

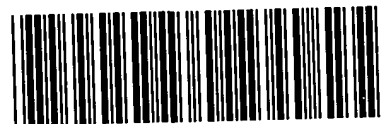
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**OLIVE BUSINESS SOLUTIONS LIMITED**

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**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 JANUARY 2015**

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**OLIVE BUSINESS SOLUTIONS LIMITED**

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**COMPANY INFORMATION**

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**DIRECTORS**

M Geraghty  
M Rutherford (resigned 7 March 2014)  
M Flick  
R Flynn  
M Hallam  
R Parkes (appointed 4 April 2014)  
J Kennedy (appointed 3 March 2015)

**COMPANY SECRETARY**

R Parkes

**REGISTERED NUMBER**

04648708

**REGISTERED OFFICE**

Olive House  
Mercury Park  
Wooburn Green  
High Wycombe  
Buckinghamshire  
HP10 0HH

**INDEPENDENT AUDITOR**

Hillier Hopkins LLP  
Chartered Accountants & Statutory Auditor  
Radius House  
51 Clarendon Road  
Watford  
Herts  
WD17 1HP

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**OLIVE BUSINESS SOLUTIONS LIMITED**

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## OLIVE BUSINESS SOLUTIONS LIMITED

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### STRATEGIC REPORT FOR THE YEAR ENDED 31 JANUARY 2015

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#### INTRODUCTION

The directors present their annual report and audited financial statements for the year ended 31st January 2015.

#### BUSINESS REVIEW

The group had a strong year with total turnover increasing by 63% to £28.7m. EBITDA increased by £0.6m to £5.0m.

	2015
Revenue	£28.9m
Gross Margin	57.8%
EBITDA	£5.0m

The financial statements include the full year results of the two businesses acquired during 2014, being Wish Holdings PLC and Direct Communications Limited.. The directors believe that EBITDA is the most suitable measure for the financial performance of the business.

The business acquired Safetybank Solutions Limited during the year.

Operating Profit was £3.7m.

Olive are Vodafone's second largest Platinum Partner by connection volume due to its ability to understand customers' needs and its strategic alignment to Vodafone's aim to differentiate itself through service delivery and customer care.

Olive have been able to increase its range of services dramatically, so that in addition to mobility, we now offer:

- Fixed Voice
- UCC & IP Telephony
- Data Networks
- Contact Centre Solutions
- Business Applications

#### PRINCIPAL RISKS AND UNCERTAINTIES

The group operates in a highly competitive market. The group benefits from a number of long standing relationships with both key suppliers and customers. These relationships are a key focus of management attention at all levels of the organisation to maximise opportunities and minimise any adverse impact on the financial performance of the group.

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

##### **Credit Risk:**

The principal credit risk arises from Trade Debtors. A large proportion of group revenue is derived from revenue share received on a monthly basis from large high credit rated corporations and the directors consider this to be very low risk.

In order to manage the credit risk of other trade debtors, the directors set credit limits based on a combination of payment history and third party credit references. Credit limits are reviewed on a regular basis by the Credit function based on payment history and debt ageing.

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## OLIVE BUSINESS SOLUTIONS LIMITED

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### STRATEGIC REPORT (continued) FOR THE YEAR ENDED 31 JANUARY 2015

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#### Liquidity and Funding Risk:

The group seeks to manage financial risk by ensuring significant liquidity is available to meet foreseeable needs.

#### FINANCIAL KEY PERFORMANCE INDICATORS

The director's review summarised management information relating to group performance on a regular basis. Performance is measured through a number of Key Performance Indicators (KPI's) which are integral to the review process. Monthly management information compares performance for the month and year to date against performance in the comparable period in the previous financial year and against the budget set for the current financial year.

The financial KPI's that form part of the review process are sales turnover growth, gross profit margin, overheads costs percentage and return on sales.

The table below sets out the key KPI's:

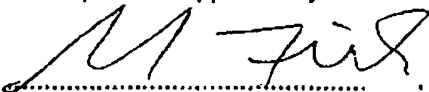
	2015
Turnover growth	63.1%
Gross profit margin	57.8%
Overheads costs percentage (i)	40.2%
Return on sales (ii)	13.0%

- (i) Overheads is defined as Administrative Expenses less Amortisation of Intangible Fixed Assets.  
(ii) Return on Sales is calculated as Profit before Tax and Exceptional Items as a percentage of Total Revenue.

