

Registration number: 02379290

**OPTIMUM GROUP SERVICES LIMITED
(FORMERLY OPTIMUM GROUP SERVICES
PLC)**

Annual Report and Financial Statements
for the Year Ended 31 March 2020



BREBNERS
Chartered Accountants & Statutory Auditor
130 Shaftesbury Avenue
London
W1D 5AR

**OPTIMUM GROUP SERVICES LIMITED (FORMERLY OPTIMUM
GROUP SERVICES PLC)**

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**OPTIMUM GROUP SERVICES LIMITED (FORMERLY OPTIMUM
GROUP SERVICES PLC)**

Company Information

Directors	J F Crehan J Moore
Company secretary	A Crehan
Registered office	Bridge House Bridge Street Olney Buckinghamshire MK46 4AB
Auditor	Brebners Chartered Accountants & Statutory Auditor 130 Shaftesbury Avenue London W1D 5AR

OPTIMUM GROUP SERVICES LIMITED (FORMERLY OPTIMUM GROUP SERVICES PLC)

Strategic Report for the Year Ended 31 March 2020

The directors present their strategic report for the year ended 31 March 2020.

Principal activity

The principal activity of the company is the provision of optimised facility management and building performance covering all aspects of engineering operations and fabric maintenance to maximise occupancy comfort and commercial building performance.

Fair review of the business

Optimum Group Services has continued to develop its business with significant new business awards and organic growth with key clients such as 22 Bishopsgate, Close Bros, BNP and Virtus Data Centres. However, market conditions have been challenging while the Brexit and General Election uncertainty has clearly disturbed customer investment timings on new capital plant and building fabrics. As a result, we have seen deferrals in commencement of some new Contract wins and Project opportunities into the year ending 31 March 2021.

Optimum Group Services has however continued to invest in new technologies and Digital A.I. upgrades. This has kept us at the leading edge of fast-moving building occupier and owner requirements.

Our Divisional strategy has remained consistent with the year ended 31 March 2019 and our focus on Corporate, Data Centres and National Real Estate has provided continuity for both our customer base and employees. We have also maintained our commitment to Hard Services and Total FM solutions.

Maintenance turnover has remained stable at £37.7m, as has overall Gross Margin at 18%. The turnover reductions in both Extra Works (18%) and Projects Revenue (41%) are a direct result of the challenging market conditions noted above.

The operating profit before exceptional costs and taxation for the year of £241,976 reflected the Company's continued investment in the Senior Management Team and in new technologies, made despite the market frustrations and deferred turnover mentioned above. There was an operating loss after exceptional costs and before taxation of £373,338. Exceptional costs comprised the write off of an intangible asset and an exceptional bad debt.

Key Performance Indicators

The company's key financial and other performance indicators during the year were as follows:

	Unit	2020	2019
Turnover	£	60,040,884	67,283,019
Increase/(decrease) in turnover	%	(11)	9
Gross Margin	%	18	20
Turnover per full time employee	£	137,079	140,466
Gross profit per full time employee	£	25,204	27,682

The company closely monitors its operational performance on contracts against its customers' service level agreements.

Non-Financial Key Performance Indicators

The company seeks to ensure that responsible business practice is fully integrated into the management of all of its operations and into the culture of all parts of its business. The directors believe that the consistent adoption of responsible business practice is essential for operational excellence, which in turn, ensures the delivery of its core objectives of sustained real growth in profitability.

OPTIMUM GROUP SERVICES LIMITED (FORMERLY OPTIMUM GROUP SERVICES PLC)

Strategic Report for the Year Ended 31 March 2020

Financial Instruments

The company uses basic financial instruments, comprising of borrowings, cash and various other items, such as trade debtors and trade creditors that arise directly from its operations.

It is and has been throughout the year under review, the company policy that no trading in financial instruments shall be undertaken.

Financial risk management objectives and policies

The company has exposure to three main areas of risk - liquidity risk, operational risk and customer credit exposure.

In respect of bank balances the company had no overdraft facility during the year. In the reporting period the company opened an Invoice discounting facility capped at £2m.

The company renders its sales and incurs its purchases, cost of sales and administrative expenses in sterling and there is therefore no currency risk.

Liquidity risk

The objective of the company in managing liquidity risk is to ensure that it can meet its financial obligations as and when they fall due. The company expects to meet its financial obligations through operating cash flows. In the event that the operating cash flows would not cover all the financial obligations, the company has credit facilities available.

Customer credit exposure

The company may offer credit terms to customers which allow payment of the debt after delivery of the goods or services. The company is at risk to the extent that a customer may be unable to pay their debt on the specified due date. This risk is mitigated by continuous internal review and by maintaining strong on-going customer relationships.

OPTIMUM GROUP SERVICES LIMITED (FORMERLY OPTIMUM GROUP SERVICES PLC)

Strategic Report for the Year Ended 31 March 2020

Operational risks

Throughout its operations the company faces various internal and external risks, including those listed below.

These include market risks and legislative and regulatory risks all of which could conceivably have an impact on the company's long term performance and operational viability. The company manages the risks inherent to its operations in order to mitigate exposure to all forms of risk with the implementation of specific control environments and external regulatory review where applicable. The company continues to invest in its employees with appropriate training and development programmes to mitigate personnel risk.

System and IT risk is substantially mitigated by the use of modern systems, sophisticated multiple back-up and recovery procedures and facilities.

Key operational risks the group faces:

- Effects of global economic outlook, particularly within the industry
- Legal risks involving laws and regulations to which the company is required to adhere within its chosen industry.
- Optimum Group Services does not trade outside of the UK and as such has no direct exchange rate exposure. We do however use components some of which are imported into the UK by our dedicated and long-term supplier network. During this period the Brexit policy has had no impact on component availability, however we are mindful of this in the future.
- The company also monitors potential exposure to over-reliance on certain key contracts, recognising the potential impact upon working capital, liquidity and profitability the loss of such a contract should have. The company address this risk by developing strong working relationships across a range of key clients and strengthening the range of services available to the market. The pipeline of work is also closely monitored in conjunction with levels of internal investment and the ongoing availability of working capital.
- Other risks include legislation on building energy and carbon footprint impact. We have developed a reputation for excellent engineering solutions already providing clear improvements to our customers on environmental impact reduction. We believe that our continued leadership in this field will ensure Optimum Group Services benefits from any such legislation and UK initiatives.
- Effect of COVID-19 global pandemic (referenced in 'Future Developments')

Summary

The board continuously monitor for, and respond to, changes in the company's risk environment, so ensuring that the company remains well placed to address operations, reputational, financial and business risks in a timely and appropriate manner.

