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**OLIVE BUSINESS SOLUTIONS LIMITED**

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**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 JANUARY 2017**

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**OLIVE BUSINESS SOLUTIONS LIMITED**

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**COMPANY INFORMATION**

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<b>Directors</b>	M Geraghty M Flick R Flynn M Hallam (resigned 1 March 2016) R Parkes (resigned 31 May 2016) J Kennedy
<b>Registered number</b>	04648708
<b>Registered office</b>	Olive House Mercury Park Wooburn Green High Wycombe Buckinghamshire HP10 0HH
<b>Independent auditor</b>	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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**CONTENTS**

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	Page
<b>Strategic Report</b>	1 - 3
<b>Directors' Report</b>	4 - 5
<b>Independent Auditor's Report</b>	6 - 7
<b>Statement of Comprehensive Income</b>	8
<b>Statement of Financial Position</b>	9
<b>Statement of Changes in Equity</b>	10 - 11
<b>Notes to the Financial Statements</b>	12 - 34

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## **OLIVE BUSINESS SOLUTIONS LIMITED**

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### **STRATEGIC REPORT FOR THE YEAR ENDED 31 JANUARY 2017**

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#### **Introduction**

The Directors present their annual report and audited financial statements for the year ended 31 January 2017.

#### **Business review**

This has been a pivotal year for the development of Olive Business Solutions Limited ("Olive") as a leading provider in the growing cloud communications market. The strategic refocus from traditional mobile reseller to managed communications provider which started in 2014 has begun to reap rewards with significant growth and strengthening within the Unified Communications ("UC") business underpinning predicted revenue depletion within the core mobile business. Turnover increased by 3% while gross margins reduced from 43.7% to 42.1% as a result of increasing competitiveness within the mobile market and the change in mix of business. The increased emphasis in UC underpins future revenues with contracts within this area being longer-term than traditionally within the mobile market.

The business has continued to tighten its operational focus during the year with a site consolidation concluding just after year end and a realignment of headcount to support the UC business.

During the year Olive was awarded 'Total Communications Provider' accreditation from Vodafone. As such it is one of only eleven partners to be awarded such status and it reflects our importance within Vodafone's evolving channel strategy, our ability to work with and understand customer needs, and to develop solutions and products which meet those emerging needs. Olive continues to maintain strategic alignment with Vodafone and to differentiate itself through service delivery and customer care.

The growth of the UC business has been supported by investment in staff and capability including project management and cloud based skill sets. A strong partnership has also developed with Mitel and Olive is now at the cutting edge of cloud based telecoms technology. The business is a key player in the implementation of cloud based solutions for businesses with call centre operations and the high success rate from new business tenders during the year strongly supports this.

We expect the business to further expand its UC expertise and customer base while continuing to provide high levels of service and support to its existing mobile customers.

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## OLIVE BUSINESS SOLUTIONS LIMITED

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### STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 JANUARY 2017

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#### Principal risks and uncertainties

The Company operates in a highly competitive market. The Company 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 Company.

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

#### Credit Risk

The principal credit risk arises from trade receivables. A large proportion of Company 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 receivables, 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 control function based on payment history and debt ageing.

#### Funding and Liquidity Risk

Following the investment from BGF in January 2016 and the additional bank facilities arranged as a result, the Company now has reduced exposure to both funding and liquidity risks. The increased balance of cash and cash equivalents provides more flexibility in the day to day managing of operating cash flows and in addition regular detailed cash flow forecasts are prepared by the Finance team and reviewed by the Board monthly.

#### Financial key performance indicators

During the year and following the inward investment from BGF in January 2016, the Finance leadership team was changed in its entirety and substantially strengthened. Following a comprehensive balance sheet review, it was concluded that it was appropriate to restate some items from the prior year financial statements (see detail within note 28). The EBITDA for both 2017 and restated 2016 (see note 28) are the result of substantial write offs from legacy issues which will not impact the on-going profitability of the business, and reflect a granular review of trading through prior periods within which revenue grew from c.£10m to c.£28m per annum.

	2017	As restated 2016
Revenue	£28.3m	£27.5m
Gross Margin	42.1%	43.7%
EBITDA	(£0.8m)	(£0.9m)

The Directors consider EBITDA to be the most appropriate measure of performance against which to manage the business – this measure was impacted in the last two financial years by non-underlying costs incurred in supporting the January 2016 refinancing and subsequent restructure of the business operations. The £0.1m improvement in EBITDA in 2017 represents a positive performance in a highly competitive environment and has been strongly supported by new customer gains in the UC business and an increased focus on cost control. Operating loss for the year was £2.3m.

