

Group Strategic Report, Report of the Directors and
Audited Consolidated Financial Statements for the Year Ended 31 December 2020
for
Liaison Financial Services Limited

MONDAY



AADWM2HC

A13

27/09/2021

#19

COMPANIES HOUSE

Liaison Financial Services Limited

Contents of the Consolidated Financial Statements
for the year ended 31 December 2020

	Page
Company Information	1
Group Strategic Report	2
Report of the Directors	4
Report of the Independent Auditors	6
Consolidated Income Statement	10
Consolidated Other Comprehensive Income	11
Consolidated Balance Sheet	12
Company Balance Sheet	13
Consolidated Statement of Changes in Equity	14
Company Statement of Changes in Equity	15
Consolidated Cash Flow Statement	16
Notes to the Consolidated Cash Flow Statement	17
Notes to the Consolidated Financial Statements	18

Liaison Financial Services Limited

Company Information
for the year ended 31 December 2020

DIRECTORS:

B J Thew
A S Armitage

SECRETARY:

A S Armitage

REGISTERED OFFICE:

Estate House
Evesham Street
Redditch
Worcestershire
B97 4HP

REGISTERED NUMBER:

06426660 (England and Wales)

AUDITORS:

Derek Young & Co Accountants LLP
Statutory Auditors
Chartered Accountants
Estate House
Evesham Street
Redditch
Worcestershire
B97 4HP

Liaison Financial Services Limited

Group Strategic Report
for the year ended 31 December 2020

The directors present their strategic report of the company and the group for the year ended 31 December 2020.

REVIEW OF BUSINESS

The Group operates primarily within the NHS and generates cost savings and cash recovery for healthcare organisations through our Financial, Care and Workforce businesses.

Impact of Covid

The global pandemic had some impact on the business both financially and operationally.

Operationally, our immediate response included moving the office-based workforce to a remote working model, whilst ensuring minimal disruption to the delivery of our services to clients. This is something that the business will continue with as the world moves on from 2020.

We reviewed delivery models, roles, structures and training and development plans for client facing teams to ensure we could successfully support our staff and changing client requirements, with supporting processes and technologies aligned to enable this.

Financially, there was an impact on revenue as we took the decision to pause our engagements with some clients where services were under pressure and where on-site work was required to deliver services such as consultancy. The government decision to delay the submission of annual VAT reviews until 2021 meant a reduction in revenue within our Financial business.

Business Performance

In 2020, the Group continued to expand the scope of products and services provided to the NHS both organically and through partnerships and investments.

Adding to the healthcare portfolio, we acquired a 22.5% shareholding in Infinity Health Limited who provide a digital platform enabling task management and digitised workflow in health and social care environments. This application will provide links into our Workforce portfolio of products.

Liaison Workforce launched the mii platform, bringing together the full suite of workforce technologies and services, designed to digitise the NHS People Plan at both organisation and system level. Fully interoperable, the platform supports flexible working, retention and wellbeing and workforce optimisation across a range of modules supported by experts in our Service Support Centre and Client Services teams.

A major project commenced in the year to develop a roster and rota solution. Designed and developed by an NHS trust, this jointly funded solution is due to be delivered in 2021. A new payroll development is also underway to be delivered in the next year.

Liaison Financial had a challenging year as a result of the pandemic. The timing of delivering VAT and financial reviews was impacted by the government's decision to delay submission of annual VAT reviews until 2021, deferring revenue into next year.

The financial reviews for CCGs in the continuing healthcare market were also down in 2020 as we held back delivering work in this area due to other pressures our clients were under in dealing with the Covid crisis.

As on-site visits to our clients were not possible, we took the opportunity to deliver reviews remotely for more clients, with minimal disruption and allowing some efficiencies to be achieved.

Liaison Financial is currently working on a number of new areas for review that will deliver savings to NHS organisations and this work will continue into 2021.

Liaison Care provides an expanding range of reviews, services and consultancy across health and social care. 2020 was a difficult year with much of it impacted by the 6 month suspension within the market until the latter part of the year. In the final quarter we saw high demand for our case management review offering providing a strong start into 2021.

Liaison Financial Services Limited

Group Strategic Report
for the year ended 31 December 2020

During the forthcoming year the Care business will continue to expand the range of case management services, adding to the product portfolio for this developing business area.

Across the healthcare business, client retention and satisfaction levels remain high, and we are working closely with clients and partners to ensure future product innovations and enhancements to existing products are well aligned to their requirements.

Operating outside of Liaison's healthcare businesses, Activ8 Intelligence remains part of Liaison Group offering people analytics to HR tech providers looking for a best of breed partner. The business has continued to maintain its revenue position and to invest in the ongoing roadmap development in 2020, combining R&D investment with its 2 major development partners. New reseller sales have been impacted by the pandemic as decision cycles have slowed down and activity to generate new business has been limited.

