

Company registration number: 08068760

FINANCIAL STATEMENTS  
FOR THE YEAR ENDED  
31 MARCH 2022

OFFICE POWER LIMITED

**MENZIES**

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# OFFICE POWER LIMITED

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## COMPANY INFORMATION

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<b>Directors</b>	S S Drakeford N P Wilson R G Sinclair (appointed 20 May 2021)
<b>Company secretary</b>	N P Wilson
<b>Registered number</b>	08068760
<b>Registered office</b>	Unit 4 Perrywood Business Park Honeycrook Lane Redhill Surrey RH1 5DZ
<b>Independent auditors</b>	Menzies LLP Chartered Accountants & Statutory Auditors Ashcombe House 5 The Crescent Leatherhead Surrey KT22 8DY

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# OFFICE POWER LIMITED

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**OFFICE POWER LIMITED**  
**REGISTERED NUMBER:08068760**

**STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 MARCH 2022**

	Note	2022 £	2021 £
<b>Fixed assets</b>			
Intangible assets	5	1,677,161	1,439,597
		<u>1,677,161</u>	<u>1,439,597</u>
<b>Current assets</b>			
Stocks		-	5,599
Debtors	8	3,080,961	2,546,882
Cash at bank and in hand		637,511	1,027,063
		<u>3,718,472</u>	<u>3,579,544</u>
Creditors: amounts falling due within one year	9	(4,532,170)	(4,793,102)
<b>Net current liabilities</b>		<u>(813,698)</u>	<u>(1,213,558)</u>
<b>Total assets less current liabilities</b>		<u>863,463</u>	<u>226,039</u>
Creditors: amounts falling due after more than one year	10	(1,730,000)	(430,000)
<b>Provisions for liabilities</b>			
Deferred tax		(111,308)	(1,943)
		<u>(111,308)</u>	<u>(1,943)</u>
<b>Net liabilities</b>		<u>(977,845)</u>	<u>(205,904)</u>
<b>Capital and reserves</b>			
Allotted, called up and fully paid share capital	12	8,482,276	8,482,276
Profit and loss account		(9,460,121)	(8,688,180)
		<u>(977,845)</u>	<u>(205,904)</u>

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**OFFICE POWER LIMITED**  
REGISTERED NUMBER:08068760

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**STATEMENT OF FINANCIAL POSITION (CONTINUED)**  
**AS AT 31 MARCH 2022**

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The Company's financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The Company has opted not to file the statement of income and retained earnings in accordance with provisions applicable to companies subject to the small companies' regime.

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

**N P Wilson**  
Director

Date: 24 June 2022

The notes on pages 3 to 12 form part of these financial statements.

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# OFFICE POWER LIMITED

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## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

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### 1. General information

Office Power Limited is a private company limited by shares incorporated in England and Wales. The address of the registered office is disclosed on the company information page.

The financial statements are presented in sterling which is the functional currency of the company and rounded to the nearest £.

### 2. Going concern

The financial statements continue to adopt the going concern basis.

The Company made a loss before tax of £662,576 for the year ended 31 March 2022 (2021: £554,278), had net current liabilities at the balance sheet date of £813,698 (2021: £1,213,558) and had net liabilities of £977,845 at 31 March 2022 (2021:£205,904).

Notwithstanding these results, the Company has provided a cross guarantee to its fellow group entities and as a result, the going concern assumption for the Company is also dependent on the financial position of the EO Group.

COVID-19 continued to have a material impact throughout the year on any business reliant on the occupation of office environments, with UK government restrictions remaining in force to varying degrees until March 2022. This on-going uncertainty resulted in many businesses taking a cautious approach to re-opening offices, which was reflected in Google Workplace movement trend data running at an average -27% below the pre-pandemic level during the twelve months.

As a result, there's still some uncertainty around the level to which the future trading performance of the Group will recover once businesses determine their final working model.

The directors have, for the Group and the Company, considered the following matters in determining the appropriateness of the going concern basis of preparation in the financial statements:

- A financial forecast to March 2024 indicates that the Group will have sufficient cash reserves to be able to meet its debts as and when they fall due;
- The assumptions used to prepare the financial forecasts are considered to be reasonable;
- Various downside forecast scenarios for the period to March 2024, modelling slower rates of return in demand (including no recovery from trading levels in March/April 2022) also indicate that the Group will have sufficient cash reserves to be able to meet its debts as and when they fall due;
- The development and growth of the Office Power SaaS platform is moving the Group away from a reliance on the sale of office products;
- The Group has plans to launch in the next financial year a number of new product ranges to further reduce the reliance on the sale of office products;
- The loan from Barclays Plc under the UK Government's Coronavirus Business Interruption Loan Scheme;
- The on-going availability of a short-term, revolving, secured working capital facility from its bankers;

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# OFFICE POWER LIMITED

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## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

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### 2. Going concern (continued)

- The Group's credit facilities have no associated covenants;
- The Group is only carrying £1.1m of third-party debt at 31 March 2022 (repayable over the next four years);
- The Group is using cashflow generated from trading activities to reinvest into the development of the Office Power SaaS platform – this investment is discretionary and can be reduced (almost entirely) at any time;
- Product prices have increased by 10-15% over the twelve months and the market has so far shown a willingness to accept the vast majority of these increases; and
- The Group's key suppliers have expressed support in continuing to provide agreed payment terms on trade credit. Further, we have assessed the ability of our key suppliers to continue to meet our forecast demands for goods & services to ensure we are able to meet our customer demand. A financial forecast to September 2022 indicates that the Group will have sufficient cash reserves to be able to meet its debts as and when they fall due.