#### OTHER KEY PERFORMANCE INDICATORS

Working capital measures that are reviewed include inventory days, trade receivable days outstanding, overdue trade receivables and trade payable days. Other non financial measures include employee headcount, employee turnover and a number of operational measures in relation to business performance with key customers and suppliers.

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



M Flick  
Director

Date: 19 January 2016

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## **OLIVE BUSINESS SOLUTIONS LIMITED**

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### **DIRECTORS' REPORT FOR THE YEAR ENDED 31 JANUARY 2015**

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The directors present their report and the audited financial statements for the year ended 31 January 2015.

#### **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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments 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 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.

#### **DIRECTORS**

The directors who served during the year were:

M Geraghty  
M Rutherford (resigned 7 March 2014)  
M Flick  
R Flynn  
M Hallam  
R Parkes (appointed 4 April 2014)

#### **DISCLOSURE OF INFORMATION TO AUDITOR**

Each of the persons who are directors at the time when this directors' report is approved has confirmed that:

- so far as that director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- that 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 auditor is aware of that information.

#### **AUDITOR**

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**OLIVE BUSINESS SOLUTIONS LIMITED**

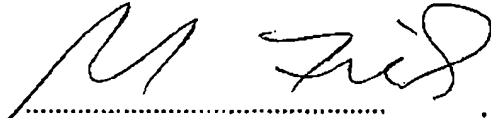
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**DIRECTORS' REPORT  
FOR THE YEAR ENDED 31 JANUARY 2015**

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The auditor, Hillier Hopkins LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

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

A handwritten signature in black ink, appearing to read 'M Flick', is written over a dotted line.

**M Flick**  
Director

Date: 19 January 2016

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## **OLIVE BUSINESS SOLUTIONS LIMITED**

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### **INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF OLIVE BUSINESS SOLUTIONS LIMITED**

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We have audited the financial statements of Olive Business Solutions Limited for the year ended 31 January 2015, set out on pages 7 to 21. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

#### **RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITOR**

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

#### **SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the strategic report and the directors' report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

#### **OPINION ON FINANCIAL STATEMENTS**

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 January 2015 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.

#### **OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006**

In our opinion the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.



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**OLIVE BUSINESS SOLUTIONS LIMITED**

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**INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF OLIVE BUSINESS SOLUTIONS LIMITED**

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**MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION**

We have nothing to report in respect of the following matters where 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.



Richard Malone ACA (senior statutory auditor)

for and on behalf of  
**Hillier Hopkins LLP**

Chartered Accountants  
Statutory Auditor

Radius House  
51 Clarendon Road  
Watford  
Herts  
WD17 1HP

Date: 22/1/16

**OLIVE BUSINESS SOLUTIONS LIMITED**

**PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 31 JANUARY 2015**

	Note	2015 £	2014 (as restated) £
<b>TURNOVER</b>	1,2		
Continuing operations		28,682,561	14,301,641
Acquisitions		7,000	3,289,194
		<u>28,689,561</u>	<u>17,590,835</u>
Cost of sales	4	(12,117,381)	(4,771,062)
		<u>16,572,180</u>	<u>12,819,773</u>
<b>GROSS PROFIT</b>			
Administrative expenses	4	(14,573,177)	(10,700,213)
Other operating income	3	-	(60,203)
		<u>-</u>	<u>(60,203)</u>
<b>OPERATING PROFIT</b>	5		
Continuing operations		2,291,453	1,401,832
Acquisitions		(292,450)	657,525
		<u>1,999,003</u>	<u>2,059,357</u>
<b>EXCEPTIONAL ITEMS</b>			
Other exceptional items	10	-	245,000
		<u>-</u>	<u>245,000</u>
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE INTEREST</b>		1,999,003	2,304,357
Interest receivable and similar income		-	58
Interest payable and similar charges	9	(239,276)	(68,350)
		<u>(239,276)</u>	<u>(68,350)</u>
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		1,759,727	2,236,065
Tax on profit on ordinary activities	11	(910,312)	(589,597)
		<u>(910,312)</u>	<u>(589,597)</u>
<b>PROFIT FOR THE FINANCIAL YEAR</b>	21	<u>849,415</u>	<u>1,646,468</u>

The notes on pages 10 to 21 form part of these financial statements.

