3)	-
Net liabilities		<u><u>(1,248)</u></u>	<u><u>(1,813)</u></u>
Capital and reserves			
Called up share capital	15	51	51
Share premium account	16	10	10
Profit and loss account	16	(1,309)	(1,874)
		<u><u>(1,248)</u></u>	<u><u>(1,813)</u></u>

The directors consider that the Company is entitled to exemption from the requirement to have an audit under the provisions of section 479A of the Companies Act 2006.

The members have not required the Company to obtain an audit for the year in question in accordance with section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

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

S T Pope
Director

Date: 9/2/21

The notes on pages 8 to 19 form part of these financial statements.

Optamor Limited

Notes to the Financial Statements For the Year Ended 29 February 2020

1. Going Concern

The directors have considered going concern at the group level. Should the Company require any funding to meet its liabilities as they fall due, this will be provided by funding from the wider group. Set out below is the going concern note included in the notes to the accounts of the parent company, Serocor Holdings Limited:

The accounts have been prepared on a going concern basis and the directors have undertaken detailed forecasting up to February 2022.

Following the MBO completion on 12th November 2020 the group is financed by a mixture of Invoice Discounting facility, interest bearing loan notes (to the founder and shareholder) and a cash flow loan.

The directors have reviewed a range of varying forecasts including stress testing on covenants to ensure banking covenants will be met over the next 12 months.

The ability of the group to service its debt is critical to the future success and growth of the business and the directors have considered the key factors that could have an impact on trading and whether an adverse effect on trading could affect the group's ability to pay its liabilities.

The forecasts reviewed take account of reasonable potential changes in trading (positive and negative) and demonstrate the group can operate within its current financial facilities in both scenarios.

With the financial structure in place and even if a decline in revenues is experienced (which is not the expectation of the board) the directors have confidence that group has adequate financial resources to continue as a going concern.

2. General information

Optamor Limited is a private company limited by shares, incorporated in England and Wales under the Companies Act 2006. The address of the registered office is given on the Company Information page and the nature of the company's operations and its principal activities is disclosed in the Strategic Report.

3. Accounting policies

3.1 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 Company's functional and presentational currency is GBP.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 4).

The following principal accounting policies have been applied:

Optamor Limited

Notes to the Financial Statements For the Year Ended 29 February 2020

3. Accounting policies (continued)

3.2 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); and
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.
- the requirements of Section 11 Basic Financial Instruments paragraph 1.12.

This information is included in the consolidated financial statements of Serocor Holdings Limited as at 29 February 2020 and these financial statements may be obtained from Companies House, Crown Way, Cardiff, CF14 3UZ.

3.3 Turnover

Revenue represents the amounts (excluding Value Added Tax) derived from the provision of services to third party customers during the year. All turnover substantially originates in the United Kingdom. Contract revenue is recognised as work is carried out in the year in which a contract is in place. Permanent placement fees are recognised in the year in which the candidate commences their new employment.

3.4 Intangible assets

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

At each reporting date the Company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

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

The estimated useful lives range as follows:

Computer software	-	5	years
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3.5 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.

Optamor Limited

Notes to the Financial Statements For the Year Ended 29 February 2020

3. Accounting policies (continued)

3.5 Tangible fixed assets (continued)

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

Depreciation is provided on the following basis:

Computer equipment	-	20% per annum
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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 the Statement of Income and Retained Earnings.

3.6 Financial instruments

The Company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable, loans from banks *and other third parties and loans to related parties*.

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 Income and Retained Earnings.

3.7 Foreign currency translation

Foreign currency translations are translated into sterling at the rates ruling when they occurred. Foreign currency monetary assets and liabilities are translated at the rates ruling at the Balance Sheet date. Any differences are taken to the Statement of Income and Retained Earnings.

3.8 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to the Statement of Income and Retained Earnings 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.

3.9 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in the Statement of Income and Retained Earnings 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.

Optamor Limited

Notes to the Financial Statements For the Year Ended 29 February 2020

3. Accounting policies (continued)

3.10 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of Income and Retained Earnings, 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.

3.11 Subsidiary audit exemption

The Company has taken the exemption not to obtain an audit of its accounts for the year in accordance with Section 476 of the Companies Act 2006.

