Registered number: 03829462

Opus Trust Marketing Limited trading as Adare SEC

Annual Report and Financial Statements

For the Year Ended 31 March 2024

Opus Trust Marketing Limited trading as Adare SEC

Company Information

Directors	S C Johnson J Tew A Strong H Savage A Lindsey C A P Dickson A Herd
Company secretary	S J Ghysen
Registered number	03829462
Registered office	133 Scudamore Road Braunstone Frith Industrial Estate Leicester Leicestershire LE3 1UQ
Independent auditors	Kreston Reeves LLP Chartered Accountants & Statutory Auditor 37 St Margaret's Street Canterbury Kent CT1 2TU
Bankers	Natwest Plc East Midlands Corporate 5th Floor Cumberland Place Nottingham NG1 7ZS
Solicitors	Pinsent Masons LLP 3 Colmore Circus Birmingham B4 6BH

Opus Trust Marketing Limited trading as Adare SEC

Contents

Group Strategic Report
For the Year Ended 31 March 2024

Introduction

I am pleased to report a record year of growth in Revenue and Operating Profits, with the business generating strong cashflow allowing the group to reduce its Net Debt by 50% positioning it for future growth following additional capital investment in equipment. The results demonstrate the continued progress the group is making despite the challenging market and global economic conditions including increases in energy costs.

Business review and principal activity

Trading as Adare SEC, Opus Trust Marketing Limited is an integrated business services group with a commitment to drive value for our clients and sustainable profit improvement, through the provision of increasingly digitally enabled solutions for all sectors of the transactional communications market.

The group has continued to see growth in all areas of the business in Continued Operations with Revenue at £124.8m (2023 - £114.1m) Operating Profit at £7m (2023 - £2.8m) and EBITDA increased by £4.1m to £10.6m. This growth is supported by 470 employees who continue to demonstrate their commitment to finding solutions for our clients, putting them at the heart of all that we do.

During the year the group disposed of the Kalamazoo business, this division made an Operating Loss in the year of £0.8m (2023 - £0.6m).

The results for the year were driven by significant new business wins, the group's strategy to grow to a size and scale to compete for major contracts in the market has put it at the forefront to seize the opportunity provided by market disruption. The capability of the group continues to grow in the provision of increasingly digitally enabled solutions for all sectors of the transactional communications market and in guiding our clients through their digital transformation journey. Digital revenues have grown by 32% and further work has seen the digital product portfolio grow with enhancements to Digital Mailroom and our hybrid mail product, PrintMe, in line with the roadmap set out for future development to support our clients needs. The group continues to receive recognition for its digital solutions and has been nominated for several digital awards.

Despite having to navigate a number of economic headwinds through this fiscal year the group has delivered a strong set of results.

	Continued Operations	
	2024	**2023**
	£'000	£'000
Revenue	124,748	114,047
Gross Margin	31,696	25,575
	25.4%	*22.4%*
Operating Profit	6,981	2,768
EBITDA	10,584	6,501
Net Debt	6,768	14,609
Cash generation	9,219	(3,118)

Whilst revenue has grown strongly in the year the group continues to focus on driving efficiencies to achieve the identified synergy cost savings to create a stronger business, this has helped to improve margins and also allow the group to achieve more from its cost base in supporting the revenue growth. The trading performance in the year was above the directors' expectations with Operating Profit growing by 151% to £7m and EBITDA increasing by 63% to £10.6m.

The balance sheet has strengthened with cash generation in the year of £9.2m, compared to a cash outflow of £3.1m in the prior year. which has been used to bring down Net Debt by 50% to £6.8m, a position of financial strength to support the future growth of the business.

Our commitment to sustainable growth including environmental, social and economic aspects was recognised once again by being awarded EcoVadis Gold Sustainability Certification across all our sites within the group. This places the group in the top 6% of businesses assessed through the scheme and the top 2% within our sector.

A non-cash impact in Other Comprehensive Income is a reduction in the Pension Asset of £1.8m to £1.4m. There was a fall in the scheme's assets by £1.9m but the liabilities fell by £1.4m following a review by the scheme's actuary after a review of the demographic assumptions as part of the triennial valuation .

Principal risks and uncertainties

Competitive and Pricing Risks

The business-critical mailing activity is exposed to significant competitive and pricing risks which affect the ability to renew contracts and also win new work. The business manages those risks by ensuring that it is both competitive in terms of cost and leading edge in terms of technology, products and solutions that it offers. The business also prides itself on its client centricity and has very long-term relationships with customers, and suppliers, and a strong experienced management team.

Credit Risk

Trade debtors are managed in respect of credit and cash flow risk by policies concerning the credit offered to customers and the regular monitoring for both time and credit limits.

Liquidity Risk

Liquidity is managed through forecasting of future cash flow requirements for the business and maintaining sufficient cash balances to support the operations.

Economic risk

The group is subject to many of the same general economic risks faced by other businesses in the sector. The group seeks to mitigate these risks by having a diverse customer base together with robust forecasting and planning. Currently the group is managing the economic risks posed by the increased cost of energy through passing the majority of it on as a surcharge to clients and through a programme to reduce usage of both gas and electricity. The group continues to make significant investment in cyber security.

Financial key performance indicators

The Directors regularly review and analyse a balanced scorecard of KPI's in order to assess and measure the group's performance and its financial position. These include turnover, profit margins, balance sheet indicators and cash flow.

Future

The forward view includes expansion of our service lines and continuing to adhere to our digital product roadmap. Once launched we are committed to the development, upgrade and maintenance of our products. We will also continue our investment into state-of-the-art printing and enclosing equipment and into our technology infrastructure which will include greater interoperability across our three sites.

Future market conditions remain highly competitive and will continue to be challenging in the medium-term. Consolidation of service providers continues but this activity also continues to create further opportunities for the group.

The group is well positioned to maintain our positive progress with increasing demand for our omnichannel customer communication solutions, which play a key role in helping our clients deliver on their digital transformational and mission critical business objectives.

Our focus remains on delivering true customer intimacy, by gaining a deep understanding of our clients' businesses, identifying our clients' unique needs, and delivering sustainable robust and regulatory compliant solutions.

Along with our acquisitions, we continue to invest in new solutions, products and services to support the needs of our existing and new clients successfully combined with production facilities that can meet the growing capacity requirements. We also continue to invest in our people who make the key difference in our business providing the enthusiasm and drive to meet the challenges we face moving forward.

We are well positioned to benefit positively from the changes in our market and have built a strong and capable business to meet the fast-changing needs of our clients. I would like to thank our employees for their continued hard work and dedication to making this group such a growing success.