At a group level, the financial key performance indicators are revenue from services, EBITDA and operating cash flow.

Revenue from services decreased by 1%, EBITDA remained a profit and was 15% of capital employed and the Operating cash flow continued to be positive in 2020.

PRINCIPAL RISKS AND UNCERTAINTIES

The company has a risk with respect to government legislation in relation to the services we provide, and we monitor HMRC for the latest guidelines that may have an impact to ensure we can support clients where necessary. There are currently government proposals to restructure the NHS VAT regulations. A number of scenarios are being proposed that we continue to monitor as each will have differing effects on the business.

Our staff are fundamental to the success of the organisation and therefore present a risk to the continuation of our service delivery. Staff development, wellbeing and engagement are important elements of the HR strategy and regular communication during the year was seen as key with the changes to a fully remote working model.

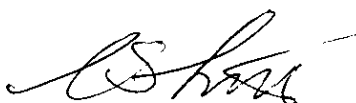
The Group uses many platforms to engage, communicate and receive feedback including an employee forum, communications portal, regular surveys and newsletters. We endeavour to ensure staff are equipped to provide the quality service we deliver to our clients with some staff undertaking significant training in the year.

From a client perspective, competition is a risk in our marketplace so growing the scope and depth of our services is key to retaining and attracting clients and will be core to future investment decisions. Price pressures remain in the market and as such our product strategy and models are continually adapting to meet the market direction.

The structure of the NHS continues to change with the development of ICPs and ICSs together with Trust and CCG mergers and greater collaboration across regions and NHS organisations. These changes will undoubtedly impact decision making structures, sales cycles and ultimately, the scope and number of opportunities in the NHS market.

The Group's main operations are within the UK and as such does not expect Brexit to have an impact on the delivery of its services.

ON BEHALF OF THE BOARD:



A S Armitage - Director

23 September 2021

Liaison Financial Services Limited

Report of the Directors **for the year ended 31 December 2020**

The directors present their report with the financial statements of the company and the group for the year ended 31 December 2020.

PRINCIPAL ACTIVITIES

The principal activities of the group in the year under review were those of care, financial and workforce solutions to the NHS, together with internal software development to support the product strategy.

DIVIDENDS

The total distribution of dividends for the year ended 31 December 2020 will be £1,019,400.

FUTURE DEVELOPMENTS

Technology and data remain key to Liaison Group and its future growth. We continue to invest in the development of our own software to support the product strategy of the business, as well as investing and partnering with organisations who are aligned with our strategic intent.

The partnership to develop a rota and rostering system on behalf of an NHS Trust offers an exciting opportunity in the Workforce arena in 2021. New technologies such as AI and robotics are being used and considered within the business as part of its innovation and product roadmaps.

The use of meaningful data supports clients in their business decisions and is a key element of our provision, especially in our Workforce and HR analytics areas. Technology and data remain an important investment to enable, support and provide efficiencies for the business and our clients, both within the NHS and our partner and commercial base.

Overall, the group continues to look to the future with its ongoing strategy to innovate and develop our product base, consider new markets and investment opportunities that enhance the Group.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 January 2020 to the date of this report.

B J Thew

A S Armitage

EMPLOYEES

Liaison Group is committed to ensuring fairness and equal opportunity for all individuals throughout their employee life cycle. We specify in our job adverts and Recruitment Policy that we interview all disabled candidates should they meet the minimum criteria of the role. Once employed all employees are given opportunities to develop themselves further through in-house and external training, with further support given to disabled employees should they require it. We take time to understand the disability and make reasonable adjustments where applicable. Liaison commits to training all managers to ensure that all bias or discrimination is removed from any decision making. Inclusion is also an important part of the culture of Liaison, and we strive to embed this through our comprehensive People Programme.

The company actively seeks to ensure employees are continually informed about the performance of the business including Board videos, weekly newsletters, webinars, team meetings and company presentations as well as a bi-annual conference. This has never been more important than during the pandemic where all our employees became remote, homeworkers. The company actively kept everyone up-to-date via our interactive Internal Communications portal, accessible to all employees at all times via laptops and a mobile phone app. It provides a central hub where this information is located, is easily accessible and continually updated. Feedback from employees is obtained via confidential surveys, team meetings and one-to-one's as well as employee forum, chaired by the CEO, with employee representatives from across all the different areas of the business.

Liaison Financial Services Limited

Report of the Directors
for the year ended 31 December 2020

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), 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 and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's and the group's transactions and disclose with reasonable accuracy at any time the financial position of the company and the group and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the group's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the group's auditors are aware of that information.