OPTIMUM GROUP SERVICES LIMITED (FORMERLY OPTIMUM GROUP SERVICES PLC)

Strategic Report for the Year Ended 31 March 2020

Future Developments

The company has a significant number of ongoing long-term contracts with a number of well-established customers. In the medium and long term, we aim to continue building our business and strengthening our team. Investment in training, employee wellbeing, and retention are key priorities.

On 11 March 2020, the World Health Organisation officially declared COVID-19 as a pandemic. Management is closely monitoring and responding to the COVID-19 pandemic; the health and safety of our employees, customers and business partners remains a priority. Management are tracking the evolution of this pandemic, including how it may affect the company, the economy and the general population and whilst the full impact cannot be known, they remain confident that they have, to the best of their ability, identified the short to medium term future financial impact of these events upon the company. The company has experienced continuing demand for its services and have kept fully operational throughout the pandemic. The directors believe that the company is well placed to manage its business risks successfully during the current pandemic.

The company's latest management accounts show ongoing profitability and sufficient working capital - supported by detailed Forecasts through to 2024. Whilst the full impact of the coronavirus upon the company's operations and the economy as a whole cannot be known, the Board of Directors remain hopeful on building and improving upon 2020's performance.

Section 172(1) statement

The Companies (Miscellaneous Reporting) Regulations 2018 require Directors to explain how they considered the interests of key stakeholders as set out in section 172(1) (A) to (F) of the Companies Act 2006 when performing their duty to promote the success of the Company. The following paragraphs summarise how the Directors fulfil their duties.

(A) "The likely consequences of any decision in the long term"

Optimum Group Services Directors are sensitive to changes in our industry and environment and adapt quickly to safeguard the long term future of the business.

By upholding our core values of Visibility, Responsiveness and Trust we ensure our current customer base remains as clear focus as we enter a new and exciting period of growth.

(B) "The interests of the company's employees"

Our business success revolves around our people and ability to retain, train and promote our employees at all levels in order to provide an industry leading service to our customers and attract great people to our organisation to further strengthen our position in the FM world.

Optimum Group Services issues a monthly employee newsletter and frequent employee updates are sent via the HR team to ensure information on matters of concern are communicated regularly and promptly when required.

Optimum Group Services has introduced Monthly Contract Reviews, McQuaig 360 feedback surveys and promotes the use of TEAMS to improve accessibility of all staff regardless of logistics.

(C) "The need to foster the company's business relationships with suppliers, customers and others"

We have introduced quarterly supplier reviews with our Preferred Supply Chain to discuss operational and financial performance to ensure our key vendors are aligned with our company values.

We are in constant contact with our Customers and strongly believe our personable and honest approach will see us through our next period of growth in the coming years.

OPTIMUM GROUP SERVICES LIMITED (FORMERLY OPTIMUM GROUP SERVICES PLC)

Strategic Report for the Year Ended 31 March 2020

(D) "The impact of the company's operations on the community and the environment"

Optimum Group Services continues to work closely with its customers on energy and sustainability initiatives helping to promote an environmentally friendly maintenance solution, a field in which we intend to lead the market in the coming years. Remote monitoring and tech assistance are recent projects we have rolled out across some of customer base.

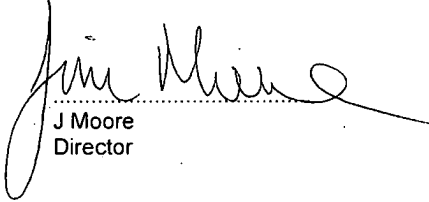
(E) "The desirability of the company maintaining a reputation for high standards of business conduct"

Our QHSE, Technical and service delivery standards continue to be tested and refreshed in line with new legislation and best practice. Our Senior Management team works closely with all employees to ensure all records and certification are in place and up to date.

(F) "The need to act fairly as between members of the company"

Optimum Group Services empowers all employees to be accountable and responsible for the delivery of excellent service and our HR team communicates directly to all staff when required, promoting a transparent and honest environment where everyone has a voice.

Approved by the Board on 15.09.2020 and signed on its behalf by:



J Moore
Director

OPTIMUM GROUP SERVICES LIMITED (FORMERLY OPTIMUM GROUP SERVICES PLC)

Directors' Report for the Year Ended 31 March 2020

The directors present their report and the financial statements for the year ended 31 March 2020.

Directors of the company

The directors who held office during the year were as follows:

J F Crehan

J Moore

Disclosure of information in the Strategic Report

The company has chosen in accordance with s.414C(11) Companies Act 2006 to set out in the company's strategic report information required by Schedule 7 of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 to be contained in the directors' report. It has done so in respect of financial instruments and future developments.

Dividends

During the year interim paid dividends amounted to £820,000. No final dividend is proposed.

Employment of disabled persons

The company gives full consideration to applications for employment from disabled persons where the candidate's particular aptitudes and abilities are consistent with adequately meeting the requirements of the job. Opportunities are available to disabled employees for training, career development and promotion.

Where existing employees become disabled, it is the company's policy to provide continuing employment wherever practicable in the same or an alternative position and to provide appropriate training to achieve this aim.

Engagement with employees

Optimum Group Services issues a monthly employee newsletter and frequent employee updates are sent via the HR team to ensure information on matters of concern are communicated regularly and promptly when required.

Optimum Group Services has introduced Monthly Contract Reviews, McQuaig 360 feedback surveys and promotes the use of TEAMS to improve accessibility of all staff regardless of logistics.