Group Strategic Report (continued)
For the Year Ended 31 March 2024

Companies Act, s172 Statement

The directors of the group are confident that the strategy they have set for the group promotes the long-term success for the benefit of the group's stakeholders. The board has determined a number of measures of success central to the success of our strategy and these policies include:

People

The directors regard engaging with employees as a key focus and seek to drive increased employee engagement with effective two-way communication to train and attract the best talent. The directors aim to attract, nurture and develop an inclusive and diverse workforce and is proud to be a Real Living Wage employer.

Clients

The group's relationships with clients, both large and small, are critical to its long-term success. Client intimacy is a key objective across all areas of the business to improve our service and product offering.

The directors believe the group's size, technology and well recognised brand allows it to be adaptable to client needs and has earnt its clients' trust to deliver on service levels across all of our products.

Shareholders

Representatives of the group's shareholders attend monthly Board meetings and presentations are made to its shareholders at least twice a year. The directors believe this ensures they are kept informed of the key commercial activities and decisions.

Community and Environment

The directors are committed to ensuring the group continues to operate a high standard of responsible and sustainable practise, working continually to raise expectations internally and through our supply chain. The directors seek to continuously lower environmental impact through Greenhouse Gas emissions, trade with those who comply with an Ethical Code and seek to improve social outcomes in the geographical areas we work within. To this end the group has been awarded and retained an EcoVadis Gold rating.

Business Conduct

The directors are committed to conducting business ethically, with honesty and integrity, ensuring compliance with all relevant laws and regulations and do not tolerate any form of bribery, tax evasion, corruption or other unethical business conduct. Relevant policies and procedures include Anti-bribery, Whistleblowing, Modern Slavery and Equal Opportunities policies.

This report was approved by the board on 5 July 2024 and signed on its behalf.

A Strong
Director

Directors' Report
For the Year Ended 31 March 2024

The directors present their report and the financial statements for the year ended 31 March 2024.

Directors' responsibilities statement

The directors are responsible for preparing the Group Strategic Report, the Directors' Report and the consolidated 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 the Group and of the profit or loss of the Group for that period.

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

- select suitable accounting policies for the Group's financial statements and then 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group 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 the Group and to 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 the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Principal activity

Trading as Adare SEC, Opus Trust Marketing Limited is an integrated business services group with a commitment to drive value for our clients and sustainable profit improvement, through the provision of increasingly digitally enabled solutions for all sectors of the transactional communications market.

Results and dividends

The profit for the year, after taxation, amounted to £2,139,000 (2023 - £2,567,000).

During the year the directors did not declare a dividend.

Directors

The directors who served during the year were:

S C Johnson
J Tew
A Strong
H Savage
A Lindsey
C A P Dickson
A Herd

Matters covered in the Strategic report

Disclosures in respect of future developments have been included as part of the Strategic report.

Directors' Report (continued)
For the Year Ended 31 March 2024

Engagement with employees

The directors give special attention to the health and safety of their employees and endeavour to ensure that as far as possible applications for employment, training and career development and promotion of disable persons is the same as other employees. Should employees become disable, every effort is made to ensure that their employment continues and appropriate retaining is provided Consultation with employees and good industrial relations are actively promoted through comprehensive and agreed procedures included

• Regular newsletters

• Regular team briefs

• Notice boards

• Regular meetings with the union

• Annual appraisals

These help achieve common awareness of employees in relation to financial and economic factors that affect the performance of the group.

Meetings with the union and team briefings ensure that employees' views can be taken into account in making decisions that are likely to affect their interests.

Engagement with suppliers, customers and others

For information regarding the engagement with suppliers, customers and others please see the s172 statement.

Directors' Report (continued)
For the Year Ended 31 March 2024

Streamlined energy and carbon reporting (SECR)

The group has appointed CarbonQuota to independently confirm the accuracy, completeness and consistency of energy use, greenhouse gas (GHG) emissions data and energy efficiency action.

The operational boundaries of this study comprise the scope 1 GHG emissions associated with combustion of gas and fuel for transport, scope 2 GHG emission associated with purchased electricity and scope 3 GHG emissions associated with business travel in rental vehicles and employee-owned vehicles. All other scope 1, 2 and 3 GHG emissions were excluded as permitted under SECR requirements for unquoted companies.

Methodology

In carrying out carbon footprint calculations and preparing this document, CarbonQuota has followed the requirements of the UK Government's SECR Guidelines and the general principles of the Greenhouse Gas Protocol (Corporate Standard), with further guidance from the Greenhouse Gas Protocol (Corporate Value Chain Accounting and Reporting Standard).

Within the organisational boundaries, a consistent approach was used to quantify and to document GHG emissions and removals by completing, as applicable, the following steps:

1. Identification of GHG sources and sinks: identification of Opus Trust Marketing Limited's GHG sources and sinks was carried out using CarbonQuota's industry expertise and previous experience, and guidance from international publications such as the GHG Protocol.

2. Selection of quantification methods: the selected quantification method is based on the multiplication of GHG activity data by GHG emission or removal factors, which was thought to be the most appropriate approach for this study.

3. Selection and collection of GHG activity data: The GHG activity data were collected from Opus Trust Marketing Limited. Activity data used in this study is consistent with the quantification methods.

4. Selection or development of GHG emission or removal factors: The most appropriate and current GHG emission factors have been selected from Defra/DECC 2020 greenhouse gas conversion factor repository (Defra/DECC 2022 used for 2022-2023 reporting year).

5. Calculation of GHG emissions and removals: The calculations of the GHG emissions and removals have been carried out by multiplying the GHG activity data by GHG emission or removal factors. These calculations have been undertaken in a Microsoft Excel model.

The underlying primary data used by Opus Trust Marketing Limited to provide summarised data to CarbonQuota for calculating the carbon footprint and energy footprint included utility company bills, supplier invoices and employee expense claims.

All IPCC 2007 GHGs were considered in the calculation of this organisational carbon footprint, which were converted to carbon dioxide equivalents (CO_2e) using the 2007 IPCC Global Warming Potentials (GWPs). Whilst more recent IPCC GWPs are available, the latest version of the main source of secondary data used in this study (i.e. Defra) currently uses IPCC 2007 GWPs.

The calculations were assured on behalf of CarbonQuota by Dr Matt Fishwick who found no evidence to suggest that they were not materially correct and were not a fair representation of the GHG data and information.