AUDITORS

The auditors, Derek Young & Co Accountants LLP, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:



A S Armitage - Director

23 September 2021

Report of the Independent Auditors to the Members of
Liaison Financial Services Limited

Opinion

We have audited the financial statements of Liaison Financial Services Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2020 which comprise the Consolidated Income Statement, Consolidated Other Comprehensive Income, Consolidated Balance Sheet, Company Balance Sheet, Consolidated Statement of Changes in Equity, Company Statement of Changes in Equity, Consolidated Cash Flow Statement and Notes to the Consolidated Cash Flow Statement, Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent company affairs as at 31 December 2020 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 UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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 and 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 directors are responsible for the other information. The other information comprises the information in the Group Strategic Report and the Report of the Directors, but does not include the financial statements and our Report of the Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether 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.

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

Report of the Independent Auditors to the Members of
Liaison Financial Services Limited

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 Report of the Directors.

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

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been 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 Statement of Directors' Responsibilities set out on page five, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine 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.

Report of the Independent Auditors to the Members of
Liaison Financial Services Limited

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 a Report of the Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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:

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and noncompliance with laws and regulations, we considered the following:

- the nature of the industry and sector, control environment and business performance including the design of the group's and the parent company's remuneration policies, key drivers for directors' remuneration, bonus levels and performance targets;
- the results of our enquiries of management about their own identification and assessment of the risks of irregularities
- any matters we identified having obtained and reviewed the group's and the parent company's documentation of their policies and procedures relating to:
 - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; and
- the internal controls established to mitigate risks of fraud or non-compliance with laws and regulations;
- the matters discussed among the audit engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud. As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud. In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. We also obtained an understanding of the legal and regulatory frameworks that the company operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the UK Companies Act and local tax legislation. In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the group's and the parent company's ability to operate or to avoid a material penalty.

As a result of performing the above, we identified management override of controls as a key audit matter related to the potential risk of fraud. Our procedures to respond to risks identified included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements ;
- enquiring of management concerning actual and potential litigation and claims;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- reading minutes of meetings of those charged with governance and reviewing correspondence with HMRC; and
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business. We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members, and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Report of the Independent Auditors to the Members of
Liaison Financial Services Limited

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

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 a Report of the Auditors 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.

Mr Stephen Young (Senior Statutory Auditor)
for and on behalf of Derck Young & Co Accountants LLP
Statutory Auditors
Chartered Accountants
Estate House
Evesham Street
Redditch
Worcestershire
B97 4HP

23 September 2021

Liaison Financial Services Limited

Consolidated
Income Statement
for the year ended 31 December 2020

	Notes	2020 £	2019 £
TURNOVER			
Group and share of joint venture and associate		20,701,959	21,083,852
Less:			
Share of joint venture's turnover		(394,084)	(554,215)
Share of associate's turnover		<u>(376,418)</u>	<u>(365,958)</u>
GROUP TURNOVER	3	19,931,457	20,163,679
Administrative expenses		<u>19,184,601</u>	<u>20,370,327</u>
GROUP OPERATING PROFIT/(LOSS)	5	746,856	(206,648)
Amortisation of goodwill			
Associate		(127,296)	(65,468)
Interest receivable and similar income	6	<u>22,933</u>	<u>87,780</u>
PROFIT/(LOSS) BEFORE TAXATION		642,493	(184,336)
Tax on profit/(loss)	7	<u>(248,427)</u>	<u>290,704</u>
PROFIT/(LOSS) FOR THE FINANCIAL YEAR		<u>890,920</u>	<u>(475,040)</u>
Profit/(loss) attributable to:			
Owners of the parent		<u>890,920</u>	<u>(475,040)</u>

The notes form part of these financial statements

Liaison Financial Services Limited

Consolidated
Other Comprehensive Income
for the year ended 31 December 2020

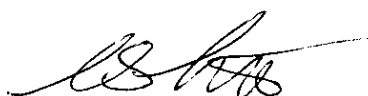
Notes	2020 £	2019 £
PROFIT/(LOSS) FOR THE YEAR	890,920	(475,040)
OTHER COMPREHENSIVE INCOME		
Joint venture share of profit	227	217
Revaluation of unlisted investment	179,519	18,087
Associated undertaking share of loss	(215,622)	(174,802)
Purchase of own shares	(159,988)	-
Income tax relating to components of other comprehensive income	-	-
OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF INCOME TAX	<u>(195,864)</u>	<u>(156,498)</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>695,056</u>	<u>(631,538)</u>
Total comprehensive income attributable to: Owners of the parent	<u>695,056</u>	<u>(631,538)</u>