Bonus scorecards are in place for all Senior / Contract Management staff and Lead Contract Supports. Full accountability for Contract performance sits with the local site team.

Management information is more readily available and accessible to all levels of Management and Support staff than ever before and transparency through weekly reporting and daily comms meetings has improved the common understanding of business performance throughout the company.

OPTIMUM GROUP SERVICES LIMITED (FORMERLY OPTIMUM GROUP SERVICES PLC)

Directors' Report for the Year Ended 31 March 2020

Engagement with suppliers, customers and other relationships

We have introduced quarterly supplier reviews with our Preferred Supply Chain to discuss operational and financial performance to ensure our key vendors are aligned with our company values.

We are in constant contact with our Customers and strongly believe our personable and honest approach will see us through our next period of growth in the coming years.

Each contract has a detailed monthly review meeting with their client which includes the presentation of a monthly report covering all operational and financial aspects of the contract.

Streamlined energy and carbon reporting

We have considered the recommendations of the Financial Stability Board's Task Force on Climate-related Financial Disclosures (TCFD) when preparing this report. These recommendations encourage businesses to increase disclosure of climate-related information, with an emphasis on financial disclosure. Optimum Group Services supports these recommendations and are committed to disclosing the relevant information which can be found below.

The below covers the Optimum Group Services entire operation, i.e. everything that Optimum Group Services has financial control and operational control of.

Fuels

This covers 100% of the total energy consumption:

- all transport fuel consumed by the Optimum Group Services vehicle fleet.
- all transport fuel consumed by staff using their own vehicles whilst performing company business .
- all electricity consumption for Jebson House in Ruislip prior to Optimum Group Services vacating the building.
- energy consumption within the offices at Olney, London and Manchester all of which are leased on a fully managed service basis. Optimum Group Services occupies one office in each of the buildings and staff operate on a flexible working basis. Optimum Group Services typically has 4 staff in the Olney office, 12 staff in the London office and 3 staff in the Manchester office. All other staff are mobile or operate from client's sites. The area of the Olney and London offices are approximately 36 m², and the Manchester office is approximately 18 m². None of the Optimum Group Services offices are sub-metered and Optimum Group Services has no access to the landlord's utility invoices. The landlord has full control of almost all building services and Optimum Group Services only has control of Optimum Group Services own office lighting and office equipment. Optimum Group Services influence over each building's total consumption is negligible so even if the total annual consumption for each building was available it would be inaccurate to prorate Optimum Group Services consumption based on area so it was agreed that the best way to estimate the consumption was to use standard benchmark data. Given how small the office consumption is compared to transport, saving opportunities should focus on the transport operation rather than installing office sub-metering.

OPTIMUM GROUP SERVICES LIMITED (FORMERLY OPTIMUM GROUP SERVICES PLC)

Directors' Report for the Year Ended 31 March 2020

Total energy consumption

The total energy consumption of Optimum Group Services during the reporting period 1st April 2019 to 31st March 2020 is broken down below:

	Consumption [kWh]	% Total
All Star Fuel	712,894	71
Grey Fleet Fuel	234,009	24
Jebson House Electricity	30,025	3
Other Office Electricity	19,710	2
Total	<u>996,638</u>	<u>100</u>

Associated greenhouse gas emissions

The total associated greenhouse gas emissions of Optimum Group Services energy consumption during the reporting period 1st April 2019 to 31st March 2020 is broken down below:

	Emissions [tCO ₂ e]	% Total
All Star Fuel	174	72
Grey Fleet Fuel	56	23
Jebson House Electricity	8	3
Other Office Electricity	5	2
Total	<u>243</u>	<u>100</u>

OPTIMUM GROUP SERVICES LIMITED (FORMERLY OPTIMUM GROUP SERVICES PLC)

Directors' Report for the Year Ended 31 March 2020

Methodology used

The calculations in this report use the GHG Protocol methodology.

The energy consumption was collected as follows:

- The All Star fuel card statements for the reporting year. The fuel was made up of Diesel, Unleaded Petrol and LPG. The UK 2019 kWh (Gross CV) conversion rates from <https://www.gov.uk/government/publications/greenhouse-gas-reporting-conversion-factors-2019> were used to convert litres into kWh. Data to enable the All Star fuel card transport consumption to be calculated was provided by Sarah Crehan, Communications and Marketing Executive.

- The total mileage claimed for by staff as grey fleet was 196,173 miles and it is assumed that mileage is split equally between Diesel (average biofuel blend) and Petrol (average biofuel blend). The UK 2019 kWh (gross CV) and average car conversion rates from <https://www.gov.uk/government/publications/greenhouse-gas-reporting-conversion-factors-2019> were used to convert the mileage into kWh. Data to enable the grey fleet transport consumption was provided by Emily Darling, Finance Assistant Accounts Payable.

The Jebesen House electricity consumption is the consumption invoiced by British Gas.

The other office consumption was calculated using office floor area and benchmark data from Better Building Partnership's 2017 Real Estate Environmental Benchmarks which specifies a typical electricity consumption of 219 kWh/m².

The emissions were calculated using emissions conversion factors from <https://www.gov.uk/government/publications/greenhouse-gas-reporting-conversion-factors-2019>. The emissions factor for Grid Electricity scope 2 emissions produced from 'electricity generated' was used to calculate emissions associated with electricity consumption.

To ensure that the report complies with the SECR guidance Optimum Group Services prepared the report in conjunction with David Collier a third party independent consultant. He is well practiced with the principles of energy and carbon reporting and is a Chartered Energy Manager member of the Energy Institute and has successfully completed the five modules making up the Energy Institute's SECR Training Course. The data and information within the report was reviewed by Daren Bartram, Optimum Group Services QHSE Director.

OPTIMUM GROUP SERVICES LIMITED (FORMERLY OPTIMUM GROUP SERVICES PLC)

Directors' Report for the Year Ended 31 March 2020

Comparison with prior year figures

As this is the first year of SECR, Optimum Group Services is not required to compare consumption and emissions with previous years.

The 2019/20 SECR reporting period will be used as a baseline for future comparisons as outlined in the table below.