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

In preparing these financial statements, the directors have had to make the following judgements:

- Determine whether there are indicators of impairment of the tangible assets. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset and where it is a component of a larger cash-generating unit, the viability and expected future performance of that unit.

Other sources of estimation uncertainty

- Intangible and tangible fixed assets (see note 10 and note 11)

Both intangible and tangible fixed assets are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account.

Optamor Limited

Notes to the Financial Statements For the Year Ended 29 February 2020

5. Turnover

Turnover is wholly attributable to the principal activity of the Company and arises substantially within the United Kingdom.

Analysis of turnover by country of destination:

	2020 £000	2019 £000
United Kingdom	41,561	41,236
Rest of Europe	2,468	2,737
Rest of the world	18	75
	<u>44,047</u>	<u>44,048</u>

6. Operating profit

The operating profit is stated after charging:

	2020 £000	2019 £000
Depreciation of tangible fixed assets	3	12
Amortisation of intangible assets	6	8
Operating lease rentals	45	-
Non-recurring relocation costs	4	-
	<u>58</u>	<u>20</u>

Optamor Limited

Notes to the Financial Statements For the Year Ended 29 February 2020

7. Employees

Staff costs were as follows:

	2020 £000	2019 £000
Wages and salaries	1,605	1,674
Social security costs	160	179
Cost of defined contribution scheme	59	54
	<u>1,824</u>	<u>1,907</u>

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

	2020 No.	2019 No.
All staff	<u>42</u>	<u>39</u>

The directors serving during the year are executives of the holding company, Serocor Holdings Limited, and are also directors of other group entities. Two of the directors were remunerated through Serocor Holdings Limited during the year whilst the other was remunerated through another group subsidiary but it is not practicable to allocate this between their services as executives of Serocor Holdings Limited and their services as directors of the fellow subsidiaries.

8. Interest payable and similar expenses

	2020 £000	2019 £000
Other interest payable	<u>29</u>	<u>63</u>

Optamor Limited

Notes to the Financial Statements For the Year Ended 29 February 2020

9. Taxation

	2020 £000	2019 £000
Current tax on profits for the year	-	-
Group taxation relief	20	-
Total current tax	20	-
Deferred tax		
Origination and reversal of timing differences	90	(36)
Adjustments in respect of prior periods	(51)	-
Total deferred tax	39	(36)
Taxation on profit on ordinary activities	59	(36)

Factors affecting tax charge/(credit) for the year

The tax assessed for the year is lower than (2019 - lower than) the standard rate of corporation tax in the UK of 19.0% (2019 - 19.0%). The differences are explained below:

	2020 £000	2019 £000
Profit on ordinary activities before tax	624	597
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19.0% (2019 - 19.0%)	119	113
Effects of:		
Expenses not deductible for tax purposes	1	1
Group relief claimed	(20)	-
Payment for group relief	20	-
Adjustments to tax charge in respect of previous periods - deferred tax	(51)	-
Adjust opening deferred tax to average rate of 19.00%	(10)	-
Deferred tax not recognised	-	(150)
Total tax charge/(credit) for the year	59	(36)

Optamor Limited

Notes to the Financial Statements For the Year Ended 29 February 2020

9. Taxation (continued)

Factors that may affect future tax charges

There were no factors that may affect future tax charges.

Accordingly, deferred tax balances recognised in the accounts as at year end have been calculated as using the 19% rate. Deferred taxes at the Balance Sheet date have been measured using these enacted tax rates and reflected in these financial statements.

10. Intangible assets

	Computer software £000
Cost	
At 1 March 2019	54
At 29 February 2020	54
Amortisation	
At 1 March 2019	41
Charge for the year	6
At 29 February 2020	47
Net book value	
At 29 February 2020	7
At 28 February 2019	13

Optamor Limited

Notes to the Financial Statements For the Year Ended 29 February 2020

11. Tangible fixed assets

	Fixtures and fittings £000	Computer equipment £000	Total £000
Cost or valuation			
At 1 March 2019	13	3	16
Additions	22	1	23
Disposals	(12)	-	(12)
At 29 February 2020	23	4	27
Depreciation			
At 1 March 2019	12	3	15
Charge for the year	3	-	3
Disposals	(12)	-	(12)
At 29 February 2020	3	3	6
Net book value			
At 29 February 2020	20	1	21
At 28 February 2019	1	-	1

12. Debtors

	2020 £000	2019 £000
Trade debtors	6,749	7,601
Amounts owed by group undertakings	1,584	478
Prepayments and accrued income	14	16
Deferred taxation	-	36
	8,347	8,131

All amounts shown under debtors fall due for payment within one year.