The notes form part of these financial statements

Consolidated Balance Sheet
31 December 2020

	Notes	2020 £	2019 £
FIXED ASSETS			
Intangible assets	10	3,021,453	3,918,283
Tangible assets	11	258,733	291,340
Investments	12		
Interest in joint venture			
Share of gross assets		288,703	260,485
Share of gross liabilities		(281,468)	(253,477)
		7,235	7,008
Interest in associate undertakings		1,364,176	673,425
Other investments		978,855	767,461
		5,630,452	5,657,517
CURRENT ASSETS			
Debtors	13	4,585,920	3,670,469
Cash at bank and in hand		5,004,866	6,053,526
		9,590,786	9,723,995
CREDITORS			
Amounts falling due within one year	14	2,444,723	2,280,552
NET CURRENT ASSETS		7,146,063	7,443,443
TOTAL ASSETS LESS CURRENT LIABILITIES		12,776,515	13,100,960
CAPITAL AND RESERVES			
Called up share capital	16	10,194	10,295
Share premium	17	1,247,103	1,247,103
Capital redemption reserve	17	667	566
Retained earnings	17	11,518,551	11,842,996
SHAREHOLDERS' FUNDS		12,776,515	13,100,960

The financial statements were approved by the Board of Directors and authorised for issue on 23 September 2021 and were signed on its behalf by:



A S Armitage - Director

Company Balance Sheet
31 December 2020

	Notes	2020	2019
		£	£
FIXED ASSETS			
Intangible assets	10	79,938	341,375
Tangible assets	11	230,605	254,569
Investments	12	<u>11,317,727</u>	<u>10,072,664</u>
		11,628,270	10,668,608
CURRENT ASSETS			
Debtors	13	2,919,175	2,528,556
Cash at bank		<u>3,382,365</u>	<u>4,097,096</u>
		6,301,540	6,625,652
CREDITORS			
Amounts falling due within one year	14	<u>11,123,608</u>	<u>11,302,774</u>
NET CURRENT LIABILITIES		<u>(4,822,068)</u>	<u>(4,677,122)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>6,806,202</u>	<u>5,991,486</u>
CAPITAL AND RESERVES			
Called up share capital	16	10,194	10,295
Share premium	17	1,247,103	1,247,103
Capital redemption reserve	17	667	566
Retained earnings	17	<u>5,548,238</u>	<u>4,733,522</u>
SHAREHOLDERS' FUNDS		<u>6,806,202</u>	<u>5,991,486</u>
Company's profit/(loss) for the financial year		<u>1,814,686</u>	<u>(223,578)</u>

The financial statements were approved by the Board of Directors and authorised for issue on 23 September 2021 and were signed on its behalf by:



A S Armitage - Director

Liaison Financial Services Limited

Consolidated Statement of Changes in Equity
for the year ended 31 December 2020

	Called up share capital £	Retained earnings £	Share premium £	Capital redemption reserve £	Total equity £
Balance at 1 January 2019	10,295	13,936,424	1,247,103	566	15,194,388
Changes in equity					
Dividends	-	(1,461,890)	-	-	(1,461,890)
Total comprehensive income	-	(631,538)	-	-	(631,538)
Balance at 31 December 2019	<u>10,295</u>	<u>11,842,996</u>	<u>1,247,103</u>	<u>566</u>	<u>13,100,960</u>
Changes in equity					
Issue of share capital	(101)	-	-	-	(101)
Dividends	-	(1,019,400)	-	-	(1,019,400)
Total comprehensive income	-	694,955	-	101	695,056
Balance at 31 December 2020	<u>10,194</u>	<u>11,518,551</u>	<u>1,247,103</u>	<u>667</u>	<u>12,776,515</u>

The notes form part of these financial statements

Liaison Financial Services Limited

Company Statement of Changes in Equity
for the year ended 31 December 2020

	Called up share capital £	Retained earnings £	Share premium £	Capital redemption reserve £	Total equity £
Balance at 1 January 2019	10,295	6,400,903	1,247,103	566	7,658,867
Changes in equity					
Dividends	-	(1,461,890)	-	-	(1,461,890)
Total comprehensive income	-	(205,491)	-	-	(205,491)
Balance at 31 December 2019	<u>10,295</u>	<u>4,733,522</u>	<u>1,247,103</u>	<u>566</u>	<u>5,991,486</u>
Changes in equity					
Issue of share capital	(101)	-	-	-	(101)
Dividends	-	(1,019,400)	-	-	(1,019,400)
Total comprehensive income	-	1,834,116	-	101	1,834,217
Balance at 31 December 2020	<u>10,194</u>	<u>5,548,238</u>	<u>1,247,103</u>	<u>667</u>	<u>6,806,202</u>