In using the financial forecasts for the going concern assessment, the directors recognise that significant judgements had to be made in deciding what assumptions to make regarding how Group and the Company will recover from the impact of the pandemic over the coming months. Many of those judgements are, by their nature, subjective and the modelled outcomes depend on how the on-going working models for any businesses evolve over the rest of the year. There is therefore a much higher degree of uncertainty than would usually be the case in making the key judgements and assumptions that underpin the financial forecasts.

However, the directors are confident given the actions taken over the past 24 months to reduce running costs, the balance sheet funding and the on-going support of key suppliers that the Group will have adequate resources to continue in operational existence for the foreseeable future.

Accordingly, the financial statements continue to adopt the going concern basis.

### 3. Accounting policies

#### 3.1 Basis of preparation of financial statements

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

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

The following principal accounting policies have been applied:

#### 3.2 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.

Depreciation, amortisation, impairment and recoverability of debtors to provision for doubtful debts are the main estimation areas. In making its judgement for depreciation and amortisation management has considered the benefit accruing over the useful life of the asset. Impairment reviews are carried out on a timely basis to ensure that the accounting policy adopted reflects a true and fair value of the assets as detailed in note 3.7 below.

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# OFFICE POWER LIMITED

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## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

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### 3. Accounting policies (continued)

#### 3.3 Revenue recognition

Turnover is recognised when invoices for associated costs are received from suppliers/dealers and goods have been delivered by the suppliers/dealers to customers such that risks and rewards of ownership have transferred to them.

The turnover shown in the Statement of Comprehensive income represents amounts receivable during the year in the normal course of business, net of trade discounts, VAT and other sales and related taxes.

#### 3.4 Exemption from preparing consolidated financial statements

The Company is a parent company that is also a subsidiary included in the consolidated financial statements of a larger group by a parent undertaking established under the law of any part of the United Kingdom and is therefore exempt from the requirement to prepare consolidated financial statements under section 400 of the Companies Act 2006.

#### 3.5 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.

The estimated useful lives range as follows:

Website & software development costs	-	Over 3 years straight line
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If there is an indication that there has been a significant change in amortisation rate, useful life or residual value of an intangible asset, the amortisation is revised prospectively to reflect the new estimates.

The useful economic life of website and software development costs are estimated based on business plans which set out the expected return on investment for the associated project.

Amortisation is included in 'administrative expenses' in the Statement of Comprehensive Income.

Development costs that are directly attributable to the design and testing of identifiable and unique software

products controlled by the group are recognised as intangible assets when the following criteria are met:

- it is technically feasible to complete the software so that it will be available for use;
- management intends to complete the software and use or sell it;
- there is an ability to use or sell the software;
- it can be demonstrated how the software will generate probable future economic benefits;
- adequate technical, financial and other resources to complete the development and to use or sell the

software are available; and

- the expenditure attributable to the software during its development can be reliably measured.

Other development expenditures that do not meet these criteria are recognised as an expense as incurred.

Development costs previously recognised as an expense are not recognised as an asset in a subsequent

period

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# OFFICE POWER LIMITED

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## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

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### 3. Accounting policies (continued)

#### 3.6 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

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.

The estimated useful lives range as follows:

Motor vehicles	-	Over 3 years straight line
Fixtures and fittings	-	Over 3 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 profit or loss.

#### 3.7 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.

#### 3.8 Pensions

##### Defined contribution pension plan

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

The contributions are recognised as an expense in the Statement of Income and Retained Earnings when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. The assets of the plan are held separately from the Company in independently administered funds.

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# OFFICE POWER LIMITED

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## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

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### 3. Accounting policies (continued)

#### 3.9 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of Income and Retained Earnings except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the 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.

#### 3.10 Exceptional items

Exceptional items are transactions that fall within the ordinary activities of the Company but are presented separately due to their size or incidence.

#### 3.11 Research and development

In the research phase of an internal project it is not possible to demonstrate that the project will generate future economic benefits and hence all expenditure on research shall be recognised as an expense when it is incurred. Intangible assets are recognised from the development phase of a project if and only if certain specific criteria are met in order to demonstrate the asset will generate probable future economic benefits and that its cost can be reliably measured. The capitalised development costs are subsequently amortised on a straight line basis over their useful economic lives of 3 years.

If it is not possible to distinguish between the research phase and the development phase of an internal project, the expenditure is treated as if it were all incurred in the research phase only.