The baseline year will be reviewed and re-designated if there is a significant organisational change.

	Total energy consumption [kWh] 2019/20	Associated emission [tCO2e] 2019/20
All Star Fuel	712,894	174
Grey Fleet	234,009	56
Electricity	49,735	13
Total	996,638	243

Intensity ratio

Optimum Group Services business continues to develop as it responds to new opportunities. That has an impact on energy consumption, for example more recently Optimum Group Services has engaged with more clients based outside London which are spread further apart so transportation to client sites has increased.

After careful consideration Optimum Group Services has decided that the Intensity Ratio used for SECR reporting will be tonnes CO2e/ £million turnover.

Once telematics has been implemented across the entire fleet Optimum Group Services will consider introducing a second intensity ratio for tonnes CO2e/ 1,000 miles of travel.

In 2019/20 the emissions were 242.74 tCO2e and the turnover was £60.1 million giving an intensity ratio of 4.04 tCO2e / £ million revenue.

Energy efficiency action taken within 2019/20 reporting year

The following actions were completed in the 2019/20 reporting year:

- Introduce a live map to deploy drivers to minimise journey distances
- Introduce a driver's pack that has a Driving Policy and covers things like eco driving and route planning
- Standardise new vehicle process to include vehicle specification and installation of telematics
- Make use of All Star's Environment and Business Mileage Reporting which helps track carbon footprint and keep compliant business mileage reporting

OPTIMUM GROUP SERVICES LIMITED (FORMERLY OPTIMUM GROUP SERVICES PLC)

Directors' Report for the Year Ended 31 March 2020

Energy efficiency action taken within 2020/21 reporting year

The following actions are planned:

- Eliminate all owned vehicles from Optimum Group Services fleet and ensure that leased vehicles are replaced a minimum of every 5 years. This will ensure vehicles are fitted with energy efficient features such as auto start stop.
- Install telematics in all vehicles in Optimum Group Services fleet (approximately two thirds currently have telematics).
- Telematics reports will be closely scrutinised and all aspects of poor driving will be discussed with the driver, examples of poor driving include unsafe speeds, harsh braking, harsh cornering, excessive idling time. Additional training or disciplinary action will be undertaken as appropriate.
- Anyone driving on company business must maintain up to date driver training which consists of online training to improve driver behaviour, safety and energy efficient driving. Training will be an annual requirement and assessments must be successfully completed.
- Details about all vehicles used for company business will be maintained including MOT status.
- Details about all employees who drive a vehicle for company business must be maintained including driving licences.
- Introduce a new grey fleet registration form so that employees that use their own vehicles for company business provide details of the vehicle that they will be using which will include manufacturer's fuel performance data and emissions data.
- The management and administration of the grey fleet registration forms will be delegated to the lease management company.
- Monthly newsletters
- Drivers to complete an online Eco driving awareness course
- Ensure correct tyre pressures are maintained
- Ensure anyone driving on company business attends a driver induction session to cover issues similar to those in proposed LGV driver's pack and confirms completion
- Send out monthly communications for all staff covering Environmental issues.

OPTIMUM GROUP SERVICES LIMITED (FORMERLY OPTIMUM GROUP SERVICES PLC)

Directors' Report for the Year Ended 31 March 2020

Important non adjusting events after the financial period

On 31 March 2020 the company entered into an agreement to purchase the entire shareholding of Synergy Specialist Services Limited. On 14 July 2020 the shares were transferred to Optimum Group Services Limited.

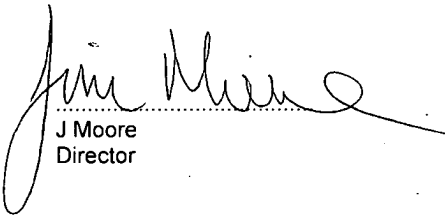
Re-registration as a private limited company

On 7 August 2020 Optimum Group Services Plc was re-registered as a private limited company called Optimum Group Services Limited.

Disclosure of information to the auditors

Each director has taken steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information. The directors confirm that there is no relevant information that they know of and of which they know the auditors are unaware.

Approved by the Board on 15.09.2020 and signed on its behalf by:


J Moore
Director

OPTIMUM GROUP SERVICES LIMITED (FORMERLY OPTIMUM GROUP SERVICES PLC)

Statement of Directors' Responsibilities

The directors acknowledge their responsibilities for preparing the Annual 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 apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- 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.

OPTIMUM GROUP SERVICES LIMITED (FORMERLY OPTIMUM GROUP SERVICES PLC)

Independent Auditor's Report to the Members of Optimum Group Services Limited (formerly Optimum Group Services Plc) for the Year Ended 31 March 2020

Opinion

We have audited the financial statements of Optimum Group Services Limited (formerly Optimum Group Services Plc) (the 'company') for the year ended 31 March 2020, which comprise the Statement of Income and Retained Earnings, Statement of Financial Position, Statement of Cash Flows, and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2020 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

OPTIMUM GROUP SERVICES LIMITED (FORMERLY OPTIMUM GROUP SERVICES PLC)

Independent Auditor's Report to the Members of Optimum Group Services Limited (formerly Optimum Group Services Plc) for the Year Ended 31 March 2020

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

Matters on which we are required to report by exception

In the light of 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.

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.

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities (set out on page 14), the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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

**OPTIMUM GROUP SERVICES LIMITED (FORMERLY OPTIMUM
GROUP SERVICES PLC)**

**Independent Auditor's Report to the Members of Optimum Group Services
Limited (formerly Optimum Group Services Plc)
for the Year Ended 31 March 2020**

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an 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.