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**OLIVE BUSINESS SOLUTIONS LIMITED**

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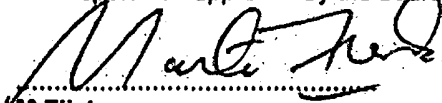
**STRATEGIC REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 JANUARY 2017**

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This report was approved by the board on

28/09/17

and signed on its behalf.



M Flick  
Director

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## OLIVE BUSINESS SOLUTIONS LIMITED

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### DIRECTORS' REPORT FOR THE YEAR ENDED 31 JANUARY 2017

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The Directors present their report and the financial statements for the year ended 31 January 2017.

#### Directors' responsibilities statement

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

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In preparing these financial statements, the Directors are required to:

- select suitable accounting policies for the Company's financial statements and then apply them consistently;
- make judgments 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 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.

#### Results and dividends

The loss for the year, after taxation, amounted to £2,809,832 (2016 - loss £3,339,405).

The loss in both years is primarily due to significant write offs of legacy items which were not fully supported following a comprehensive review of the balance sheet. In addition, the following factors also impacted profitability:

- Continued compression of gross margins due to competition in the mobile market;
- Regulatory impact on network operators resulting in downward pressure on customer ARPUs;
- Increased investment in Unified Communications capabilities and product offerings;
- Investment in senior finance leadership team;
- Increased finance costs following investment and loan restructuring in January 2016; and
- Continued amortisation of historic acquisitions.

The Company is now better placed to take advantage of future opportunities and is expected to return to profitability during the next financial year.

#### Directors

The Directors who served during the year were:

M Geraghty  
M Flick  
R Flynn  
M Hallam (resigned 1 March 2016)

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**OLIVE BUSINESS SOLUTIONS LIMITED**

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**DIRECTORS' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 JANUARY 2017**

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R Parkes (resigned 31 May 2016)  
J Kennedy

**Future developments**

Olive is well placed to build on its growing reputation within the Unified Communications sector both from organisations looking to invest in cloud based technology and from those looking for more traditional fixed line solutions alongside mobile. The Olive offering is a proposition which unifies different forms of technology to offer a more comprehensive communications solution. The business maintains strong relations with key partners such as Vodafone and Mitel and expects to generate substantial new business through these partnerships over the coming years.

A number of changes have been made to key organisational personnel during the year and this has been coupled with a reduction in overall staff numbers and an increase in Unified Communications headcount which will place the business in a good position to maintain momentum and exploit future opportunities profitably.

**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 the Director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- the Director has taken all the steps that ought to have been taken as a Director in order to be aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

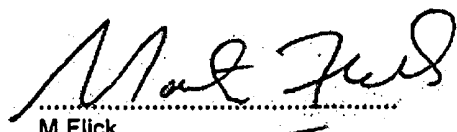
**Post balance sheet events**

In April 2017 the group signed a significant contract with Innovations Group which will deliver c.£10m of additional revenue over the next 7 years within its Unified Communications business.

**Auditor**

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 on 28 /09 /17 and signed on its behalf.

  
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M Flick  
Director



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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 2017, set out on pages 8 to 34. The relevant financial reporting framework that has been applied in their preparation is applicable law and the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

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 on page 4, 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 Financial Reporting Council'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 2017 and of its loss 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.

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**OLIVE BUSINESS SOLUTIONS LIMITED**

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

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

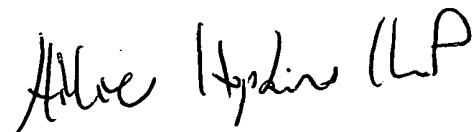
In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with those financial statements and such reports have been prepared in accordance with applicable legal requirements.

In the light of our 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 and the Directors' Report.