The notes form part of these financial statements

Liaison Financial Services Limited

Consolidated Cash Flow Statement
for the year ended 31 December 2020

	Notes	2020 £	2019 £
Cash flows from operating activities			
Cash generated from operations	1	1,672,765	1,303,964
Tax paid		<u>(311,916)</u>	<u>(256,772)</u>
Net cash from operating activities		<u>1,360,849</u>	<u>1,047,192</u>
 Cash flows from investing activities			
Purchase of intangible fixed assets		(1,393)	(63,123)
Purchase of tangible fixed assets		(186,015)	(131,202)
Purchase of fixed asset investments		(1,065,544)	(579,815)
Sale of fixed asset investments		-	2,087,539
Interest received		<u>22,933</u>	<u>87,780</u>
Net cash from investing activities		<u>(1,230,019)</u>	<u>1,401,179</u>
 Cash flows from financing activities			
Share buyback		(160,090)	-
Equity dividends paid		<u>(1,019,400)</u>	<u>(1,461,890)</u>
Net cash from financing activities		<u>(1,179,490)</u>	<u>(1,461,890)</u>
 (Decrease)/increase in cash and cash equivalents			
Cash and cash equivalents at beginning of year	2	<u>6,053,526</u>	<u>5,067,045</u>
 Cash and cash equivalents at end of year	2	<u><u>5,004,866</u></u>	<u><u>6,053,526</u></u>

The notes form part of these financial statements

Liaison Financial Services Limited

Notes to the Consolidated Cash Flow Statement
for the year ended 31 December 2020

1. RECONCILIATION OF PROFIT/(LOSS) BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS

	2020	2019
	£	£
Profit/(loss) before taxation	642,493	(184,336)
Depreciation charges	1,244,142	1,239,084
Joint venture	(30,000)	60,000
Participating interest	(10,672)	(88,004)
Finance income	(22,933)	(87,780)
	<u>1,823,030</u>	<u>938,964</u>
(Increase)/decrease in trade and other debtors	(346,176)	328,459
Increase in trade and other creditors	<u>195,911</u>	<u>36,541</u>
Cash generated from operations	<u><u>1,672,765</u></u>	<u><u>1,303,964</u></u>

2. CASH AND CASH EQUIVALENTS

The amounts disclosed on the Cash Flow Statement in respect of cash and cash equivalents are in respect of these Balance Sheet amounts:

Year ended 31 December 2020

	31.12.20	1.1.20
	£	£
Cash and cash equivalents	<u><u>5,004,866</u></u>	<u><u>6,053,526</u></u>

Year ended 31 December 2019

	31.12.19	1.1.19
	£	£
Cash and cash equivalents	<u><u>6,053,526</u></u>	<u><u>5,067,045</u></u>

3. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.1.20	Cash flow	At 31.12.20
	£	£	£
Net cash			
Cash at bank and in hand	<u>6,053,526</u>	<u>(1,048,660)</u>	<u>5,004,866</u>
	<u>6,053,526</u>	<u>(1,048,660)</u>	<u>5,004,866</u>
Total	<u><u>6,053,526</u></u>	<u><u>(1,048,660)</u></u>	<u><u>5,004,866</u></u>

The notes form part of these financial statements

Liaison Financial Services Limited

Notes to the Consolidated Financial Statements **for the year ended 31 December 2020**

1. STATUTORY INFORMATION

Liaison Financial Services Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the General Information page.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain assets.

Basis of consolidation

The group financial statements consolidate the financial statements of Liaison Financial Services Limited and all its subsidiary undertakings up to 31 December each year.

Subsidiaries are consolidated from the date of their acquisition, being the date on which the group obtains control and continue to be consolidated until the date that such control ceases.

Joint ventures and associates are accounted for using the equity method.

Significant judgements and estimates

The financial statements do not contain any significant judgements or estimation uncertainty.

Intangible assets

Intangible assets are measured at cost less accumulated amortisation and any accumulated impairment losses.

Amortisation is charged so as to allocate the cost of intangibles less their residual values over their estimated useful lives, using the straight-line method. The intangible assets are amortised over the following useful economic lives:

Computer software	- 3 years
Goodwill	- 10 years

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Fixtures and fittings	- 25% & 33% on cost
Motor vehicles	- 25% on reducing balance
Computer equipment	- 33% on cost

Tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses.

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Consolidated Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Liaison Financial Services Limited

Notes to the Consolidated Financial Statements - continued
for the year ended 31 December 2020

2. ACCOUNTING POLICIES - continued

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

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

Hire purchase and leasing commitments

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

Pension costs and other post-retirement benefits

The group operates a defined contribution pension scheme. Contributions payable to the group's pension scheme are charged to profit or loss in the period to which they relate.

Investments

Investments are included at fair value. Profits or losses arising from disposal of fixed asset investments are treated as part of the result from ordinary activities.

Revenue recognition

The group operates primarily on a contingency fee basis and recognises revenue when the service delivery value has been agreed. Some services operate on a fee basis which will be recognised on delivery of the service or at agreed intervals within a project.

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

3. TURNOVER

The turnover and profit (2019 - loss) before taxation are attributable to the principal activities of the group.