Martin Widdowson (Senior Statutory Auditor)
For and on behalf of

Brebners, Statutory Auditor
130 Shaftesbury Avenue
London
W1D 5AR

Date: 15/9/20

**OPTIMUM GROUP SERVICES LIMITED (FORMERLY OPTIMUM
GROUP SERVICES PLC)**

Statement of Income and Retained Earnings for the Year Ended 31 March 2020

	Note	2020 £	2019 £
Turnover	3	60,040,884	67,283,019
Cost of sales		<u>(49,001,436)</u>	<u>(54,023,366)</u>
Gross profit		11,039,448	13,259,653
Administrative expenses		<u>(11,498,135)</u>	<u>(12,165,480)</u>
Operating (loss)/profit	5	<u>(458,687)</u>	<u>1,094,173</u>
Other interest receivable and similar income	6	86,315	16,440
Interest payable and similar charges	7	<u>(966)</u>	<u>(159)</u>
		<u>85,349</u>	<u>16,281</u>
(Loss)/profit before tax		(373,338)	1,110,454
Taxation	11	<u>(86,871)</u>	<u>(284,485)</u>
(Loss)/profit for the financial year		(460,209)	825,969
Retained earnings brought forward		3,265,266	2,539,297
Dividends paid		<u>(820,000)</u>	<u>(100,000)</u>
Retained earnings carried forward		<u>1,985,057</u>	<u>3,265,266</u>

The notes on pages 21 to 35 form an integral part of these financial statements.

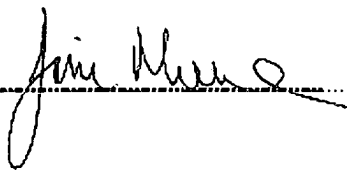
**OPTIMUM GROUP SERVICES LIMITED (FORMERLY OPTIMUM
GROUP SERVICES PLC)**

Statement of Financial Position as at 31 March 2020

	Note	2020 £	2019 £
Fixed assets			
Intangible assets	12	-	145,550
Tangible assets	13	<u>71,061</u>	<u>129,266</u>
		<u>71,061</u>	<u>274,816</u>
Current assets			
Stocks	14	701,790	625,996
Debtors	15	12,173,165	13,448,173
Cash at bank and in hand		<u>756,894</u>	<u>2,431,951</u>
		13,631,849	16,506,120
Creditors: Amounts falling due within one year	16	<u>(11,490,206)</u>	<u>(13,264,448)</u>
Net current assets		<u>2,141,643</u>	<u>3,241,672</u>
Total assets less current liabilities		2,212,704	3,516,488
Provisions for liabilities	17	<u>(100,000)</u>	<u>(123,575)</u>
Net assets		<u>2,112,704</u>	<u>3,392,913</u>
Capital and reserves			
Called up share capital		117,649	117,649
Share premium reserve	20	9,998	9,998
Profit and loss account	20	<u>1,985,057</u>	<u>3,265,266</u>
Shareholders' funds		<u>2,112,704</u>	<u>3,392,913</u>

Approved and authorised by the Board on 15.09.2020 and signed on its behalf by:

.....
J Moore
Director



Company registration number: 02379290

The notes on pages 21 to 35 form an integral part of these financial statements.

**OPTIMUM GROUP SERVICES LIMITED (FORMERLY OPTIMUM
GROUP SERVICES PLC)**

Statement of Cash Flows for the Year Ended 31 March 2020

	Note	2020 £	2019 £
Cash flows from operating activities			
(Loss)/profit for the year		(460,209)	825,969
Adjustments to cash flows from non-cash items			
Depreciation and amortisation	5	61,305	89,613
Loss on disposal of intangible assets	4	222,000	-
Finance income	6	(86,315)	(16,440)
Finance costs	7	966	159
Income tax expense	11	86,871	284,485
		(175,382)	1,183,786
Working capital adjustments			
Increase in stocks	14	(75,794)	(26,619)
Decrease/(increase) in trade debtors	15	1,343,477	(247,665)
Decrease in trade creditors	16	(1,684,349)	(486,644)
Increase in provisions	17	-	100,000
		(592,048)	522,858
Cash (absorbed)/generated from operations		(592,048)	522,858
Income taxes paid	11	(268,808)	(528,311)
Net cash flow from operating activities		(860,856)	(5,453)
Cash flows from investing activities			
Interest received	6	86,315	16,440
Acquisitions of tangible assets		(3,100)	-
Acquisition of intangible assets	12	(76,450)	(29,750)
Net cash flows from investing activities		6,765	(13,310)
Cash flows from financing activities			
Interest paid	7	(966)	(159)
Proceeds from issue of ordinary shares, net of issue costs		-	10,000
Dividends paid	22	(820,000)	(100,000)
Net cash flows from financing activities		(820,966)	(90,159)
Net decrease in cash and cash equivalents		(1,675,057)	(108,922)
Cash and cash equivalents at 1 April		2,431,951	2,540,873
Cash and cash equivalents at 31 March		756,894	2,431,951

The notes on pages 21 to 35 form an integral part of these financial statements.

OPTIMUM GROUP SERVICES LIMITED (FORMERLY OPTIMUM GROUP SERVICES PLC)

Notes to the Financial Statements for the Year Ended 31 March 2020

1 GENERAL INFORMATION

The company is a private company limited by share capital, incorporated in England and Wales.

The address of its registered office and principal trading address is:

Bridge House
Bridge Street
Olney
Buckinghamshire
MK46 4AB

The principal activity of the company is that of the provision of air conditioning, mechanical, and electrical services.

2 ACCOUNTING POLICIES

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance

These financial statements were prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

Basis of preparation

These financial statements have been prepared using the historical cost convention except any items disclosed in the accounting policies as being shown at fair value and are presented in sterling, which is the functional currency of the entity.

OPTIMUM GROUP SERVICES LIMITED (FORMERLY OPTIMUM GROUP SERVICES PLC)

Notes to the Financial Statements for the Year Ended 31 March 2020

Going concern

At 31 March 2020 the company had total equity of £2,112,704 including cash at bank of £756,894. Excluding exceptional items as identified in note 5, a profit before tax of £241,967 was generated. The company has a significant number of ongoing long-term contracts with a number of well-established customers.

On 11 March 2020, the World Health Organisation officially declared COVID-19 as a pandemic. Management is closely monitoring and responding to the COVID-19 pandemic; the health and safety of our employees, customers and business partners remains a priority. Management are tracking the evolution of this pandemic, including how it may affect the company, the economy and the general population and whilst the full impact cannot be known, they remain confident that they have, to the best of their ability, identified the short to medium term future financial impact of these events upon the company. The company has experienced continuing demand for its services and have kept fully operational throughout the pandemic. The directors believe that the company is well placed to manage its business risks successfully during the current pandemic.