**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: 28/09/17

**OLIVE BUSINESS SOLUTIONS LIMITED**

**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 JANUARY 2017**

	Note	2017 £	As restated 2016 £
Revenue	4	28,256,605	27,528,081
Cost of sales		(16,364,426)	(15,502,967)
<b>Gross profit</b>		<b>11,892,179</b>	<b>12,025,114</b>
Administrative expenses		(14,830,866)	(14,649,371)
<b>Operating loss</b>	5	<b>(2,938,687)</b>	<b>(2,624,257)</b>
Interest payable and expenses	9	(104,607)	(512,360)
<b>Loss before tax</b>		<b>(3,043,294)</b>	<b>(3,136,617)</b>
Tax credit / (charge)	10	233,462	(202,788)
<b>Loss for the financial year</b>		<b>(2,809,832)</b>	<b>(3,339,405)</b>
<b>Total comprehensive income for the year</b>		<b>(2,809,832)</b>	<b>(3,339,405)</b>

There were no recognised gains and losses for 2017 or 2016 other than those included in the statement of comprehensive income.

The notes on pages 12 to 34 form part of these financial statements.

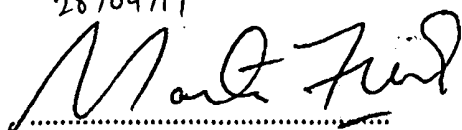
**OLIVE BUSINESS SOLUTIONS LIMITED**  
**REGISTERED NUMBER: 04648708**

**STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 JANUARY 2017**

	Note	2017 £	As restated 2016 £
<b>Non-current assets</b>			
Intangible assets	12	2,911,767	4,810,107
Property, plant and equipment	13	489,095	619,301
		<u>3,400,862</u>	<u>5,429,408</u>
<b>Current assets</b>			
Inventories	14	108,661	112,750
Trade and other receivables	15	20,060,681	18,295,938
Cash at bank and in hand	16	271,432	3,682,089
		<u>20,440,774</u>	<u>22,090,777</u>
Payables: amounts falling due within one year	17	(22,833,450)	(22,746,856)
<b>Net current liabilities</b>		<u>(2,392,676)</u>	<u>(656,079)</u>
<b>Total assets less current liabilities</b>		<u>1,008,186</u>	<u>4,773,329</u>
Payables: amounts falling due after more than one year	18	(3,043,509)	(3,937,500)
<b>Provisions for liabilities</b>			
Deferred tax	21	(2,317)	(63,637)
		<u>(2,317)</u>	<u>(63,637)</u>
<b>Net (liabilities) / assets</b>		<u><u>(2,037,640)</u></u>	<u><u>772,192</u></u>
<b>Capital and reserves</b>			
Called up share capital	22	100	100
Retained losses	23	(2,037,740)	772,092
		<u><u>(2,037,640)</u></u>	<u><u>772,192</u></u>

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

28/09/17



M Flick  
Director

The notes on pages 12 to 34 form part of these financial statements.

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OLIVE BUSINESS SOLUTIONS LIMITED

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STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 JANUARY 2017

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	Called up share capital	Retained earnings / (losses)	Total equity
	£	£	£
At 1 February 2016 (as previously stated)	100	3,900,953	3,901,053
Prior year adjustment	-	(3,128,861)	(3,128,861)
At 1 February 2016 (as restated)	100	772,092	772,192
<b>Comprehensive income for the year</b>			
Loss for the year	-	(2,809,832)	(2,809,832)
<b>At 31 January 2017</b>	100	(2,037,740)	(2,037,640)

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OLIVE BUSINESS SOLUTIONS LIMITED

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STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 JANUARY 2016

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	Called up share capital	Retained earnings	Total equity
	£	£	£
At 1 February 2015 (as previously stated)	100	2,363,938	2,364,038
Prior year adjustment	-	2,136,767	2,136,767
At 1 February 2015 (as restated)	100	4,500,705	4,500,805
<b>Comprehensive income for the year</b>			
Loss for the year	-	(3,339,405)	(3,339,405)
Dividends: Equity capital	-	(389,208)	(389,208)
<b>At 31 January 2016</b>	<b>100</b>	<b>772,092</b>	<b>772,192</b>

The notes on pages 12 to 34 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 2017

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#### 1. General information

Olive Business Solutions Limited (the "Company") is a company incorporated and domiciled in England & Wales.

#### 2. Accounting policies

##### 2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

##### 2.2 Financial reporting standard 102 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 4 Statement of Financial Position paragraph 4.12(a)(iv);
- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.41(b), 11.41(c), 11.41(e), 11.41(f), 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirements of Section 26 Share-based Payment paragraphs 26.18(b), 26.19 to 26.21 and 26.23;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Olive Communications Solutions Limited as at 31 January 2017 and these financial statements may be obtained from Companies House.