Directors' Report (continued)
For the Year Ended 31 March 2024

Results

	GHG emissions (tCO2e)	Energy (kWh)	GHG emissions (tCO_2e)	Energy (kWh)
Combustion of gas (scope 1)	185.82	1,010,582	87.59	476,362
Combustion of fuel oil for heating (scope 1)	308.10	1,150,833	228.12	852,109
Combustion of LPG (scope 1)	1.14	5,303	1.12	5,157
Combustion of fuel for transport (scope 1)	22.00	91,614	3.75	15,584
Purchased electricity, location-based (scope 2)	1,581.42	7,229,933	1,488.83	6,388,987
Business travel in rental cars or employee-owned vehicles where company is responsible for purchasing the fuel (scope 3)	27.96	116,194	129.88	539,613.03
TOTAL	**2,126.44**	**9,604,459**	**1,939.29**	**8,277,813**

Intensity Ratios

Intensity Ratio	**tCO_2e**	**kWh**	**tCO_2e**	**kWh**
Per FTE	4.48	20.252	3.72	18.581
Per £ million GBP turnover	18.13	81.890	13.10	65.453
Per tonne of purchased paper	0.284	1,285	0.2616	1,308

Disclosure of information to auditors

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 and the Group's auditors are 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 audi information and to establish that the company and the Group's auditors are aware of that information.

Auditors

The auditors, Kreston Reeves LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 5 July 2024 and signed on its behalf.

A Strong
Director

Independent Auditors' Report to the Members of Opus Trust Marketing Limited trading as Adare SEC

Opinion

We have audited the financial statements of Opus Trust Marketing Limited trading as Adare SEC (the 'parent company') and its subsidiaries (the 'Group') for the year ended 31 March 2024, which comprise the Consolidated Profit and Loss Account, the Consolidated Statement of Comprehensive Income, the Consolidated Balance Sheet, the Company Balance Sheet, the Consolidated Statement of Changes in Equity, the Company Statement of Changes in Equity and the related notes, 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 Group's and of the parent company's affairs as at 31 March 2024 and of the Group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's or the parent company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our Auditors Report thereon. The directors are responsible for the other information contained within the Annual Report. 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

Independent Auditors' Report to the Members of Opus Trust Marketing Limited trading as Adare SEC (continued)

Opinion on other matters 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 Group Strategic Report and the Directors' Report for the financial year for which the financia statements are prepared is consistent with the financial statements; and
- the Group Strategic Report and the 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 the knowledge and understanding of the Group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the Group Strategic Report or the Directors' Report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not beer received from branches not visited by us; or
- the parent company 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 Directors' Responsibilities Statement set out on page 5, the directors are responsible for the preparation o 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 Group's and the parent 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 Group or the parent company or to cease operations, or have no realistic alternative but to do so.

Independent Auditors' Report to the Members of Opus Trust Marketing Limited trading as Adare SEC (continued)

Auditors' 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 Auditors' 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 Group financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Capability of the audit in detecting irregularities, including fraud

Based on our understanding of the group and industry, and through discussion with the directors and other management (as required by auditing standards), we identified that the principal risks of non-compliance with laws and regulations related to health and safety, anti-bribery, data protection including GDPR and employment law. We considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006, Statement of Recommended Practice, taxation and pension legislation. We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries to increase revenue or reduce expenditure, management bias in accounting estimates and judgemental areas of the financial statements. Audit procedures performed by the engagement team included:

• Discussions with management and assessment of known or suspected instances of non-compliance with laws and regulations (including health and safety, anti-bribery, data protection including GDPR and employment law) and fraud; and

• Assessment of identified fraud risk factors; and

• Discussions with appropriate personnel to gain further insight into the control systems implemented, and the risk of irregularity; and

• Challenging assumptions and judgements made by management in its significant accounting estimates; and

• Performing analytical procedures to identify any unusual or unexpected relationships, including related party transactions, that may indicate risks of material misstatement due to fraud; and

• Confirmation of related parties with management, and review of transactions throughout the period to identify any previously undisclosed transactions with related parties outside the normal course of business; and

• Performing analytical procedures with automated data analytics tools to identify any unusual or unexpected relationships, including related party transactions, that may indicate risks of material misstatement due to fraud; and

• Reading minutes of meetings of those charged with governance; and

• Review of significant and unusual transactions and evaluation of the underlying financial rationale supporting the transactions; and

• Identifying and testing journal entries, in particular any manual entries made at the year end for financial statement preparation.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance.

Independent Auditors' Report to the Members of Opus Trust Marketing Limited trading as Adare SEC (continued)

As part of an audit in accordance with ISAs (UK), we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion of the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our Auditors' Report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our Auditors' Report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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 Auditors' 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.

Peter Manser FCA DChA (Senior Statutory Auditor)

for and on behalf of
Kreston Reeves LLP

Chartered Accountants
Statutory Auditor

Canterbury

5 July 2024

Consolidated Profit and Loss Account
For the Year Ended 31 March 2024

	Note	Continuing operations 2024 £000	Discontinued operations 2024 £000	Total 2024 £000	Continuing operations 2023 £000	Discontinued operations 2023 £000	Tota 202 £00
Turnover	4	124,749	1,717	126,466	114,048	3,250	117,29
Cost of sales		(87,921)	(1,239)	(89,160)	(82,162)	(1,917)	(84,07
Gross profit		36,828	478	37,306	31,886	1,333	33,21
Distribution costs		(1,259)	(136)	(1,395)	(1,463)	(223)	(1,68
Administrative expenses		(28,588)	(1,145)	(29,733)	(27,657)	(1,726)	(29,38
Operating profit	5	6,981	(803)	6,178	2,766	(616)	2,15
Exceptional administrative expenses	12	(552)	(10)	(562)	(766)	(12)	(77
Total operating profit		6,429	(813)	5,616	2,000	(628)	1,37
Profit on sale of branch		-	104	104	-	-	
Interest payable and similar expenses	9	(989)	(1)	(990)	(951)	(3)	(95
Other finance income		87	-	87	137	-	13
Profit before tax		5,527	(710)	4,817	1,186	(631)	55
Tax on profit	11	(2,678)	-	(2,678)	2,012	-	2,01
Profit for the financial year		2,849	(710)	2,139	3,198	(631)	2,56
Profit for the year attributable to:							
Owners of the parent		2,139	-	2,139	2,567	-	2,56
		2,139	-	2,139	2,567	-	2,56

The notes on pages 19 to 49 form part of these financial statements.

Consolidated Statement of Comprehensive Income
For the Year Ended 31 March 2024

	Note	2024 £000	2023 £000
Profit for the financial year		**2,139**	2,567
Other comprehensive income			
Actuarial loss on defined benefit schemes	28	**(515)**	(3,395)
Other comprehensive income for the year		**(515)**	(3,395)
Total comprehensive income for the year		**1,624**	(828)
Profit for the year attributable to:			
Owners of the parent company		**2,139**	2,567
		2,139	2,567
Total comprehensive income attributable to:			
Owners of the parent company		**1,624**	(828)
		1,624	(828)

The notes on pages 19 to 49 form part of these financial statements.