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**OLIVE BUSINESS SOLUTIONS LIMITED**

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**STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES  
FOR THE YEAR ENDED 31 JANUARY 2015**

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	Note	2015 £	<i>As restated</i> 2014 £
<b>PROFIT FOR THE FINANCIAL YEAR</b>		<b>849,415</b>	<b>1,646,468</b>
<b>TOTAL RECOGNISED GAINS AND LOSSES RELATING TO THE YEAR</b>		<b>849,415</b>	<b>1,646,468</b>
Prior year adjustment	22	(600,000)	
<b>TOTAL GAINS AND LOSSES RECOGNISED SINCE LAST FINANCIAL STATEMENTS</b>		<b>249,415</b>	

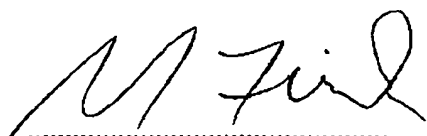
The notes on pages 10 to 21 form part of these financial statements.

**OLIVE BUSINESS SOLUTIONS LIMITED**  
**REGISTERED NUMBER: 04648708**

**BALANCE SHEET**  
**AS AT 31 JANUARY 2015**

	Note	£	2015 £	2014 (as restated) £
<b>FIXED ASSETS</b>				
Intangible assets	12		4,214,322	6,166,359
Tangible assets	14		431,628	316,805
			<u>4,645,950</u>	<u>6,483,164</u>
<b>CURRENT ASSETS</b>				
Stocks	15	306,870		176,259
Debtors	16	23,097,464		17,199,664
Cash at bank and in hand		439,535		248,389
		<u>23,843,869</u>		<u>17,624,312</u>
<b>CREDITORS: amounts falling due within one year</b>	17	(25,104,601)	(19,855,772)	
<b>NET CURRENT LIABILITIES</b>			<u>(1,260,732)</u>	<u>(2,231,460)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>3,385,218</u>	<u>4,251,704</u>
<b>CREDITORS: amounts falling due after more than one year</b>	18		(945,000)	(2,111,667)
<b>PROVISIONS FOR LIABILITIES</b>				
Deferred tax	19		(76,178)	(8,069)
<b>NET ASSETS</b>			<u>2,364,040</u>	<u>2,131,968</u>
<b>CAPITAL AND RESERVES</b>				
Called up share capital	20		100	100
Profit and loss account	21		2,363,940	2,131,868
<b>SHAREHOLDERS' FUNDS</b>	23		<u>2,364,040</u>	<u>2,131,968</u>

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



M Flick  
Director

Date: 19 January 2016

The notes on pages 10 to 21 form part of these financial statements.

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## OLIVE BUSINESS SOLUTIONS LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JANUARY 2015

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#### 1. ACCOUNTING POLICIES

##### 1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards

Included in these financial statements is a prior year adjustment in respect of previously unrecognised management charges from the ultimate parent company. The comparative results and opening balance sheet position have been restated accordingly..

##### 1.2 Cash flow

The company, being a subsidiary undertaking where 90% or more of the voting rights are controlled within the group whose consolidated financial statements are publicly available, is exempt from the requirement to draw up a cash flow statement in accordance with FRS 1.

##### 1.3 Turnover

Turnover comprises revenue recognised by the company in respect of telecommunication services supplied during the year, exclusive of Value Added Tax and trade discounts. Turnover is recognised on connection.

##### 1.4 Intangible fixed assets and amortisation

Goodwill is the difference between amounts paid on the acquisition of a business and the fair value of the identifiable assets and liabilities. It is amortised to the profit and loss account over its estimated economic life.

##### 1.5 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

L/Term Leasehold Property	-	10 years straight line
Improvements		
Motor vehicles	-	4 years straight line
Fixtures & fittings	-	3 years straight line
Office equipment	-	3 years straight line
Computer equipment	-	3 years straight line

##### 1.6 Operating leases

Rentals under operating leases are charged to the profit and loss account 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 period until the date the rent is expected to be adjusted to the prevailing market rate.

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## OLIVE BUSINESS SOLUTIONS LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JANUARY 2015

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#### 1. ACCOUNTING POLICIES (continued)

##### 1.7 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

##### 1.8 Deferred taxation

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation.

A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse.

Deferred tax assets and liabilities are not discounted.

##### 1.9 Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date.

Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction.

Exchange gains and losses are recognised in the profit and loss account.

##### 1.10 Pensions

The company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the year.

#### 2. TURNOVER

All turnover arose within the United Kingdom.

The turnover and profit before taxation from acquired operations arose from telecommunication sales.