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## OLIVE BUSINESS SOLUTIONS LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JANUARY 2017

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#### 2. Accounting policies (continued)

##### 2.3 Revenue

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

##### **Sale of goods**

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the Company has transferred the significant risks and rewards of ownership to the buyer;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

##### **Rendering of services**

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

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



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## OLIVE BUSINESS SOLUTIONS LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JANUARY 2017

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#### 2. Accounting policies (continued)

##### 2.4 Intangible assets

###### Goodwill

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, Goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight line basis to the Statement of Comprehensive Income over its useful economic life.

###### Other 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.

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.

##### 2.5 Property, plant and equipment

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.

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:

L/Term Leasehold Property	- 10 years straight line or life of lease if shorter
Improvements	
Motor vehicles	- 3 years straight line
Fixtures & fittings	- 3 years straight line
Office equipment	- 3 years straight line
Computer equipment	- 3 to 5 years straight line

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 Comprehensive Income.

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## OLIVE BUSINESS SOLUTIONS LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JANUARY 2017

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## 2. Accounting policies (continued)

### 2.6 Impairment of non-current assets

Assets that are subject to depreciation or amortisation are assessed at each reporting date to determine whether there is any indication that the assets are impaired. Where there is any indication that an asset may be impaired, the carrying value of the asset (or cash-generating unit to which the asset has been allocated) is tested for impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's (or CGU's) fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (CGUs). Non-financial assets that have been previously impaired are reviewed at each reporting date to assess whether there is any indication that the impairment losses recognised in prior periods may no longer exist or may have decreased.

### 2.7 Inventories

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

At each reporting date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

### 2.8 Trade and other receivables

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

### 2.9 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

### 2.10 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 debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

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## OLIVE BUSINESS SOLUTIONS LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JANUARY 2017

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#### 2. Accounting policies (continued)

##### 2.10 Financial instruments (continued)

Investments in non-convertible preference shares and in non-puttable ordinary and preference shares are measured:

- at fair value with changes recognised in the Statement of Comprehensive Income if the shares are publicly traded or their fair value can otherwise be measured reliably;
- at cost less impairment for all other investments.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Comprehensive Income.

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

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

##### 2.11 Payables

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

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## **OLIVE BUSINESS SOLUTIONS LIMITED**

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### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JANUARY 2017**

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#### **2. Accounting policies (continued)**

##### **2.12 Foreign currency translation**

###### **Functional and presentation currency**

The Company's functional and presentational currency is GBP.

###### **Transactions and balances**

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of Comprehensive Income except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Statement of Comprehensive Income within 'finance income or costs'. All other foreign exchange gains and losses are presented in the Statement of Comprehensive Income within 'other operating income'.

##### **2.13 Finance costs**

Finance costs are charged to the Statement of Comprehensive Income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

##### **2.14 Dividends**

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting. Dividends on shares recognised as liabilities are recognised as expenses and classified within interest payable.

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## OLIVE BUSINESS SOLUTIONS LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JANUARY 2017

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#### 2. Accounting policies (continued)

##### 2.15 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to the Statement of Comprehensive Income 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.

The Company has taken advantage of the optional exemption available on transition to FRS 102 which allows lease incentives on leases entered into before the date of transition to the standard 01 February 2015 to continue to be charged over the period to the first market rent review rather than the term of the lease.

##### 2.16 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 Comprehensive Income when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. The assets of the plan are held separately from the Company in independently administered funds.

##### 2.17 Borrowing costs

All borrowing costs are recognised in the Statement of Comprehensive Income in the year in which they are incurred.

##### 2.18 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Statement of Comprehensive Income in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Statement of Financial Position date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Statement of Financial Position.

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## OLIVE BUSINESS SOLUTIONS LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JANUARY 2017

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#### 2. Accounting policies (continued)

##### 2.19 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of Comprehensive Income, 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 reporting 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 Statement of Financial Position 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 reporting date.

#### 3. Judgments in applying accounting policies and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgments, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates.

The following judgements (apart from those involving estimates) have had the most significant effects on the amounts recognised in the financial statements:

- The revenue and costs recognised under long term Converged Solutions contracts, has been individually assessed for each contract as at the period end. Management have recognised revenue and cost based on the expected total profit margin for the contract and the amounts delivered and utilised by the customer as at the period end.
- Deferred cost of goods sold has been recognised based on the age and usage profile of the contacts. The amounts deferred for each contract represent the expected future costs for new and replacement devices.