The company's latest management accounts show ongoing profitability and sufficient working capital – supported by detailed forecasts through to 2024. Whilst the full impact of the coronavirus upon the company's operations and the economy as a whole cannot be known, the Board of Directors believes to the best of its knowledge and belief, that the impact of the virus and the measures taken to limit its spread will not have a material impact upon the ability of the company to continue as a going concern in the short to medium term.

Having made sufficient enquiries, and based upon the above, the directors have a reasonable expectation that the company has adequate resources to continue operating in the foreseeable future. Accordingly, the directors continue to adopt the going concern basis in preparing the financial statements.

Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Other than those involving estimations there are no judgements that management has made in the process of applying the entity's accounting policies that have a significant effect on the amounts recognised in the financial statements.

Accounting estimates and assumptions are made concerning the future and, by their nature, will rarely equal the related actual outcome. Key assumptions and other estimation uncertainty may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are as follows:

Project stage of completion

Income and associated costs are recognised for projects based on their stage of completion at each year end. The company exercises judgement to determine an appropriate stage of completion for each project, which is reviewed regularly throughout the year by management.

Impairment of other debtors due from related undertakings

The company makes an estimate of the recoverable value of debts due from related undertakings. When assessing any potential impairment of other debtors, management considers factors including the financial results and future expectations of profitability and trading activity and assess the entities ability to repay the amounts involved.

OPTIMUM GROUP SERVICES LIMITED (FORMERLY OPTIMUM GROUP SERVICES PLC)

Notes to the Financial Statements for the Year Ended 31 March 2020

Revenue recognition

Turnover comprises the fair value of the consideration received or receivable for the provision of services in the ordinary course of the company's activities. Turnover is shown net of sales/value added tax, returns, rebates and discounts.

Turnover in respect of Projects is recognised based upon the stage of contractual completion certified by quantity surveyors, where appropriate, turnover derived from maintenance contracts is recognised evenly over the period of the contract.

Tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except that a charge attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

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 taxable income.

Deferred tax is recognised in respect of all timing differences between taxable profits and profits reported in the financial statements.

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

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date and that are expected to apply to the reversal of the timing difference.

Tangible assets

Tangible assets are stated in the statement of financial position at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

Depreciation

Depreciation is charged so as to write off the cost of assets, other than land and properties under construction over their estimated useful lives, as follows:

Asset class	Depreciation method and rate
Fixtures & Fittings	3 - 4 years straight line
Motor Vehicles	4 years straight line

Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

Intangible assets

Intangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated amortisation and impairment losses.

OPTIMUM GROUP SERVICES LIMITED (FORMERLY OPTIMUM GROUP SERVICES PLC)

Notes to the Financial Statements for the Year Ended 31 March 2020

Amortisation

Amortisation is provided on intangible assets so as to write off the cost, less any estimated residual value, over their useful life as follows:

Asset class	Amortisation method and rate
Software development	5 years straight line

Trade debtors

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables.

Stocks

The cost of work in progress comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. At each reporting date, stocks are assessed for impairment. If stocks are 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.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the company does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

Provisions

Provisions are recognised when the company has an obligation at the reporting date as a result of a past event, it is probable that the company will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

OPTIMUM GROUP SERVICES LIMITED (FORMERLY OPTIMUM GROUP SERVICES PLC)

Notes to the Financial Statements for the Year Ended 31 March 2020

Leases

Leases in which substantially all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to profit or loss on a straight-line basis over the period of the lease.

Assets held under finance leases and hire purchase contracts are recognised in the statement of financial position as assets and liabilities at the lower of the fair value of the assets and the present value of the minimum lease payments, which is determined at the inception of the lease term. Any initial direct costs of the lease are added to the amount recognised as an asset.

Lease payments are apportioned between the finance charges and reduction of the outstanding liability using the effective interest method. Finance charges are allocated to each period so as to produce a constant rate of interest on the remaining balance of the liability.

Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

Dividends

Dividend distribution to the company's shareholders is recognised as a liability in the financial statements in the reporting period in which the dividends are declared.

Defined contribution pension obligation

A defined contribution plan is a pension plan under which fixed contributions are paid into a pension fund and the company has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised as employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

OPTIMUM GROUP SERVICES LIMITED (FORMERLY OPTIMUM GROUP SERVICES PLC)

Notes to the Financial Statements for the Year Ended 31 March 2020

Financial instruments

A financial asset or a financial liability is recognised only when the entity becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the transaction price, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Debt instruments are subsequently measured at amortised cost.

Financial assets that are measured at cost or amortised cost are reviewed for objective evidence of impairment at the end of each reporting date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss immediately.

For all equity instruments regardless of significance, and other financial assets that are individually significant, these are assessed individually for impairment. Other financial assets are either assessed individually or grouped on the basis of similar credit risk characteristics.

Any reversals of impairment are recognised in profit or loss immediately, to the extent that the reversal does not result in a carrying amount of the financial asset that exceeds what the carrying amount would have been had the impairment not previously been recognised.

OPTIMUM GROUP SERVICES LIMITED (FORMERLY OPTIMUM GROUP SERVICES PLC)

Notes to the Financial Statements for the Year Ended 31 March 2020

3 REVENUE

The analysis of the company's revenue for the year from continuing operations is as follows:

	2020 £	2019 £
Rendering of services	<u>60,040,884</u>	<u>67,283,019</u>

The whole of the turnover is attributable to the principal activity of the company and is wholly undertaken in the UK.