An analysis of turnover by class of business is given below:

	2020 £	2019 £
Rendering of services	<u>19,931,457</u>	<u>20,163,679</u>
	<u><u>19,931,457</u></u>	<u><u>20,163,679</u></u>

4. EMPLOYEES AND DIRECTORS

	2020 £	2019 £
Wages and salaries	11,817,739	11,638,531
Social security costs	1,255,495	1,429,666
Other pension costs	<u>306,052</u>	<u>272,012</u>
	<u><u>13,379,286</u></u>	<u><u>13,340,209</u></u>

Liaison Financial Services Limited

Notes to the Consolidated Financial Statements - continued
for the year ended 31 December 2020

4. EMPLOYEES AND DIRECTORS - continued

The average number of employees during the year was as follows:

	2020	2019
Admin, Sales and Marketing	98	94
Operational	<u>175</u>	<u>169</u>
	<u>273</u>	<u>263</u>

The average number of employees by undertakings that were proportionately consolidated during the year was 2 (2019 - 2).

	2020	2019
	£	£
Directors' remuneration	304,119	362,133
Directors' pension contributions to money purchase schemes	<u>5,846</u>	<u>7,320</u>

The number of directors to whom retirement benefits were accruing was as follows:

Money purchase schemes	<u>2</u>	<u>1</u>
------------------------	----------	----------

Information regarding the highest paid director is as follows:

	2020	2019
	£	£
Emoluments etc	285,485	348,633
Pension contributions to money purchase schemes	<u>5,293</u>	<u>7,320</u>

The directors consider their own remuneration to be the only significant key management remuneration.

5. OPERATING PROFIT/(LOSS)

The operating profit (2019 - operating loss) is stated after charging:

	2020	2019
	£	£
Hire of plant and machinery	22,420	22,472
Depreciation - owned assets	218,622	261,447
Goodwill amortisation	720,393	720,393
Computer software amortisation	177,830	191,774
Auditors' remuneration	<u>24,750</u>	<u>20,700</u>

6. INTEREST RECEIVABLE AND SIMILAR INCOME

	2020	2019
	£	£
Deposit account interest	17,022	83,857
Interest on tax repayments	-	8
Loan interest	-	3,915
Interest on loans to associates	<u>5,911</u>	<u>-</u>
	<u>22,933</u>	<u>87,780</u>

Liaison Financial Services Limited

Notes to the Consolidated Financial Statements - continued
for the year ended 31 December 2020

7. TAXATION

Analysis of the tax (credit)/charge

The tax (credit)/charge on the profit for the year was as follows:

	2020 £	2019 £
Current tax:		
UK corporation tax	203,008	314,999
Adjustments to tax charge in respect of previous periods	-	(9)
Research & development tax credit	<u>(462,473)</u>	<u>(13,248)</u>
Total current tax	(259,465)	301,742
Deferred tax	<u>11,038</u>	<u>(11,038)</u>
Tax on profit/(loss)	<u><u>(248,427)</u></u>	<u><u>290,704</u></u>

UK corporation tax has been charged at 19% (2019 - 19%).

Reconciliation of total tax (credit)/charge included in profit and loss

The tax assessed for the year is lower than the standard rate of corporation tax in the UK. The difference is explained below:

	2020 £	2019 £
Profit/(loss) before tax	<u>642,493</u>	<u>(184,336)</u>
Profit/(loss) multiplied by the standard rate of corporation tax in the UK of 19% (2019 - 19%)	122,074	(35,024)
Effects of:		
Expenses not deductible for tax purposes	1,869	3,419
Depreciation in excess of capital allowances	50,294	49,936
Utilisation of tax losses	(121,804)	(36,179)
Adjustments to tax charge in respect of previous periods	-	(9)
Other short term timing differences	150,575	189,279
Deferred tax	11,038	(11,038)
Gain on sale of investment	-	143,568
Research & development tax credit	<u>(462,473)</u>	<u>(13,248)</u>
Total tax (credit)/charge	<u><u>(248,427)</u></u>	<u><u>290,704</u></u>

Tax effects relating to effects of other comprehensive income

	2020 Gross £	Tax £	Net £
Joint venture share of profit	227	-	227
Revaluation of unlisted investment	179,519	-	179,519
Associated undertaking share of loss	(215,622)	-	(215,622)
Purchase of own shares	<u>(159,988)</u>	-	<u>(159,988)</u>
	<u><u>(195,864)</u></u>	<u><u>-</u></u>	<u><u>(195,864)</u></u>

Liaison Financial Services Limited

Notes to the Consolidated Financial Statements - continued
for the year ended 31 December 2020

7. TAXATION - continued

	Gross £	2019 Tax £	Net £
Joint venture share of profit	217	-	217
Revaluation of unlisted investment	18,087	-	18,087
Associated undertaking share of loss	<u>(174,802)</u>	<u>-</u>	<u>(174,802)</u>
	<u>(156,498)</u>	<u>-</u>	<u>(156,498)</u>

8. INDIVIDUAL INCOME STATEMENT

As permitted by Section 408 of the Companies Act 2006, the Income Statement of the parent company is not presented as part of these financial statements.