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OLIVE BUSINESS SOLUTIONS LIMITED

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JANUARY 2017

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4. Revenue

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

	2017 £	As restated 2016 £
Telecommunication sales	28,256,605	27,528,081
	<u>28,256,605</u>	<u>27,528,081</u>

Analysis of turnover by country of destination:

	2017 £	As restated 2016 £
United Kingdom	28,256,605	27,528,081
	<u>28,256,605</u>	<u>27,528,081</u>

5. Operating loss

The operating loss is stated after charging:

	2017 £	As restated 2016 £
Depreciation of tangible fixed assets	202,910	262,097
Amortisation of intangible assets, including goodwill	1,898,340	1,444,982
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	52,500	39,500
Exchange differences	3,921	431
Other operating lease rentals	228,272	289,876
Defined contribution pension cost	69,406	96,780
	<u>2,355,349</u>	<u>1,933,166</u>

6. Auditor's remuneration

	2017 £	As restated 2016 £
Fees payable to the Company's auditor and its associates for the audit of the Company's annual accounts	39,500	52,500
	<u>39,500</u>	<u>52,500</u>

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OLIVE BUSINESS SOLUTIONS LIMITED

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JANUARY 2017

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7. Employees

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

	2017 £	As restated 2016 £
Wages and salaries	6,967,032	6,835,223
Social security costs	833,297	787,356
Cost of defined contribution scheme	69,406	96,780
	<u>7,869,735</u>	<u>7,719,359</u>

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

	2017 No.	2016 No.
Administration	105	124
Sales	32	34
Management	5	5
	<u>142</u>	<u>163</u>

8. Directors' remuneration

	2017 £	As restated 2016 £
Directors' emoluments	849,419	788,229
Company contributions to defined contribution pension schemes	-	6,525
	<u>849,419</u>	<u>794,754</u>

The highest paid Director received remuneration of £308,400 (2016 - £235,575).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid Director amounted to £NIL (2016 - £NIL).



**OLIVE BUSINESS SOLUTIONS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JANUARY 2017**

**9. Interest payable and similar charges**

	2017 £	<i>As restated</i> 2016 £
Bank interest payable	104,607	491,868
Other loan interest payable	-	20,492
	<u>104,607</u>	<u>512,360</u>

**10. Taxation**

	2017 £	<i>As restated</i> 2016 £
<b>Corporation tax</b>		
Current tax credit on profits for the year	172,142	-
Adjustments in respect of previous periods	-	(215,329)
	<u>172,142</u>	<u>(215,329)</u>
<b>Total current tax</b>	<u>172,142</u>	<u>(215,329)</u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	61,320	12,541
<b>Total deferred tax</b>	<u>61,320</u>	<u>12,541</u>
<b>Taxation credit / (charge) on ordinary activities</b>	<u>233,462</u>	<u>(202,788)</u>

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**OLIVE BUSINESS SOLUTIONS LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JANUARY 2017**

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**10. Taxation (continued)**

**Factors affecting tax charge for the year**

The tax assessed for the year is higher than (2016 - *higher than*) the standard rate of corporation tax in the UK of 20% (2016 - 20.17%). The differences are explained below:

	2017 £	As restated 2016 £
(Loss) on ordinary activities before tax	<b>(3,043,294)</b>	<b>(3,136,617)</b>
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2016 - 20.17%)	<b>608,659</b>	<b>632,655</b>
<b>Effects of:</b>		
Expenses not deductible for tax purposes	<b>(390,224)</b>	<b>(442,743)</b>
Capital allowances for year in excess of depreciation	<b>15,245</b>	<b>(261)</b>
Adjustments to tax charge in respect of prior periods	-	<b>(215,329)</b>
Losses carried back	-	<b>(266,078)</b>
Other timing differences leading to an increase (decrease) in taxation	<b>(6,190)</b>	<b>15,036</b>
Adjustment in research and development tax credit leading to an increase (decrease) in the tax charge	<b>68,902</b>	<b>98,753</b>
Book profit on chargeable assets	<b>(3,445)</b>	-
Changes in provisions leading to an increase (decrease) in the tax charge	-	<b>957</b>
Unrelieved tax losses carried forward	<b>(62,485)</b>	<b>(25,778)</b>
Group relief	<b>3,000</b>	-
<b>Total tax credit / (charge) for the year</b>	<b>233,462</b>	<b>(202,788)</b>

**Factors that may affect future tax charges**

On 8 July 2015 the Chancellor of the Exchequer announced a reduction in the main rate of UK corporation tax to 19 per cent with effect from 1 April 2017 and 18 per cent with effect from 1 April 2020. These changes were substantively enacted on 26 October 2015.