#### 3. OTHER OPERATING INCOME

	2015 £	2014 £
Sundry income	-	(60,203)

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**OLIVE BUSINESS SOLUTIONS LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JANUARY 2015**

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**4. ANALYSIS OF OPERATING PROFIT**

	<b>2015</b>	<b>2014</b>
	<b>Continuing</b>	<b>(as restated)</b>
	<b>£</b>	<b>Continuing</b>
		<b>£</b>
Turnover	<b>28,689,561</b>	17,590,835
Cost of sales	<b>(12,117,381)</b>	(4,771,062)
Gross profit	<b>16,572,180</b>	12,819,773
Administrative expenses	<b>(14,573,177)</b>	(10,100,213)
Other operating income	<b>-</b>	(60,203)
	<b>1,999,003</b>	2,659,357

The following amounts were included within continuing activities in relation to acquisitions during the year:

	<b>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>
Turnover	<b>7,000</b>	3,289,194
Cost of sales	<b>-</b>	(1,334,855)
Gross profit	<b>7,000</b>	1,954,339
Overhead expenses	<b>(299,450)</b>	(1,296,814)
Operating (loss)/profit	<b>(292,450)</b>	657,525

**5. OPERATING PROFIT**

The operating profit is stated after charging/(crediting):

	<b>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>
Amortisation - intangible fixed assets	<b>2,871,492</b>	1,712,040
Depreciation of tangible fixed assets:		
- owned by the company	<b>176,156</b>	107,223
Operating lease rentals:		
- plant and machinery	<b>326,947</b>	184,973
Difference on foreign exchange	<b>1,926</b>	117

**6. AUDITORS' REMUNERATION**

	<b>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>
Fees payable to the company's auditor and its associates for the audit of the company's annual accounts	<b>36,225</b>	30,000

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**OLIVE BUSINESS SOLUTIONS LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JANUARY 2015**

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**7. STAFF COSTS**

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

	2015 £	2014 £
Wages and salaries	6,327,943	4,409,607
Social security costs	772,489	475,898
Other pension costs	69,147	10,957
	<u>7,169,579</u>	<u>4,896,462</u>

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

	2015 No.	2014 No.
Administration	113	55
Sales	29	27
Management	6	4
	<u>148</u>	<u>86</u>

**8. DIRECTORS' REMUNERATION**

	2015 £	2014 £
Remuneration	<u>384,182</u>	<u>272,369</u>

The highest paid director received remuneration of £99,900 (2014 - £79,627).

**9. INTEREST PAYABLE**

	2015 £	2014 £
On bank loans and overdrafts	<u>239,276</u>	<u>68,350</u>

**10. EXCEPTIONAL ITEMS**

	2015 £	2014 £
Exceptional intercompany loan write off	<u>-</u>	<u>245,000</u>



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**OLIVE BUSINESS SOLUTIONS LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JANUARY 2015**

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**11. TAXATION**

	2015 £	2014 £
<b>Analysis of tax charge in the year</b>		
<b>Current tax</b> (see note below)		
UK corporation tax charge on profit for the year	842,203	956,345
Adjustments in respect of prior periods	-	(366,748)
<b>Total current tax</b>	<u>842,203</u>	<u>589,597</u>
<b>Deferred tax</b> (see note 19)		
Origination and reversal of timing differences	<u>68,109</u>	-
<b>Tax on profit on ordinary activities</b>	<u><u>910,312</u></u>	<u><u>589,597</u></u>

**Factors affecting tax charge for the year**

The tax assessed for the year is lower than (2014 - *lower than*) the standard rate of corporation tax in the UK of 21.32% (2014 - 23%). The differences are explained below:

	2015 £	2014 £
Profit on ordinary activities before tax	<u>1,759,727</u>	<u>2,236,065</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 21.32% (2014 - 23%)	375,174	514,295
<b>Effects of:</b>		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	620,148	306,589
Capital allowances for year in excess of depreciation	(15,354)	5,960
Adjustments to tax charge in respect of prior periods	-	(366,748)
Adjustment in research and development tax credit leading to an increase (decrease) in the tax charge	(140,304)	-
Changes in provisions leading to an increase (decrease) in the tax charge	4,758	-
Other differences leading to an increase (decrease) in the tax charge	(2,219)	-
Group relief	-	129,501
<b>Current tax charge for the year</b> (see note above)	<u><u>842,203</u></u>	<u><u>589,597</u></u>

**Factors that may affect future tax charges**

There were no factors that may affect future tax charges.