Opus Trust Marketing Limited trading as Adare SEC
Registered number: 03829462

Consolidated Balance Sheet
As at 31 March 2024

	Note		2024 £000		2023 £000
Fixed assets					
Intangible assets	14		6,343		7,256
Tangible assets	15		4,954		6,604
			11,297		13,860
Current assets					
Stocks	17	1,383		2,384	
Debtors: amounts falling due after more than one year	18	2,053		4,635	
Debtors: amounts falling due within one year	18	24,677		23,403	
Cash at bank and in hand	19	3,440		2,319	
		31,553		32,741	
Creditors: amounts falling due within one year	20	(31,731)		(33,959)	
Net current liabilities			(178)		(1,218)
Total assets less current liabilities			11,119		12,642
Creditors: amounts falling due after more than one year	21		(4,101)		(7,740)
Provisions for liabilities					
Deferred tax	23	(26)		-	
Other provisions	24	(50)		(12)	
			(76)		(12)
Pension asset			1,373		1,801
Net assets			8,315		6,691
Capital and reserves					
Called up share capital	25		1,893		1,893
Profit and loss account	26		6,422		4,798
			8,315		6,691

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 5 July 2024.

A Strong
Director

The notes on pages 19 to 49 form part of these financial statements.

Opus Trust Marketing Limited trading as Adare SEC
Registered number: 03829462

Company Balance Sheet
As at 31 March 2024

	Note		2024 £000		2023 £000
Fixed assets					
Intangible assets	14		**63**		82
Tangible assets	15		**1,495**		1,291
Investments	16		**17,635**		17,635
			19,193		19,008
Current assets					
Stocks	17	**227**		212	
Debtors: amounts falling due after more than one year	18	-		414	
Debtors: amounts falling due within one year	18	**10,404**		7,745	
Cash at bank and in hand	19	**636**		599	
		11,267		8,970	
Creditors: amounts falling due within one year	20	**(18,133)**		(15,653)	
Net current liabilities			**(6,866)**		(6,683)
Total assets less current liabilities			**12,327**		12,325
Creditors: amounts falling due after more than one year	21		**(3,500)**		(5,463)
Net assets			**8,827**		6,862
Capital and reserves					
Called up share capital	25		**1,893**		1,893
Profit and loss account brought forward		**4,969**		4,692	
Profit for the year		**1,965**		277	
Profit and loss account carried forward			**6,934**		4,969
			8,827		6,862

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 5 July 2024.

A Strong
Director

The notes on pages 19 to 49 form part of these financial statements.

Consolidated Statement of Changes in Equity
For the Year Ended 31 March 2024

	Called up share capital	Profit and loss account	Total equity
	£000	£000	£000
At 1 April 2022	1,893	5,626	7,519
Profit for the year	-	2,567	2,567
Actuarial losses on pension scheme	-	(3,395)	(3,395)
At 1 April 2023	1,893	4,798	6,691
Profit for the year	-	2,139	2,139
Actuarial losses on pension scheme	-	(515)	(515)
At 31 March 2024	1,893	6,422	8,315

The notes on pages 19 to 49 form part of these financial statements.

Company Statement of Changes in Equity
For the Year Ended 31 March 2024

	Called up share capital	Profit and loss account	Total equity
	£000	£000	£000
At 1 April 2022	1,893	4,692	6,585
Profit for the year	-	277	277
At 1 April 2023	1,893	4,969	6,862
Profit for the year	-	1,965	1,965
At 31 March 2024	1,893	6,934	8,827

The notes on pages 19 to 49 form part of these financial statements.

1. General information

Opus Trust Marketing Limited is a limited liability company incorporated in England.

The address of the registered office is 133 Scudamore Road, Braunstone Frith Industrial Estate, Leicester, LE3 1UQ.

The registered number is 03829462.

Details of the principal activities of the group are included in the directors' report.

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 group's functional and presentational currency is Pounds Sterling.

The group's financial statements are presented to the nearest thousand.

The group has voluntarily opted to prepare consolidated financial statements and therefore has taken the exemption under the reduced disclosure framework to not include a consolidated cashflow or to disclose key management personnel as these are included in the consolidated financial statements of Opus 107 Limited as at 31 March 2024. These financial statements may be obtained from 133-137 Scudamore Road, Leicester, England, LE3 1UQ

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

The company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Profit and Loss Account in these financial statements.

The following principal accounting policies have been applied:

2.2 Basis of consolidation

The consolidated financial statements present the results of the company and its own subsidiaries ("the Group") as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the Balance Sheet, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the Consolidated Profit and Loss Account from the date on which control is obtained. They are deconsolidated from the date control ceases.

In accordance with the transitional exemption available in FRS 102, the Group has chosen not to retrospectively apply the standard to business combinations that occurred before the date of transition to FRS 102, being 01 April 2014.

2. Accounting policies (continued)

2.3 Going concern

The group meets its day to day capital requirements through group support which will continue to be offered for the period of 12 months from the date of signing these accounts. As such this will enable the group to continue for the foreseeable future.

2.4 Foreign currency translation

Functional and presentation currency

The group'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 profit or loss 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 Consolidated Profit and Loss Account within 'finance income or costs'. All other foreign exchange gains and losses are presented in profit or loss within 'other operating income'.

On consolidation, the results of overseas operations are translated into Sterling at rates approximating to those ruling when the transactions took place. All assets and liabilities of overseas operations are translated at the rate ruling at the reporting date. Exchange differences arising on translating the opening net assets at opening rate and the results of overseas operations at actual rate are recognised in other comprehensive income.

2.5 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group 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:

Rendering of goods and services

Revenue from a contract to provide goods and 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 Group 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.

2. Accounting policies (continued)

2.6 Operating leases: the Group as lessee

Rentals paid under operating leases are charged to profit or loss on a straight-line basis over the lease term.

2.7 Leased assets: the Group as lessee

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the group. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to profit or loss so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

2.8 Finance costs

Finance costs are charged to profit or loss 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. Accounting policies (continued)

2.9 Pensions

Defined contribution pension plan

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

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the Group in independently administered funds.

Defined benefit pension plan

The Group operates a defined benefit plan for certain employees. A defined benefit plan defines the pension benefit that the employee will receive on retirement, usually dependent upon several factors including but not limited to age, length of service and remuneration. A defined benefit plan is a pension plan that is not a defined contribution plan.

The asset recognised in the Balance Sheet in respect of the defined benefit plan is the present value of the defined benefit obligation at the end of the balance sheet date less the fair value of plan assets at the balance sheet date (if any) out of which the obligations are to be settled.

The defined benefit obligation is calculated using the projected unit credit method. Annually the group engages independent actuaries to calculate the obligation. The present value is determined by discounting the estimated future payments using market yields on high quality corporate bonds that are denominated in sterling and that have terms approximating to the estimated period of the future payments ('discount rate').