**OLIVE BUSINESS SOLUTIONS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JANUARY 2017**

**11. Dividends**

	2017 £	As restated 2016 £
Dividends paid on equity capital	-	389,208
	<u>-</u>	<u>389,208</u>

**12. Intangible assets**

	Development £	Goodwill £	Total £
<b>Cost</b>			
At 1 February 2016 (as previously stated)	345,600	9,067,821	9,413,421
Prior Year Adjustment	(345,600)	-	(345,600)
	<u>-</u>	<u>9,067,821</u>	<u>9,067,821</u>
At 1 February 2016 (as restated)	-	9,067,821	9,067,821
	<u>-</u>	<u>9,067,821</u>	<u>9,067,821</u>
At 31 January 2017	-	9,067,821	9,067,821
	<u>-</u>	<u>9,067,821</u>	<u>9,067,821</u>
<b>Amortisation</b>			
At 1 February 2016	-	4,257,714	4,257,714
Charge for the year	-	1,898,340	1,898,340
	<u>-</u>	<u>6,156,054</u>	<u>6,156,054</u>
At 31 January 2017	-	6,156,054	6,156,054
	<u>-</u>	<u>6,156,054</u>	<u>6,156,054</u>
<b>Net book value</b>			
At 31 January 2017	-	2,911,767	2,911,767
	<u>-</u>	<u>2,911,767</u>	<u>2,911,767</u>
At 31 January 2016 (as restated)	-	4,810,107	4,810,107
	<u>-</u>	<u>4,810,107</u>	<u>4,810,107</u>

**OLIVE BUSINESS SOLUTIONS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JANUARY 2017**

**13. Property, plant and equipment**

	<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 or valuation</b>						
At 1 February 2016	303,513	16,964	334,303	61,652	668,973	1,385,405
Additions	-	9,239	-	-	120,578	129,817
Disposals	(14,853)	(15,066)	(118,116)	(16,186)	(233,857)	(398,078)
At 31 January 2017	<u>288,660</u>	<u>11,137</u>	<u>216,187</u>	<u>45,466</u>	<u>555,694</u>	<u>1,117,144</u>
<b>Depreciation</b>						
At 1 February 2016	74,252	16,963	294,380	61,652	318,857	766,104
Charge for the year	47,093	2,054	13,259	8,829	131,675	202,910
Transfers intra group	-	-	11,813	(11,813)	-	-
Disposals	(13,746)	(15,066)	(109,493)	(13,202)	(189,458)	(340,965)
At 31 January 2017	<u>107,599</u>	<u>3,951</u>	<u>209,959</u>	<u>45,466</u>	<u>261,074</u>	<u>628,049</u>
<b>Net book value</b>						
At 31 January 2017	<u>181,061</u>	<u>7,186</u>	<u>6,228</u>	<u>-</u>	<u>294,620</u>	<u>489,095</u>
At 31 January 2016	<u>229,261</u>	<u>1</u>	<u>39,923</u>	<u>-</u>	<u>350,116</u>	<u>619,301</u>

The net book value of land and buildings may be further analysed as follows:

	<b>2017 £</b>	<b>2016 £</b>
Long leasehold	181,061	229,261
	<u>181,061</u>	<u>229,261</u>

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**OLIVE BUSINESS SOLUTIONS LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JANUARY 2017**

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**14. Inventories**

	2017 £	<i>As restated</i> 2016 £
Finished goods	108,661	112,750
	<u>108,661</u>	<u>112,750</u>

**15. Trade and other receivables**

	2017 £	<i>As restated</i> 2016 £
Trade receivables	3,120,170	1,231,096
Amounts owed by group undertakings	5,415,612	5,415,612
Other receivables	1,480,906	694,330
Prepayments and accrued income	10,043,993	10,954,900
	<u>20,060,681</u>	<u>18,295,938</u>