### 4. Employees

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

	2022 No.	2021 No.
Employees	<u>25</u>	<u>23</u>

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# OFFICE POWER LIMITED

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## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

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### 5. Intangible assets

	Website and software development costs  £
<b>Cost</b>	
At 1 April 2021	6,657,168
Additions	1,262,205
At 31 March 2022	<u>7,919,373</u>
<b>Amortisation</b>	
At 1 April 2021	5,217,571
Charge for the year on owned assets	1,024,641
At 31 March 2022	<u>6,242,212</u>
<b>Net book value</b>	
At 31 March 2022	<u><u>1,677,161</u></u>
<b>At 31 March 2021</b>	<u><u>1,439,597</u></u>

The intangible assets relate to capitalised software development costs in respect of the company's website and operating system.

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# OFFICE POWER LIMITED

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## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

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### 6. Tangible fixed assets

	<b>Motor vehicles</b>
	<b>£</b>
<b>Cost or valuation</b>	
At 1 April 2021	25,725
At 31 March 2022	<u>25,725</u>
<b>Depreciation</b>	
At 1 April 2021	25,725
At 31 March 2022	<u>25,725</u>
<b>Net book value</b>	
At 31 March 2022	<u><u>-</u></u>
<i>At 31 March 2021</i>	<u><u>-</u></u>

### 7. Fixed asset investments

The Company holds 100% of the share capital of IDOS Online Limited (formerly Ideal Office Supplies Limited). The investment is fully impaired. IDOS Online Limited is a company incorporated in England, and is dormant.

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# OFFICE POWER LIMITED

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## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

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### 8. Debtors

	2022 £	2021 £
Trade debtors	2,822,700	2,121,627
Other debtors	237,438	345,527
Prepayments and accrued income	20,823	9,162
Tax recoverable	-	70,566
	<u>3,080,961</u>	<u>2,546,882</u>

### 9. Creditors: Amounts falling due within one year

	2022 £	2021 £
Trade creditors	4,110,749	3,485,884
Amounts owed to group undertakings	123,717	690,900
Other taxation and social security	123,360	144,489
Other creditors	41,301	123,357
Accruals and deferred income	133,043	348,472
	<u>4,532,170</u>	<u>4,793,102</u>

Included within trade creditors above is £1,080,271 (2021 - £1,080,271) in relation to a disputed balance with a supplier in administration. This liability is subject to a legal claim by the Company in relation to historic pricing errors made by the supplier. The value of these errors is greater than the value of disputed balance included within trade creditors above. As there is currently no certainty over the recovery of this claim, no asset has been recognised in the accounts for this amount.

### 10. Creditors: Amounts falling due after more than one year

	2022 £	2021 £
Amounts owed to group undertakings	1,730,000	430,000
	<u>1,730,000</u>	<u>430,000</u>

Included within creditors due after more than one year are loans amounting to £430,000 (2021: £430,000) due on 29 March 2026 and £1,300,000 (2021: £nil) due on 24 March 2032. Interest at a rate of 2% above LIBOR Base Rate is charged on these loans.

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# OFFICE POWER LIMITED

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## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

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### 11. Deferred taxation

	2022 £
At beginning of year	(1,943)
Charged to profit or loss	(109,365)
<b>At end of year</b>	<b><u>(111,308)</u></b>

The provision for deferred taxation is made up as follows:

	2022 £	2021 £
Accelerated capital allowances	(124,558)	(27,362)
Short term timing differences	13,250	25,419
	<b><u>(111,308)</u></b>	<b><u>(1,943)</u></b>

### 12. Share capital

	2022 £	2021 £
<b>Allotted, called up and fully paid</b>		
8,482,276 (2021 - 8,482,276) Ordinary shares of £1.00 each	<b><u>8,482,276</u></b>	<b><u>8,482,276</u></b>

### 13. Contingent liabilities

The Company has given Barclays Bank Plc a cross guarantee in favour of the parent company EO Group Limited and its subsidiaries Eurooffice Holdco 1 Limited, Eurooffice Holdco 2 Limited, Eurooffice Limited, IDOS Online Limited and UK Office Direct Limited.

### 14. 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 £20,694 (2021 - £13,362).

### 15. Related party transactions

In accordance with the exemption allowed by Financial Reporting Standard 102, transactions with group companies have not been disclosed in these financial statements.

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# OFFICE POWER LIMITED

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## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

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### **16. Parent and ultimate parent company**

The Company's immediate parent company is Eurooffice Holdco 2 Limited.

The ultimate parent company is considered to be EO Group Ltd. EO Group Ltd prepares consolidated accounts which are available from Companies House, Crown Way, Cardiff, CF14 3UZ.

### **17. Ultimate controlling party**

The group and Company's ultimate controlling entity is Darwin Private Equity I LP, a fund managed by Darwin

Private Equity LLP, a limited liability partnership registered in England and Wales.

### **18. Auditors' information**

The auditors' report on the financial statements for the year ended 31 March 2022 was unqualified.

The audit report was signed on 24 June 2022 by Caroline Milton FCA (Senior Statutory Auditor) on behalf of Menzies LLP.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.