The fair value of plan assets is measured in accordance with the FRS102 fair value hierarchy and in accordance with the Group's policy for similarly held assets. This includes the use of appropriate valuation techniques.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to other comprehensive income. These amounts together with the return on plan assets, less amounts included in net interest, are disclosed as 'Remeasurement of net defined benefit liability'.

The cost of the defined benefit plan, recognised in profit or loss as employee costs, except where included in the cost of an asset, comprises:

a) the increase in net pension benefit liability arising from employee service during the period; and

b) the cost of plan introductions, benefit changes, curtailments and settlements.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is recognised in profit or loss as a 'finance expense'.

2. Accounting policies (continued)

2.10 Current and deferred taxation

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

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the company and the Group operate and generate income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the Group can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

2.11 Exceptional items

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

2. Accounting policies (continued)

2.12 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 the Group's share 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 Consolidated Profit and Loss Account 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.

The estimated useful lives range as follows:

Development expenditure	-	5 years
Goodwill	-	7 - 10 years
Computer software	-	3 - 7 years

Acquired computer software licences are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortised over their estimated useful lives of three to seven years.

Costs associated with maintaining computer software programmes are recognised as an expense as incurred. 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 product so that it will be available for use;

• management intends to complete the software product and use or sell it;

• there is an ability to use or sell the software product;

• it can be demonstrated how the software product will generate probable future economic benefits;

• adequate technical, financial and other resources to complete the development and to use or sell

the software product are available; and

• the expenditure attributable to the software product during its development can be reliably

measured.

Directly attributable costs that are capitalised as part of the software product include the software product include the software development employee costs and an appropriate portion of relevant overheads. 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 the subsequent period.

2. Accounting policies (continued)

2.12 Intangible assets (continued)

Computer software development costs recognised as assets are amortised over their estimated useful lives, which does not exceed seven years.

2.13 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.

Depreciation is provided on the following basis:

Short-term leasehold property	- over the minimum lease duration
Plant and machinery	- between 3 and 10 years
Office equipment	- between 3 and 5 years
Capital in progress	- Not depreciated until brought into use

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.

2.14 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.15 Stocks

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 balance sheet 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.

2.16 Debtors

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.

2.17 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. Accounting policies (continued)

2.18 Creditors

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.

2.19 Provisions for liabilities

Provisions are recognised when an event has taken place that gives rise to a legal or constructive obligation, a transfer of economic benefits is probable and a reliable estimate can be made.

Provisions are measured as the best estimate of the amount required to settle the obligation, taking into account the related risks and uncertainties.

Increases in provisions are generally charged as an expense to profit or loss.

2.20 Financial instruments

The Group has elected to apply the provisions of Section 11 “Basic Financial Instruments” of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the Group's Balance Sheet when the Group becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally 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.

Basic financial assets

Basic financial assets, which include trade and other receivables, cash and bank balances, are initially measured at their transaction price including transaction costs and are subsequently carried at their amortised cost using the effective interest method, less any provision for impairment, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Discounting is omitted where the effect of discounting is immaterial. The Group's cash and cash equivalents, trade and most other receivables due with the operating cycle fall into this category of financial instruments.

Impairment of financial assets

Financial assets are assessed for indicators of impairment at each reporting date.

Financial assets are impaired when events, subsequent to their initial recognition, indicate the estimated future cash flows derived from the financial asset(s) have been adversely impacted. The impairment loss will be the difference between the current carrying amount and the present value of the future cash flows at the asset(s) original effective interest rate.

If there is a favourable change in relation to the events surrounding the impairment loss then the impairment can be reviewed for possible reversal. The reversal will not cause the current carrying amount to exceed the original carrying amount had the impairment not been recognised. The impairment reversal is recognised in the profit or loss.

2. Accounting policies (continued)

2.20 Financial instruments (continued)

Financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements enterec into. An equity instrument is any contract that evidences a residual interest in the assets of the Group after the deduction o all its liabilities.

Basic financial liabilities, which include trade and other payables, bank loans, other loans and loans due to fellow grour companies are initially measured at their transaction price after transaction costs. When this constitutes a financinc transaction, whereby the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Discounting is omitted where the effect of discounting is immaterial.

Debt instruments are subsequently carried at their amortised cost using the effective interest rate method.

Trade payables are obligations to pay for goods and services that have been acquired in the ordinary course of business from suppliers. Trade payables are classified as current liabilities if the payment is due within one year. If not, they represent non-current liabilities. Trade payables are initially recognised at their transaction price and subsequently are measured a amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial.

2.21 Invoice financing

The group uses Invoice Financing through the Royal Bank of Scotland plc to accelerate the receipt of funds due frorr debtors. No rights are transferred to the finance provider, all benefits and risks remain with the group and all finance is potentially repayable therefore linked presentation is not appropriate. Accordingly debtors disclosed in full within the Balance Sheet and the associated finance is disclosed within creditors due within one year.

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

The preparation of the financial statements requires the directors to make judgements, estimates and assumptions that can affec the amounts reported for assets and liabilities, and the results for the year. The nature of estimation is such though that actua outcomes could differ significantly from those estimates.

The following are the group's key sources of estimation uncertainty:

Lease Commitments

The group has entered into a range of lease commitments in respect of property, plant and equipment. The classification of these leases as either financial or operating leases requires the directors to consider whether the terms and conditions of each lease are such that the group has acquired the risks and rewards associated with the ownership of the underlying assets.

3. Judgements in applying accounting policies (continued)

Goodwill and intangible assets

The group has recognised goodwill and other intangible assets arising from business combinations with a carrying value of £6,393,000 (2023: £7,258,000) at the reporting date (see note 14). On acquisition the group determines a reliable estimate of the useful life of goodwill and intangible assets based upon factors such as the expected use of the acquired business, forecasts of expected future results and cash flows, and any legal, regulatory or contractual provisions that can limit useful life. At each subsequent reporting date the directors consider whether there are any factors such as technological advancements or changes in market conditions that indicate a need to reconsider the useful life of goodwill and intangible assets.

Tangible fixed assets

The group has recognised tangible fixed assets with a carrying value of £4,955,000 (2023: £6,604,000) at the reporting date (see note 15). These assets are stated at their cost less provision for depreciation and impairment. The group's accounting policy sets out the approach to calculating depreciation for immaterial assets acquired. For material assets such as land and buildings the group determines at acquisition reliable estimates for the useful life of the asset, its residual value and decommissioning costs. These estimates are based upon such factors as the expected use of the acquired asset and market conditions. At subsequent reporting dates the directors consider whether there are any factors such as technological advancements or changes in market conditions that indicate a need to reconsider the estimates used.