**16. Cash and cash equivalents**

	2017 £	<i>As restated</i> 2016 £
Cash at bank and in hand	271,432	3,682,089
	<u>271,432</u>	<u>3,682,089</u>

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**OLIVE BUSINESS SOLUTIONS LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JANUARY 2017**

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

	2017 £	<i>As restated</i> 2016 £
Bank loans	1,312,500	1,312,500
Other loans	-	588,500
Trade payables	3,091,075	3,256,393
Amounts owed to group undertakings	12,290,092	12,322,092
Other taxation and social security	1,598,921	955,539
Obligations under finance lease and hire purchase contracts	118,850	247,870
Other payables	2,624,751	3,216,831
Accruals and deferred income	1,797,261	847,131
	<u>22,833,450</u>	<u>22,746,856</u>

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

	2017 £	<i>As restated</i> 2016 £
Bank loans	2,953,125	3,937,500
Net obligations under finance leases and hire purchase contracts	90,384	-
	<u>3,043,509</u>	<u>3,937,500</u>

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**OLIVE BUSINESS SOLUTIONS LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JANUARY 2017**

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**19. Loans**

Analysis of the maturity of loans is given below:

	<b>2017</b>	<i>As restated</i>
	<b>£</b>	<i>2016</i>
		<b>£</b>
<b>Amounts falling due within one year</b>		
Bank loans	<b>1,312,500</b>	<i>1,312,500</i>
Other loans	<b>-</b>	<i>588,500</i>
	<b>1,312,500</b>	<i>1,901,000</i>
<b>Amounts falling due 1-2 years</b>		
Bank loans	<b>1,312,500</b>	<i>1,312,500</i>
	<b>1,312,500</b>	<i>1,312,500</i>
<b>Amounts falling due 2-5 years</b>		
Bank loans	<b>1,640,625</b>	<i>2,625,000</i>
	<b>1,640,625</b>	<i>2,625,000</i>
	<b>4,265,625</b>	<i>5,838,500</i>

Bank loans include short-term money market facilities of £nil (2016: £nil) repayable on demand.

Other bank loans included in amounts falling due within one and amounts falling due in one to two years are on a fixed term repayment basis due 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 directors M Geraghty, M Flick and J Kennedy.

**OLIVE BUSINESS SOLUTIONS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JANUARY 2017**

**20. Financial instruments**

	2017 £	As restated 2016 £
<b>Financial assets</b>		
Financial assets measured at fair value through profit or loss	271,432	3,682,089
Financial assets that are debt instruments measured at amortised cost	10,796,117	7,635,979
	<u>11,067,549</u>	<u>11,318,068</u>
<b>Financial liabilities</b>		
Financial liabilities measured at amortised cost	(24,068,802)	(25,322,769)
	<u>(24,068,802)</u>	<u>(25,322,769)</u>
Financial assets measured at fair value through profit or loss comprise...		
Financial liabilities measured at amortised cost comprise...		

**21. Deferred taxation**

	2017 £
At beginning of year	(63,637)
Credited to the profit or loss	61,320
<b>At end of year</b>	<u>(2,317)</u>
The provision for deferred taxation is made up as follows:	
	2017 £
Accelerated capital allowances	(47,508)
Tax losses carried forward	45,191
	<u>(2,317)</u>



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**OLIVE BUSINESS SOLUTIONS LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JANUARY 2017**

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**22. Share capital**

	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
<b>Shares classified as equity</b>		
<b>Allotted, called up and fully paid</b>		
100 Ordinary shares of £1 each	<b>100</b>	<b>100</b>

**23. Reserves**

**Profit & loss account**

Included in the retained earnings are all current and prior period retained profits and losses.

**24. 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 £64,222 (2016 Restated: £65,034).

Contributions totalling £6,794 (2016: £4,832) were payable to the fund at the balance sheet date and are included in creditors

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**OLIVE BUSINESS SOLUTIONS LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JANUARY 2017**

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**25. Commitments under operating leases**

At 31 January 2017 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
<b>Land and buildings</b>		
Not later than 1 year	<b>310,234</b>	351,182
Later than 1 year and not later than 5 years	<b>843,998</b>	688,872
Later than 5 years	<b>516,407</b>	683,458
	<b>1,670,639</b>	1,723,512
	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
<b>Other operating leases</b>		
Not later than 1 year	<b>186,746</b>	203,316
Later than 1 year and not later than 5 years	<b>106,578</b>	224,019
	<b>293,324</b>	427,335

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## OLIVE BUSINESS SOLUTIONS LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JANUARY 2017

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#### 26. Related party transactions

During the year, purchases of £nil (2016: £nil) were made from Olive Unified Communications Services Limited, a company in which M Geraghty is a Director. At the year end, £26,290 (2016: £26,290) is included as a debit in Trade payables.