4 OTHER GAINS AND LOSSES

The analysis of the company's other gains and losses for the year is as follows:

	2020 £	2019 £
Impairment of intangible asset	<u>(222,000)</u>	<u>-</u>

5 OPERATING (LOSS)/PROFIT

Arrived at after charging/(crediting)

	2020 £	2019 £
Depreciation expense	61,305	89,613
Bad debt expense	<u>(12,982)</u>	<u>1,182</u>

Exceptional items

	2020 £	2019 £
Impairment of intangible asset	222,000	-
Bad debt	<u>393,314</u>	<u>-</u>

6 OTHER INTEREST RECEIVABLE AND SIMILAR INCOME

	2020 £	2019 £
Interest income on bank deposits	3,526	6,328
Other finance income	<u>82,789</u>	<u>10,112</u>
	<u>86,315</u>	<u>16,440</u>

7 INTEREST PAYABLE AND SIMILAR EXPENSES

	2020 £	2019 £
Interest on bank overdrafts and borrowings	<u>966</u>	<u>159</u>

OPTIMUM GROUP SERVICES LIMITED (FORMERLY OPTIMUM GROUP SERVICES PLC)

Notes to the Financial Statements for the Year Ended 31 March 2020

8 STAFF COSTS

The aggregate payroll costs (including directors' remuneration) were as follows:

	2020 £	2019 £
Wages and salaries	21,862,637	23,635,917
Social security costs	2,198,723	2,464,992
Other short-term employee benefits	145,639	149,153
Pension costs, defined contribution scheme	425,042	494,137
Other employee expense	610,107	751,560
	<u>25,242,148</u>	<u>27,495,759</u>

The average number of persons employed by the company during the year, analysed by category was as follows:

	2020 No.	2019 No.
Production	380	427
Administration and support	58	52
	<u>438</u>	<u>479</u>

9 DIRECTORS' REMUNERATION

The directors' remuneration for the year was as follows:

	2020 £	2019 £
Remuneration	145,012	251,142
Contributions paid to money purchase schemes	-	21,750
	<u>145,012</u>	<u>272,892</u>

During the year the number of directors who were accruing post employment benefits was as follows:

	2020 No.	2019 No.
Accruing benefits under money purchase pension scheme	<u>2</u>	<u>2</u>

In respect of the highest paid director:

	2020 £	2019 £
Remuneration	75,000	111,167
Company contributions to defined contribution pension plans	-	18,750
	<u>75,000</u>	<u>129,917</u>

**OPTIMUM GROUP SERVICES LIMITED (FORMERLY OPTIMUM
GROUP SERVICES PLC)**

Notes to the Financial Statements for the Year Ended 31 March 2020

10 AUDITOR'S REMUNERATION

	2020 £	2019 £
Audit of the financial statements	<u>45,000</u>	<u>45,000</u>

Fees payable to the company's auditor and its associates for other services:

	2020 £	2019 £
Taxation compliance services	9,600	8,300
Other non audit services	14,400	14,000
	<u>24,000</u>	<u>22,300</u>

**OPTIMUM GROUP SERVICES LIMITED (FORMERLY OPTIMUM
GROUP SERVICES PLC)**

Notes to the Financial Statements for the Year Ended 31 March 2020

11 TAXATION

Tax charged/(credited) in the income statement

	2020 £	2019 £
Current taxation		
Corporation tax charge	87,245	289,892
UK corporation tax adjustment to prior periods	<u>32,633</u>	<u>-</u>
	119,878	289,892
Deferred taxation		
Arising from origination and reversal of timing differences	<u>(33,007)</u>	<u>(5,407)</u>
Tax expense in the income statement	<u>86,871</u>	<u>284,485</u>

The tax on profit before tax for the year is higher than the standard rate of corporation tax in the UK (2019 - higher than the standard rate of corporation tax in the UK) of 19% (2019 - 19%).

The differences are reconciled below:

	2020 £	2019 £
(Loss)/profit before tax	<u>(373,338)</u>	<u>1,110,454</u>
Corporation tax at standard rate	(70,934)	210,986
Effect of expense not deductible in determining taxable profit (tax loss)	164,394	70,971
Deferred tax credit relating to changes in tax rates or laws	(33,007)	(5,407)
Increase in current tax from adjustment for prior periods	32,633	-
Tax (decrease)/increase from effect of capital allowances and depreciation	<u>(6,215)</u>	<u>7,935</u>
Total tax charge	<u>86,871</u>	<u>284,485</u>

Deferred tax

Deferred tax assets and liabilities

2020		Asset £
Accelerated capital allowances		<u>9,432</u>
2019		Liability £
Accelerated capital allowances		<u>23,575</u>

**OPTIMUM GROUP SERVICES LIMITED (FORMERLY OPTIMUM
GROUP SERVICES PLC)**

Notes to the Financial Statements for the Year Ended 31 March 2020

12 INTANGIBLE ASSETS

	Software development £	Total £
Cost		
At 1 April 2019	145,550	145,550
Additions	<u>76,450</u>	<u>76,450</u>
At 31 March 2020	<u>222,000</u>	<u>222,000</u>
Impairment	<u>222,000</u>	<u>222,000</u>
At 31 March 2020	<u>222,000</u>	<u>222,000</u>
Carrying amount		
At 31 March 2020	<u><u>-</u></u>	<u><u>-</u></u>
At 31 March 2019	<u><u>145,550</u></u>	<u><u>145,550</u></u>

During the year the software development was impaired when it became apparent that the software would not meet the company's requirements.

13 TANGIBLE ASSETS

	Furniture, fittings and equipment £	Motor vehicles £	Total £
Cost or valuation			
At 1 April 2019	291,064	239,495	530,559
Additions	<u>3,100</u>	<u>-</u>	<u>3,100</u>
At 31 March 2020	<u>294,164</u>	<u>239,495</u>	<u>533,659</u>
Depreciation			
At 1 April 2019	275,094	126,199	401,293
Charge for the year	<u>4,719</u>	<u>56,586</u>	<u>61,305</u>
At 31 March 2020	<u>279,813</u>	<u>182,785</u>	<u>462,598</u>
Carrying amount			
At 31 March 2020	<u><u>14,351</u></u>	<u><u>56,710</u></u>	<u><u>71,061</u></u>
At 31 March 2019	<u><u>15,970</u></u>	<u><u>113,296</u></u>	<u><u>129,266</u></u>