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**OLIVE BUSINESS SOLUTIONS LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JANUARY 2015**

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**12. INTANGIBLE FIXED ASSETS**

	Developmen t £	Goodwill £	Total £
<b>Cost</b>			
At 1 February 2014	-	8,244,366	8,244,366
Additions	96,000	823,455	919,455
At 31 January 2015	<u>96,000</u>	<u>9,067,821</u>	<u>9,163,821</u>
<b>Amortisation</b>			
At 1 February 2014	-	2,078,007	2,078,007
Charge for the year	-	2,871,492	2,871,492
At 31 January 2015	<u>-</u>	<u>4,949,499</u>	<u>4,949,499</u>
<b>Net book value</b>			
At 31 January 2015	<u>96,000</u>	<u>4,118,322</u>	<u>4,214,322</u>
<i>At 31 January 2014</i>	<u>-</u>	<u>6,166,359</u>	<u>6,166,359</u>

**13. ACQUISITIONS**

On 18 June 2014, Olive Business Solutions Limited purchased the goodwill and net assets of Safety Bank Solutions Limited for consideration of £817,100. This purchase has been accounted for as an acquisition.

Safety Bank Solutions Limited contributed a loss of £292,450 to the company and group's net profit for the current year.

In its last financial year to 30 November 2013, Safety Bank Solutions Limited was dormant. For the period since that date to the date of acquisition, Safety Bank Solutions Limited management accounts are shown below.

	Book Value £	Fair Value £
Creditors	(9,680)	(9,680)
Taxation - current	(531)	(531)
Cash	3,856	3,856
Net assets acquired	<u>(6,355)</u>	<u>(6,355)</u>

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OLIVE BUSINESS SOLUTIONS LIMITED

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JANUARY 2015

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	Book Value £	Fair Value £
Net assets acquired	(6,355)	(6,355)
Goodwill		823,455
Purchase consideration		<u>817,100</u>

	£
Consideration satisfied by:	
Cash	457,100
Shares	360,000
	<u>817,100</u>

**Summary profit and loss account**

	£
Turnover	4,275
Administration expenses	(10,730)
Loss for the period	<u>(6,455)</u>

**OLIVE BUSINESS SOLUTIONS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JANUARY 2015**

**14. TANGIBLE FIXED ASSETS**

	<b>L/Term Leasehold Property £</b>	<b>Motor vehicles £</b>	<b>Fixtures &amp; fittings £</b>	<b>Office equipment £</b>	<b>Computer equipment £</b>	<b>Total £</b>
<b>Cost</b>						
At 1 February 2014	69,167	16,964	281,791	58,959	219,634	646,515
Additions	157,656	-	52,512	2,693	81,640	294,501
Disposals	(510)	-	-	-	(4,872)	(5,382)
At 31 January 2015	<u>226,313</u>	<u>16,964</u>	<u>334,303</u>	<u>61,652</u>	<u>296,402</u>	<u>935,634</u>
<b>Depreciation</b>						
At 1 February 2014	6,188	14,665	130,940	42,615	135,302	329,710
Charge for the year	24,841	2,167	84,145	17,897	47,106	176,156
On disposals	-	-	-	-	(1,860)	(1,860)
At 31 January 2015	<u>31,029</u>	<u>16,832</u>	<u>215,085</u>	<u>60,512</u>	<u>180,548</u>	<u>504,006</u>
<b>Net book value</b>						
At 31 January 2015	<u>195,284</u>	<u>132</u>	<u>119,218</u>	<u>1,140</u>	<u>115,854</u>	<u>431,628</u>
At 31 January 2014	<u>62,979</u>	<u>2,299</u>	<u>150,851</u>	<u>16,344</u>	<u>84,332</u>	<u>316,805</u>

**15. STOCKS**

	<b>2015 £</b>	<b>2014 £</b>
Finished goods and goods for resale	<u>306,870</u>	<u>176,259</u>

**16. DEBTORS**

	<b>2015 £</b>	<b>2014 £</b>
Trade debtors	1,987,925	1,249,313
Amounts owed by group undertakings	9,704,869	8,926,218
Other debtors	219,395	43,568
Prepayments and accrued income	11,185,275	6,980,565
	<u>23,097,464</u>	<u>17,199,664</u>

**OLIVE BUSINESS SOLUTIONS LIMITED**

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**17. CREDITORS:**  
**Amounts falling due within one year**