During the year, purchases of £32,000 (2016: £363,073) were made from and sales of £1,523 (2016: £56,152) were made to Construction Safety UK Limited, a company in which M Geraghty and J Kennedy are Directors.

During the year the Company has written off receivable balances totalling £57,675 (2016: £nil) due from Construction Safety UK Limited, therefore at the year end £nil (2016: £1,469) is included in Trade payables and £nil (2016: £56,152) is included in Trade receivables.

During the year purchases of £53,000 (2016: £nil) were made from Springboard Advisory Services Limited, a Company where R Flynn is a Director. As at the year end £5,353 (2016: £nil) is included within Trade payables.

During the year sales of £9,079 (2016: £3,981) were made to Want2bethere Limited, a Company where R Flynn is a Director. The sales were made at commercial arms length and as at the year end £1,604 (2016: £nil) is included within Trade receivables.

During the year, consultancy charges of £200,000 (2016: £nil) were paid to Geraghty Bloodstock Pty Ltd a company which is controlled by M Geraghty. As at the year end £21,544 (2016: £nil) is included in Trade payables.

During the year purchases were made and income received by M Geraghty on behalf of the Company. As at the year end £300,000 was owed to (2016: £63,558 due from) the Company.

#### 27. Controlling party

The immediate parent company is Olive Communication Solutions Limited.

The ultimate controlling party is Mark Geraghty.

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**OLIVE BUSINESS SOLUTIONS LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JANUARY 2017**

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**28. Prior year adjustment**

Following the inward investment of BGF in January 2016 there was a complete change in the senior finance team in place within the Company.

As a result of this an extensive and granular cleansing of each nominal ledger account has been undertaken. The result of which is the identification of a number of legacy balances that were not supported. In order to present the results in the most consistent and accurate basis, where it is evident that these relate to a previous year, the correction has been made to the prior year.

The impact of these corrections on a financial statement line item basis is set out in the following table:

<b>Statement of comprehensive income</b>	<b>2016</b>	<b>2016</b>
	<b>As restated £</b>	<b>As originally presented £</b>
Revenue	27,528,081	28,585,274
Cost of sales	(15,502,967)	(13,915,549)
<b>Gross Profit</b>	<b>12,025,114</b>	<b>14,669,725</b>
Administrative expenses	(13,649,371)	(13,589,548)
<b>Operating (loss)/profit</b>	<b>(1,624,257)</b>	<b>1,080,177</b>
Interest payable and similar charges	(1,512,360)	(469,791)
<b>(Loss)/profit before tax</b>	<b>(3,136,617)</b>	<b>610,386</b>
Tax	(202,788)	(835,930)
<b>Loss after tax</b>	<b>(3,339,405)</b>	<b>(225,544)</b>
Dividends	(389,208)	(374,208)
<b>Retained losses</b>	<b>(3,728,613)</b>	<b>(599,752)</b>

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**OLIVE BUSINESS SOLUTIONS LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JANUARY 2017**

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**28. Prior year adjustment (continued)**  
**Balance sheet**

	2016	2016
	As restated £	As originally presented £
<b>Non-current assets</b>		
Intangible assets	4,810,107	5,155,707
Property, plant and equipment	619,301	619,297
	<u>5,429,408</u>	<u>5,775,004</u>
<b>Current assets</b>		
Inventories	112,750	309,696
Trade and other receivables	18,295,938	20,589,744
Cash at bank	3,682,089	3,769,607
	<u>22,090,777</u>	<u>24,669,047</u>
Payables: amounts falling due within one year	(22,746,856)	(22,541,861)
<b>Net current (liabilities)/assets</b>	<b>(656,079)</b>	<b>2,127,186</b>
Payables: amounts falling due after more than one year	(3,937,500)	(3,937,500)
<b>Provisions</b>		
Deferred tax	(63,637)	(63,637)
<b>Net Assets</b>	<u><b>772,192</b></u>	<u><b>3,901,053</b></u>
Reduction in Net Assets	(3,128,861)	