9. DIVIDENDS

	2020 £	2019 £
Interim	<u>1,019,400</u>	<u>1,461,890</u>

10. INTANGIBLE FIXED ASSETS

Group

	Goodwill £	Computer software £	Totals £
COST			
At 1 January 2020	7,203,927	840,641	8,044,568
Additions	<u>-</u>	<u>1,393</u>	<u>1,393</u>
At 31 December 2020	<u>7,203,927</u>	<u>842,034</u>	<u>8,045,961</u>
AMORTISATION			
At 1 January 2020	3,542,019	584,266	4,126,285
Amortisation for year	<u>720,393</u>	<u>177,830</u>	<u>898,223</u>
At 31 December 2020	<u>4,262,412</u>	<u>762,096</u>	<u>5,024,508</u>
NET BOOK VALUE			
At 31 December 2020	<u>2,941,515</u>	<u>79,938</u>	<u>3,021,453</u>
At 31 December 2019	<u>3,661,908</u>	<u>256,375</u>	<u>3,918,283</u>

Liaison Financial Services Limited

Notes to the Consolidated Financial Statements - continued
for the year ended 31 December 2020

10. INTANGIBLE FIXED ASSETS - continued

Company

	Computer software £
COST	
At 1 January 2020	1,087,193
Additions	<u>1,393</u>
At 31 December 2020	<u>1,088,586</u>
AMORTISATION	
At 1 January 2020	745,818
Amortisation for year	<u>262,830</u>
At 31 December 2020	<u>1,008,648</u>
NET BOOK VALUE	
At 31 December 2020	<u>79,938</u>
At 31 December 2019	<u>341,375</u>

11. TANGIBLE FIXED ASSETS

Group

	Fixtures and fittings £	Motor vehicles £	Computer equipment £	Totals £
COST				
At 1 January 2020	430,932	12,488	1,231,027	1,674,447
Additions	<u>12,046</u>	<u>-</u>	<u>173,969</u>	<u>186,015</u>
At 31 December 2020	<u>442,978</u>	<u>12,488</u>	<u>1,404,996</u>	<u>1,860,462</u>
DEPRECIATION				
At 1 January 2020	380,918	10,203	991,986	1,383,107
Charge for year	<u>38,951</u>	<u>571</u>	<u>179,100</u>	<u>218,622</u>
At 31 December 2020	<u>419,869</u>	<u>10,774</u>	<u>1,171,086</u>	<u>1,601,729</u>
NET BOOK VALUE				
At 31 December 2020	<u>23,109</u>	<u>1,714</u>	<u>233,910</u>	<u>258,733</u>
At 31 December 2019	<u>50,014</u>	<u>2,285</u>	<u>239,041</u>	<u>291,340</u>

Liaison Financial Services Limited

Notes to the Consolidated Financial Statements - continued
for the year ended 31 December 2020

11. TANGIBLE FIXED ASSETS - continued

Company

	Fixtures and fittings £	Computer equipment £	Totals £
COST			
At 1 January 2020	299,890	689,471	989,361
Additions	<u>12,046</u>	<u>156,824</u>	<u>168,870</u>
At 31 December 2020	<u>311,936</u>	<u>846,295</u>	<u>1,158,231</u>
DEPRECIATION			
At 1 January 2020	249,964	484,828	734,792
Charge for year	<u>38,864</u>	<u>153,970</u>	<u>192,834</u>
At 31 December 2020	<u>288,828</u>	<u>638,798</u>	<u>927,626</u>
NET BOOK VALUE			
At 31 December 2020	<u>23,108</u>	<u>207,497</u>	<u>230,605</u>
At 31 December 2019	<u>49,926</u>	<u>204,643</u>	<u>254,569</u>

12. FIXED ASSET INVESTMENTS

Group

	Interest in joint venture £	Interest in associate undertakings £	Unlisted investments £	Totals £
COST OR VALUATION				
At 1 January 2020	7,008	769,245	767,461	1,543,714
Additions	-	1,033,669	31,875	1,065,544
Share of profit/(loss)	227	(215,622)	-	(215,395)
Revaluations	<u>-</u>	<u>-</u>	<u>179,519</u>	<u>179,519</u>
At 31 December 2020	<u>7,235</u>	<u>1,587,292</u>	<u>978,855</u>	<u>2,573,382</u>
PROVISIONS				
At 1 January 2020	-	95,820	-	95,820
Provision for year	<u>-</u>	<u>127,296</u>	<u>-</u>	<u>127,296</u>
At 31 December 2020	<u>-</u>	<u>223,116</u>	<u>-</u>	<u>223,116</u>
NET BOOK VALUE				
At 31 December 2020	<u>7,235</u>	<u>1,364,176</u>	<u>978,855</u>	<u>2,350,266</u>
At 31 December 2019	<u>7,008</u>	<u>673,425</u>	<u>767,461</u>	<u>1,447,894</u>