	2015 £	2014 (as restated) £
Bank loans and overdrafts	4,913,654	2,918,400
Other loans	-	466,167
Trade creditors	3,449,222	2,391,689
Amounts owed to group undertakings	7,488,592	7,271,492
Corporation tax	1,577,854	1,188,109
Other taxation and social security	2,248,386	1,178,890
Other creditors	4,143,572	2,905,361
Accruals and deferred income	1,283,321	1,535,664
	<u>25,104,601</u>	<u>19,855,772</u>

**18. CREDITORS:**  
**Amounts falling due after more than one year**

	2015 £	2014 £
Bank loans	<u>945,000</u>	<u>2,111,667</u>

Bank loans include short-term money market facilities of £2,500,000, repayable on demand. Other bank loans included in creditors less than and greater than one year are on a fixed term repayment basis within 2 years.

Bank loans are secured by a cross guarantee and debenture against the company and other members of its group and personal guarantees with the directors M Geraghty and M Flick.

**19. DEFERRED TAXATION**

	2015 £	2014 £
At beginning of year	8,069	8,069
Charge for year (P&L)	68,109	-
At end of year	<u>76,178</u>	<u>8,069</u>

The provision for deferred taxation is made up as follows:

	2015 £	2014 £
Accelerated capital allowances	<u>76,178</u>	<u>8,069</u>

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**OLIVE BUSINESS SOLUTIONS LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JANUARY 2015**

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**20. SHARE CAPITAL**

	2015 £	2014 £
<b>Allotted, called up and fully paid</b>		
100 Ordinary shares of £1 each	100	100

**21. RESERVES**

	Profit and loss account £
At 1 February 2014 (as previously stated)	2,731,868
Prior year adjustment (note 22)	(600,000)
At 1 February 2014 (as restated)	2,131,868
Profit for the financial year	849,415
Dividends: Equity capital	(617,343)
At 31 January 2015	2,363,940

**22. PRIOR YEAR ADJUSTMENT**

Included in these financial statements is a prior year adjustment in respect of previously unrecognised management charges from the ultimate parent company. The comparative results and opening balance sheet position have been restated accordingly.

**23. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS**

	2015 £	2014 (as restated) £
Opening shareholders' funds	2,731,968	665,500
Prior year adjustments (note 22)	(600,000)	
Opening shareholders' funds (as restated)	2,131,968	
Profit for the financial year	849,415	1,646,468
Dividends (Note 24)	(617,343)	(180,000)
Closing shareholders' funds	2,364,040	2,131,968

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**OLIVE BUSINESS SOLUTIONS LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JANUARY 2015**

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**24. DIVIDENDS**

	2015 £	2014 £
Dividends paid on equity capital	<u>617,343</u>	<u>180,000</u>

**25. PENSION COMMITMENTS**

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £69,147 (2014: £10,957).

Contributions totalling £nil (2014 - £nil) were payable to the fund at the balance sheet date and are included in creditors

**26. OPERATING LEASE COMMITMENTS**

At 31 January 2015 the company had annual commitments under non-cancellable operating leases as follows:

	Land and buildings		Other	
	2015 £	2014 £	2015 £	2014 £
<b>Expiry date:</b>				
Within 1 year	-	-	109,275	40,930
Between 2 and 5 years	201,942	377,264	84,073	179,121
After more than 5 years	<u>174,500</u>	<u>-</u>	<u>-</u>	<u>-</u>

**27. RELATED PARTY TRANSACTIONS**

During the year, purchases of £nil (2014: £nil) were made from Olive Unified Communications Services Limited, a company in which M Geraghty is a director. At the year end, £26,290 (2014: £26,290) is included as a debit in trade creditors.

During the year, purchases of £206,198 (2014: £nil) were made from Construction Safety UK Limited, a company in which M Geraghty and J Kennedy are directors. At the year end £919 (2014: £nil) is included in trade creditors.

**28. POST BALANCE SHEET EVENTS**

In January 2016, the group secured funding of £10m from BGF in the form of loan notes to the value of £5.5m and a share issue to the value of £4.5m. The loan notes attract an annual interest rate of 10% and are repayable in four equal semi-annual instalments, with the first instalment repayable in 2021.

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**OLIVE BUSINESS SOLUTIONS LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JANUARY 2015**

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**29. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY**

The parent company is Olive Communication Solutions Limited, a company incorporate in England and Wales.

The ultimate controlling party is M Geraghty by virtue of his shareholding.