Where there are indicators that the carrying value of tangible assets may be impaired the group undertakes tests to determine the recoverable amount of assets. These tests require estimates of the fair value of assets less cost to sell and of their value in use. Wherever possible the estimate of the fair value of assets is based upon observable market prices less incremental cost for disposing of the asset. The value in use calculation is based upon a discounted cash flow model, based upon the group's forecasts for the foreseeable future which do not include any restructuring activities that the group is not yet committed to or significant future investments that will enhance the asset's performance. The recoverable amount is most sensitive to the discount rate used for the discounted cash flow model as well expected future cash flows and the growth rate used for extrapolation purposes.

Taxation

Provision has been made in the financial statements for deferred tax amounting to £2,217,000 (2023: £4,892,000) at the reporting date (see note 23). This provision is based upon estimates of the availability of future taxable profits, the timing of the reversal of timing differences upon which the provision is based and the tax rates that will be in force at that time together with an assessment of the impact of future tax planning strategies.

Impairment of trade receivables

The group makes an estimate of the recoverable value of trade and other debtors. When assessing impairments of trade and other receivables, management considers factors including the credit rating of the receivable, the ageing profile of receivables and historical experience.

Defined benefit pension scheme

The group has an obligation to pay pension benefits to certain employees. Although the scheme is closed to future accrual, the cost of these benefits and the present value of the obligation depend on a number of factors, including; life expectancy, assets valuation and the discount rate on corporate bonds. Management estimates these factors in determining the net pension obligation/asset in the balance sheet. The assumptions reflect historical experience and current trends.

4. Turnover

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

	2024 £000	2023 £000
Sale of goods	110,241	105,105
Services	16,225	12,193
	126,466	117,298

	2024 £000	2023 £000
United Kingdom	126,129	116,982
Rest of the world	337	316
	126,466	117,298

5. Operating profit

The operating profit is stated after charging:

	2024 £000	2023 £000
Depreciation of tangible fixed assets	2,773	3,062
Amortisation of intangibles, including goodwill	883	917
Other operating lease rentals	1,226	1,642
Defined contribution pension costs	551	578
(Profit)/loss on disposal of fixed assets	-	(3)

6. Auditors' remuneration

	2024 £000	2023 £000
Fees payable to the Group's auditor for the audit of the Group's annual financial statements	78	74
Fees payable to the Group's auditor in respect of:		
Preparation of the Group's annual financial statements	8	8

7. Employees

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

	Group 2024 £000	Group 2023 £000	Company 2024 £000	Company 2023 £000
Wages and salaries	19,445	19,663	5,122	4,704
Social security costs	2,003	2,054	521	474
Cost of defined contribution scheme	551	578	172	156
	21,999	22,295	5,815	5,334

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

	Group 2024 No.	Group 2023 No.	Company 2024 No.	Company 2023 No.
Production	223	260	55	51
Sales and administration	224	217	58	57
	447	477	113	108

8. Directors' remuneration

	2024 £000	2023 £000
Directors' emoluments	1,202	1,137
Group contributions to defined contribution pension schemes	75	75
	1,277	1,212

During the year retirement benefits were accruing to 5 directors (2023 - 5) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £314,000 (2023 - £279,000).

The value of the Group's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £31,000 (2023 - £31,000).

9. Interest payable and similar expenses

	2024 £000	2023 £000
Other loan interest payable	909	633
Finance leases and hire purchase contracts	81	321
	990	954

Notes to the Financial Statements
For the Year Ended 31 March 2024

10. Other finance costs

	2024 £000	2023 £000
Net interest on net defined benefit liability	87	137
	87	137

11. Taxation

	2024 £000	2023 £000
Corporation tax		
Adjustments in respect of previous periods	2	2
	2	2
Total current tax	2	2
Deferred tax		
Origination and reversal of timing differences	1,692	(1,263)
Utilisation of losses	984	(751)
Total deferred tax	2,676	(2,014)
Tax on profit	2,678	(2,012)

11. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2023 - lower than) the standard rate of corporation tax in the UK of 25% (2023 - 19%). The differences are explained below:

	2024 £000	2023 £000
Profit on ordinary activities before tax	**4,815**	555
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 25% (2023 - 19%)	**1,204**	105
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	**19**	(249)
Capital allowances for year in excess of depreciation	**505**	8
Utilisation of tax losses	**195**	331
Deferred tax movement leading to an increase (decrease) in taxation	**1,101**	(2,015)
Other timing differences leading to an increase (decrease) in taxation	**1**	-
Capital gains	**9**	-
Group relief	**(356)**	(192)
Total tax charge for the year	**2,678**	(2,012)

11. Taxation (continued)

Factors that may affect future tax charges

The group has unutilised losses of approximately £9,468k (2023 - £13,403k) being carried forward for offset against future taxable income. A deferred tax asset has been recognised in respect of these losses which the directors are confident will be utilised within the foreseeable future based upon their projections of the group's future profitability. As a consequence a deferred tax asset of £2,354,000 (2023: £3,350,000) has been recognised in respect of unutilised losses, which forms part of the total recognised deferred tax asset of £2,217,000 (2023: £4,893,000).

12. Exceptional items

	2024	2023
	£000	£000
Restructuring and reorganisation costs	**562**	778
	562	778

13. Parent company profit for the year

The company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Profit and Loss Account in these financial statements. The profit after tax of the parent company for the year was £2,468,000 (2023 - £277,000).

14. Intangible assets

Group

	Computer software £000	Goodwill £000	Total £000
Cost			
At 1 April 2023	256	9,541	9,797
At 31 March 2024	256	9,541	9,797
Amortisation			
At 1 April 2023	103	2,436	2,539
Charge for the year on owned assets	47	868	915
At 31 March 2024	150	3,304	3,454
Net book value			
At 31 March 2024	106	6,237	6,343
At 31 March 2023	153	7,105	7,258

Company

	Goodwill £000
Cost	
At 1 April 2023	1,050
At 31 March 2024	1,050
Amortisation	
At 1 April 2023	968
Charge for the year	19
At 31 March 2024	987
Net book value	
At 31 March 2024	63
At 31 March 2023	81

Notes to the Financial Statements
For the Year Ended 31 March 2024

15. Tangible fixed assets

Group

	Short-term leasehold improvements	Plant and machinery	Office equipment	Capital work in progress	Total
	£000	£000	£000	£000	£000
Cost or valuation					
At 1 April 2023	759	16,496	160	10	17,425
Additions	-	1,382	-	-	1,382
Disposals	(390)	(640)	-	-	(1,030)
Transfers between classes	-	10	-	(10)	-
At 31 March 2024	369	17,248	160	-	17,777
Depreciation					
At 1 April 2023	502	10,172	148	-	10,822
Charge for the year on owned assets	121	2,644	8	-	2,773
Disposals	(315)	(457)	-	-	(772)
At 31 March 2024	308	12,359	156	-	12,823
Net book value					
At 31 March 2024	61	4,889	4	-	4,954
At 31 March 2023	257	6,324	12	10	6,603