**OPTIMUM GROUP SERVICES LIMITED (FORMERLY OPTIMUM
GROUP SERVICES PLC)**

Notes to the Financial Statements for the Year Ended 31 March 2020

14 STOCKS

	2020 £	2019 £
Work in progress	<u>701,790</u>	<u>625,996</u>

15 DEBTORS

	2020 £	2019 £
Trade debtors	8,778,695	11,070,217
Other debtors	2,431,778	1,714,766
Prepayments	447,364	395,167
Accrued income	446,859	268,023
Deferred tax assets	11 9,432	-
Corporation tax asset	11 59,037	-
Total current trade and other debtors	<u>12,173,165</u>	<u>13,448,173</u>

16 CREDITORS

	2020 £	2019 £
Due within one year		
Trade creditors	5,691,528	6,070,230
Social security and other taxes	1,662,158	2,069,237
Other payables	108,662	97,084
Accrued expenses	4,027,858	4,938,004
Corporation tax liability	-	89,893
	<u>11,490,206</u>	<u>13,264,448</u>

17 PROVISIONS

	2020 £	2019 £
Deferred taxation	-	23,575
Other provisions	<u>100,000</u>	<u>100,000</u>
	<u>100,000</u>	<u>123,575</u>

OPTIMUM GROUP SERVICES LIMITED (FORMERLY OPTIMUM GROUP SERVICES PLC)

Notes to the Financial Statements for the Year Ended 31 March 2020

18 PENSION AND OTHER SCHEMES

Defined contribution pension scheme

The company operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the company to the scheme and amounted to £425,042 (2019 - £494,137).

19 SHARE CAPITAL

Allotted, called up and fully paid shares

	2020		2019	
	No.	£	No.	£
Ordinary shares of £1.00 each	100,000	100,000	100,000	100,000
Ordinary A shares of £1.00 each	17,647	17,647	17,647	17,647
Ordinary B shares of £0.10 each	10	1	10	1
Ordinary C shares of £0.10 each	10	1	10	1
	<u>117,667</u>	<u>117,649</u>	<u>117,667</u>	<u>117,649</u>

20 RESERVES

Profit and loss account

The profit and loss account includes all current and prior retained profits and losses.

21 CONTINGENCIES, COMMITMENTS AND GUARANTEES

The total of future minimum lease payments not recognised in the statement of financial position is as follows:

	2020	2019
	£	£
Not later than one year	225,966	144,016
Later than one year and not later than five years	<u>125,038</u>	<u>81,501</u>
	<u>351,004</u>	<u>225,517</u>

The amount of non-cancellable operating lease payments recognised as an expense during the year was £162,499 (2019 - £126,578).

OPTIMUM GROUP SERVICES LIMITED (FORMERLY OPTIMUM GROUP SERVICES PLC)

Notes to the Financial Statements for the Year Ended 31 March 2020

The company has an unutilised bank facility of £1m, which was increased to £2m subsequent to 31 March 2020, secured by a fixed charge over certain book debts and a floating charge over the other assets and undertakings of the company.

The company has given a limited guarantee of £1,050,000 (2019:£Nil) in respect of the bank borrowings of a company under common control, secured by a fixed and floating charge over the assets and undertakings of the company.

22 DIVIDENDS

Interim dividends paid

	2020 £	2019 £
Interim dividend of £8.20 (2019 - £1.00) per each Ordinary share of £1 each	<u>820,000</u>	<u>100,000</u>

23 RELATED PARTY TRANSACTIONS

Key management personnel include all persons that have authority and responsibility for planning, directing and controlling the activities of the company.

Key management compensation

	2020 £	2019 £
Salaries and other short term employee benefits	560,413	515,475
Post-employment benefits	<u>27,108</u>	<u>33,848</u>
	<u>587,521</u>	<u>549,323</u>

Summary of transactions with entities with significant interest

At 31 March 2020 an amount of £2,105,163 (2019: £555,036) was due from companies under common control.

During the year, management fees were payable to a group under common control amounted to £1,750,000 (2019: £1,750,000) and purchases from this group amounted to £914,006 (2019: £841,096). Additionally an amount of £56,587 (2019: £30,865) was receivable from another company under common control for the use of certain of the company's vehicles.

Optimum Group Services Limited also renders sales invoices as agent of a company under common control and passes on the net consideration received. There is no impact on the company's sales or the result for the year. During the year net sales rendered as agent amounted to £1,086,286 (2019: £710,284).

Interest receivable during the year on the amount due above, amounted to £64,835 (2019:£Nil).

During the year a provision of £393,314 (2019: £Nil) was made against the carrying value of an amount due from companies under common control.

OPTIMUM GROUP SERVICES LIMITED (FORMERLY OPTIMUM GROUP SERVICES PLC)

Notes to the Financial Statements for the Year Ended 31 March 2020

24 TRANSACTIONS WITH DIRECTORS

At 31 March 2020 an amount of £115,759 (2019: £829,022) was due from the directors. During the year advances of £88,783 and repayments of £820,000 were made. Interest of £17,954 (2019: £10,112) was payable at an annual rate of 2.5%. There are no set terms in place.

Dividends paid in the year, as shown in note 22 were paid to a director and his close family.

The directors have also provided personal guarantees in respect of the unutilised bank facility referred to in note 21 amounting to £200,000 (2019: £Nil).

25 FINANCIAL INSTRUMENTS

Categorisation of financial instruments

	2020	2019
	£	£
Financial assets that are debt instruments measured at amortised cost	12,414,226	15,484,956
Financial liabilities measured at amortised cost	(9,738,165)	(11,038,671)
	<u>2,676,061</u>	<u>4,446,285</u>

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Objectives, policies and strategies for managing risks relating to financial instruments are disclosed within the Strategic Report.

26 CONTROLLING PARTIES

The ultimate controlling party is J. Crehan Esq.

27 NON ADJUSTING EVENTS AFTER THE FINANCIAL PERIOD

On 31 March 2020 the company entered into an agreement to purchase the entire shareholding of Synergy Specialist Services Limited. On 14 July 2020 the shares were transferred to Optimum Group Services Limited.