Optamor Limited

Notes to the Financial Statements For the Year Ended 29 February 2020

13. Creditors: Amounts falling due within one year

	2020 £000	2019 £000
Commercial finance loan	1,372	570
Trade creditors	5,599	5,685
Amounts owed to group undertakings	1,511	2,105
Other taxation and social security	954	775
Other creditors	80	80
Accruals and deferred income	317	774
	<u>9,833</u>	<u>9,989</u>

The bank commercial finance loan is secured by an intercompany cross guarantee with other group companies dated 21 February 2013, and an unsubscribed mortgage debenture over property and assets present and future, including goodwill, debts, uncalled capital, fixtures, and fixed plant and machinery dated 15 March 2013.

14. Deferred taxation

	2020 £000
At beginning of year	36
Credited to profit or loss	(39)
At end of year	<u>(3)</u>

The deferred taxation balance is made up as follows:

	2020 £000	2019 £000
Timing differences	<u>(3)</u>	<u>36</u>

Optamor Limited

Notes to the Financial Statements For the Year Ended 29 February 2020

15. Share capital

	2020 £000	2019 £000
Allotted, called up and fully paid		
50,000 (2019 - 50,000) Ordinary shares of £1.00 each	50	50
11,903 (2019 - 11,903) Ordinary shares of £0.10 each	1	1
	<u>51</u>	<u>51</u>

16. Reserves

Share Capital

Called up share capital represents the nominal value of the shares issued.

Share premium account

The share premium account includes the premium on the issue of equity shares, net of any issue costs.

Profit and loss account

The profit and loss account represents cumulative profit and losses, net of dividends paid and other adjustments.

17. Contingent liabilities

There is an inter-company cross guarantee between all group companies with Royal Bank of Scotland plc with respect to the Group's invoice discounting facility of £4,563,000 (2019 - £4,708,000).

18. Pension commitments

The Company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension charge amounted to £58,781 (2019 - £53,770). Contributions amounting to £58 (2019 - £Nil) were payable to the fund as at the year end.

Optamor Limited

Notes to the Financial Statements For the Year Ended 29 February 2020

19. Related party transactions

	Net sales to/(purchases from) £	Net interest to/(interest from) £	Net recharges to/(recharges from) £	Amounts owed to £	Amounts owed from £
2020	(10,318,131)	911	(1,437,797)	(1,278,568)	1,629,033
2019	(10,620,980)	-	(1,202,661)	(1,844,638)	478,223

The above balances and transactions are between this entity and other entities within the Group that were not wholly owned by the ultimate parent company during the year.

Sales and purchases between related parties are made at normal market prices and are conducted on an arm's length basis. Recharges between group companies relate to management and similar charges as well as the reallocation of costs for shared resources. Outstanding balances with entities are unsecured and, where applicable, interest is charged at commercial rates.

20. Post balance sheet events

Like many businesses the Company was impacted by the global pandemic COVID-19, a range of mitigation measures were implemented in order to protect the business such as the JRS scheme, VAT deferment scheme and temporary reduction in staff salary and commission schemes.

The directors have reviewed detailed analysis of the impact of COVID-19 on the business and are satisfied that the Company will continue as a going concern.

21. Ultimate parent company

The Company is a wholly owned subsidiary of Serocor Holdings Limited who is also the ultimate parent company.

The largest and smallest group in which the results of the Company are consolidated is that headed by Serocor Holdings Limited, incorporated in the United Kingdom. The consolidated accounts of this company are available to the public and may be obtained from Companies House, Crown Way, Cardiff, CF14 3UZ. No other group accounts include the results of the Company.