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

	2024	2023
	£000	£000
Plant and machinery	2,117	3,564
	2,117	3,564

15. Tangible fixed assets (continued)

Company

	Short-term leasehold property £000	Plant and machinery £000	Total £000
Cost or valuation			
At 1 April 2023	381	8,225	8,606
Additions	-	822	822
Disposals	(12)	(159)	(171)
At 31 March 2024	369	8,888	9,257
Depreciation			
At 1 April 2023	257	7,058	7,315
Charge for the year on owned assets	63	555	618
Disposals	(12)	(159)	(171)
At 31 March 2024	308	7,454	7,762
Net book value			
At 31 March 2024	61	1,434	1,495
At 31 March 2023	124	1,167	1,291

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

	2024 £000	2023 £000
Plant and machinery	49	78
	49	78

16. Fixed asset investments

Company

	Investments in subsidiary companies
	£000
Cost or valuation	
At 1 April 2023	17,750
At 31 March 2024	17,750
Impairment	
At 1 April 2023	115
At 31 March 2024	115
Net book value	
At 31 March 2024	17,635
At 31 March 2023	17,635

Direct and indirect subsidiary undertakings

The following were subsidiary undertakings of the company:

Name	Registered office	Class of shares	Holding
Document Outsourcing Group Limited	Scotland	Ordinary	100%
Document Centric Solutions Ltd.	England	Ordinary	100%
Critiqom Limited	Scotland	Ordinary	100%
Primepost Limited	Scotland	Ordinary	100%
Document Outsourcing Limited	Scotland	Ordinary	100%
Adare SEC Limited	England	Ordinary	100%
Adare SEC (Nottingham) Limited	England	Ordinary	100%

Notes to the Financial Statements
For the Year Ended 31 March 2024

Direct and indirect subsidiary undertakings (continued)

The aggregate of the share capital and reserves as at 31 March 2024 and the profit or loss for the year ended on that date for the subsidiary undertakings were as follows:

Name	Aggregate of share capital and reserves £000	Profit/(Loss) £000
Document Outsourcing Group Limited	838	-
Critiqom Limited	4,162	913
Document Centric Solutions Ltd.	-	-
Primepost Limited	-	-
Document Outsourcing Limited	-	-
Adare SEC Limited	7,441	(406)
Adare SEC (Nottingham) Limited	-	-

17. Stocks

	Group 2024 £000	Group 2023 £000	Company 2024 £000	Company 2023 £000
Raw materials and consumables	793	1,689	227	212
Work in progress (goods to be sold)	35	96	-	-
Finished goods and goods for resale	555	599	-	-
	1,383	2,384	227	212

Notes to the Financial Statements
For the Year Ended 31 March 2024

18. Debtors

	Group 2024 £000	Group 2023 £000	Company 2024 £000	Company 2023 £000
Due after more than one year				
Deferred tax asset	**2,053**	4,635	**-**	414
	2,053	4,635	**-**	414

	Group 2024 £000	Group 2023 £000	Company 2024 £000	Company 2023 £000
Due within one year				
Trade debtors	**22,033**	19,886	**7,092**	6,305
Amounts owed by group undertakings	**126**	41	**2,458**	518
Amounts owed by connected companies	**8**	8	**-**	-
Other debtors	**472**	385	**426**	377
Prepayments and accrued income	**1,849**	2,825	**475**	503
Deferred taxation	**189**	258	**(47)**	42
	24,677	23,403	**10,404**	7,745

The amounts shown for the group as owed by group undertakings relates to the parent company which is outside of this consolidated group.

19. Cash and cash equivalents

	Group 2024 £000	Group 2023 £000	Company 2024 £000	Company 2023 £000
Cash at bank and in hand	**3,440**	2,319	**636**	599
	3,440	2,319	**636**	599

20. Creditors: Amounts falling due within one year

	Group 2024 £000	Group 2023 £000	**Company 2024 £000**	Company 2023 £000
Invoice discounting facility	**4,302**	7,766	**1,334**	2,051
Trade creditors	**14,700**	14,345	**3,789**	3,354
Amounts owed to group undertakings	-	-	**10,657**	8,475
Corporation tax	**55**	38	**18**	-
Other taxation and social security	**4,000**	3,161	**587**	325
Obligations under finance lease and hire purchase contracts	**1,786**	1,674	**211**	252
Other creditors	**469**	1,471	**1**	97
Accruals and deferred income	**6,419**	5,504	**1,536**	1,099
	31,731	33,959	**18,133**	15,653

Invoice discounting of £4,302,000 (2023: £7,766,000) relates to finance provided in respect of Confidential Invoice Discounting by Natwest plc. The facility is secured by way of charge over the assets of the group. Interest is payable at a rate of 1.5% above the bank base rate.

Overdraft facilities is secured by a fixed and floating charge over the whole assets of the group and cross guarantees within the group.

Amounts due under hire purchase and finance lease creditors are secured on the assets financed under these agreements.

21. Creditors: Amounts falling due after more than one year

	Group 2024 £000	Group 2023 £000	**Company 2024 £000**	Company 2023 £000
Net obligations under finance leases and hire purchase contracts	**601**	2,488	-	211
Loan from company under common control	**3,500**	5,000	**3,500**	5,000
Accruals and deferred income	-	252	-	252
	4,101	7,740	**3,500**	5,463

The loan from company under common control is secured on a fixed and floating charge over the property of the company or undertaking of the company. Interest is charged at 8% per annum.

Notes to the Financial Statements
For the Year Ended 31 March 2024

22. Hire purchase and finance leases

Minimum lease payments under hire purchase fall due as follows:

	Group 2024 £000	Group 2023 £000	Company 2024 £000	Company 2023 £000
Within one year	**1,786**	1,674	**211**	252
Between 1-5 years	**601**	2,488	**-**	211
	2,387	4,162	**211**	463

23. Deferred taxation

Group

	2024 £000	2023 £000
At beginning of year	**4,893**	2,878
Charged to profit or loss	**(2,676)**	2,014
At end of year	**2,217**	4,892

23. Deferred taxation (continued)

Company

	2024 £000	2023 £000
At beginning of year	**456**	522
Charged to profit or loss	**(503)**	(66)
At end of year	**(47)**	456

	Group 2024 £000	Group 2023 £000	Company 2024 £000	Company 2023 £000
Accelerated capital allowances	**936**	1,543	**(59)**	23
Tax losses carried forward	**2,354**	3,350	**21**	433
Short term timing differences	**(1,073)**	-	**(9)**	-
	2,217	4,893	**(47)**	456
Comprising:				
Asset - due after one year	**2,053**	4,635	**-**	414
Asset - due within one year	**189**	258	**(47)**	42
Liability	**(26)**	-	**-**	-
	2,216	4,893	**(47)**	456

24. Provisions

Group

	Restructure provision £000
At 1 April 2023	12
Charged to profit or loss	50
Utilised in year	(12)
At 31 March 2024	50

25. Share capital

	2024 £000	2023 £000
Allotted, called up and fully paid		
1,893,165 (2023 - 1,893,165) Ordinary shares shares of £1.00 each	1,893	1,893

26. Reserves

Profit and loss account

This reserve comprises all current and prior period retained profits and losses after deducting any distributions made to the company's shareholders.

27. Discontinued operations

As part of a reorganisation, on 31 October 2023, the group disposed of its Redditch branch, trading as Kalamazoo.

		£000
Cash proceeds		401
		401
Net assets disposed of:		
Tangible fixed assets	(232)	
Stocks	(168)	
Creditors	103	
		297
Profit on disposal before tax		(104)

The net inflow of cash in respect of the sale of Kalamazoo is as follows:

	£000
Cash consideration	401
Net inflow of cash	401

28. Pension commitments

The group operates four defined contributions pension schemes. The assets of the schemes are held separately from those of the group in independently administered funds. The pension cost charge represents contributions payable by the group to the funds and amounted to £551,000 (2023: £578,000). Contributions totalling £76,000 (2023: £132,000) were payable to the fund at the balance sheet date and were included within creditors.

Defined benefit scheme

The group operates a Defined Benefit Pension Scheme.

One of the group's subsidiaries, Adare SEC Limited, sponsors the Halcyon Business Solutions Pension Scheme, a funded defined benefit pension scheme in the UK. The scheme is administered within a separate trust independent of the Company and is supervised by independent trustees. The trustees are responsible for ensuring that the correct benefits are paid, that the scheme is appropriately funded and that scheme assets are appropriately invested.

The Scheme provides pensions and lump sums to members on retirement and to their dependants on their death. Members who leave service before retirement are entitled to a deferred pension. The Scheme closed to accrual of benefits on 30 March 2003.

A formal actuarial valuation was carried out as at 31 January 2021. The results of that valuation have been projected to 31 March 2024 by a qualified independant actuary. The figures in the following disclosure were measured using the Projected Unit Method.

Responsibility for making good any deficit within the Scheme lies with the Company. Under the Schedule of Contributions agreed as part of the 2021 valuation, the Company expects to make no further contributions to the Scheme from 31 March 2022. The Trustees are required to use prudent assumptions to value the liabilities and costs of the scheme whereas the accounting assumptions must be best estimates.

Reconciliation of present value of plan liabilities:

	2024	2023
	£000	£000
Reconciliation of present value of plan liabilities		
At the beginning of the year	**22,660**	29,160
Interest cost	**1,060**	772
Actuarial gains / (losses)	**(1,365)**	(6,156)
Benefits paid	**(1,142)**	(1,116)
At the end of the year	**21,213**	22,660

28. Pension commitments (continued)

Reconciliation of present value of plan assets:

	2024 £000	2023 £000
At the beginning of the year	**24,461**	34,219
Interest income	**1,147**	909
Return on assets (excluding amount included in net interest expense)	**(1,880)**	(9,551)
Benefits paid	**(1,142)**	(1,116)
At the end of the year	**22,586**	24,461

Composition of plan assets:

	2024 £000	2023 £000
Gifts	**4,267**	5,427
Index linked	**8,302**	3,111
Absolute return fund	**9,470**	15,355
Cash	**199**	189
Insured pensioner asset	**348**	379
Total market value of assets	**22,586**	24,461

	2024 £000	2023 £000
Fair value of plan assets	**22,586**	24,461
Present value of plan liabilities	**(21,213)**	(22,660)
Net pension scheme asset	**1,373**	1,801

28. Pension commitments (continued)

The amounts recognised in profit or loss are as follows:

	2024	2023
	£000	£000
Interest on obligation	**87**	137
Total	**87**	137
Remeasurements of net asset:		
Return on scheme assets (excluding amount included in net interest expense)	**1,880**	9,551
Actuarial (gains) / losses	**(1,365)**	(6,156)
Charge / (credit) recorded in other comprehensive income	**515**	3,395

The return on plan assets was:

	2024	2023
	£000	£000
Interest income	**1,147**	909
Return on plan assets (excluding amount included in net interest expense)	**(1,880)**	(9,551)
Actuarial losses	**515**	3,395
Total return in plan assets	**(218)**	(5,247)

28. Pension commitments (continued)

Principal actuarial assumptions at the balance sheet date (expressed as weighted average):

	2024	2023
Liability discount rate	**4.80%**	4.80%
Inflation assumption - RPI	**3.40%**	3.50%
Inflation assumption - CPI		
Pre 2030	**2.40%**	2.50%
Post 2030	**3.40%**	3.50%
Revaluation of deferred pensions:		
Pre 2030	**2.40%**	2.50%
Post 2030	**3.40%**	3.50%
Increases for pensions in payment:		
Pre 2030 (accrued post 97)	**2.40%**	2.50%
Post 2030 (accrued post 97)	**3.40%**	3.50%
Proportion of employees commuting pension for cash	**100%**	100%
Expected age at death of current pension at age 65:		
Male aged 65 at year end:	**86.1**	87.3
Female aged 65 at year end:	**88.4**	89.5
Expected age at death of future pension at age 65:		
Male aged 45 at year end:	**87.3**	88.6
Female aged 45 at year end:	**89.5**	90.9

29. Commitments under operating leases

At 31 March 2024 the Group and the company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	Group 2024 £000	Group 2023 £000	Company 2024 £000	Company 2023 £000
Not later than 1 year	**1,191**	1,226	**362**	286
Later than 1 year and not later than 5 years	**2,420**	1,673	**1,219**	15
	3,611	2,899	**1,581**	301

30. Other financial commitments

Confidential Invoice Discounting is provided by arrangement with Natwest plc. All of the group's trade debtors were financed in such a manner with the corresponding liability disclosed within creditors.

The group has obtained financing facilities provided by Clydesdale Bank Plc. The facility is secured by a charge over the group's property and assets. At the year end there were no liabilities outstanding in respect of this.

31. Related party transactions

During the year the group entered into transactions, in the ordinary course of business, with related parties. Transactions entered into, and trading balances outstanding at 31 March 2024, are as follows:

	2024	2023
	£000	£000
Purchases from companies under common control	**750**	1,158
Amounts due from companies under common control	**8**	8
Loans due to companies under common control	**3,500**	5,000
Amounts due to companies under common control	**-**	258
Loan interest to companies under common control	**195**	198

32. Controlling party

The group's ultimate parent undertaking is Opus 107 Limited, a company incorporated in England and Wales.

The financial statements of Opus 107 Limited are consolidated, copies of which can be obtained from the registered office.

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.