Liaison Financial Services Limited

Notes to the Consolidated Financial Statements - continued
for the year ended 31 December 2020

Group

Interest in joint venture

The group's aggregate share of the joint venture at the year end is as follows:

	2020	2019
	£	£
Profit before tax	280	268
Taxation	(53)	(51)
Profit after tax	<u>227</u>	<u>217</u>
Share of assets		
Fixed assets	-	-
Current assets	288,703	260,485
Share of liabilities		
Share of liabilities due within one year	(257,718)	(253,477)
Share of liabilities due after one year or more	(23,750)	-
Share of net assets	<u>7,235</u>	<u>7,008</u>

Interest in associate undertakings

	Share of net assets £	Goodwill £
COST		
At 1 January 2020	114,565	654,680
Additions	415,392	618,277
Share of profit/(loss)	<u>(215,622)</u>	<u>-</u>
At 31 December 2020	<u>314,335</u>	<u>1,272,957</u>
PROVISIONS		
At 1 January 2020	-	95,820
Provision for year	<u>-</u>	<u>127,296</u>
At 31 December 2020	<u>-</u>	<u>223,116</u>
NET BOOK VALUE		
At 31 December 2020	<u>314,335</u>	<u>1,049,841</u>
At 31 December 2019	<u>114,565</u>	<u>558,860</u>

Liaison Financial Services Limited

Notes to the Consolidated Financial Statements - continued
for the year ended 31 December 2020

Group

The group's aggregate share of the associate at the year end is as follows:

	2020 £	2019 £
Loss before tax	(219,436)	(253,484)
Taxation	3,814	78,682
Loss after tax	<u>(215,622)</u>	<u>(174,802)</u>
Share of assets		
Fixed assets	190,057	1,074
Current assets	292,507	165,868
Share of liabilities		
Share of liabilities due within one year	(92,189)	(52,074)
Share of liabilities due after one year or more	(76,040)	(303)
Share of net assets	<u>314,335</u>	<u>114,565</u>

Cost or valuation at 31 December 2020 is represented by:

	Interest in joint venture £	Interest in associate undertakings £	Unlisted investments £	Totals £
Valuation in 2018	-	-	312,471	312,471
Valuation in 2019	-	-	18,087	18,087
Valuation in 2020	-	-	179,519	179,519
Cost	<u>7,235</u>	<u>1,587,292</u>	<u>468,778</u>	<u>2,063,305</u>
	<u>7,235</u>	<u>1,587,292</u>	<u>978,855</u>	<u>2,573,382</u>

Liaison Financial Services Limited

Notes to the Consolidated Financial Statements - continued
for the year ended 31 December 2020

12. FIXED ASSET INVESTMENTS - continued

Company

	Shares in group undertakings £	Interest in joint venture £	Interest in associate undertakings £	Unlisted investments £	Totals £
COST OR VALUATION					
At 1 January 2020	8,104,015	10	1,927,586	767,461	10,799,072
Additions	-	-	1,033,669	31,875	1,065,544
Revaluations	-	-	-	179,519	179,519
At 31 December 2020	8,104,015	10	2,961,255	978,855	12,044,135
PROVISIONS					
At 1 January 2020 and 31 December 2020	-	-	726,408	-	726,408
NET BOOK VALUE					
At 31 December 2020	8,104,015	10	2,234,847	978,855	11,317,727
At 31 December 2019	8,104,015	10	1,201,178	767,461	10,072,664

Cost or valuation at 31 December 2020 is represented by:

	Shares in group undertakings £	Interest in joint venture £	Interest in associate undertakings £	Unlisted investments £	Totals £
Valuation in 2018	-	-	-	312,471	312,471
Valuation in 2019	-	-	-	18,087	18,087
Valuation in 2020	-	-	-	179,519	179,519
Cost	8,104,015	10	2,961,255	468,778	11,534,058
	8,104,015	10	2,961,255	978,855	12,044,135

The group or the company's investments at the Balance Sheet date in the share capital of companies include the following:

Subsidiaries

Liaison VAT Consultancy Ltd

Registered office: Estate House, Evesham Street, Redditch, Worcestershire, B97 4HP

Nature of business: Provider of VAT and related advisory services

Class of shares: %
 Ordinary 100.00

	2020 £	2019 £
Aggregate capital and reserves	11,104,548	10,613,270
Profit for the year	604,814	658,870

Liaison Financial Services Limited

Notes to the Consolidated Financial Statements - continued
for the year ended 31 December 2020

12. FIXED ASSET INVESTMENTS - continued

Liaison Technology Limited

Registered office: Liaison Court, Vincent Road, Worcester, WR5 1BW

Nature of business: Provider of IT support to the group

	%		
Class of shares:	holding		
Ordinary	100.00		
		2020	2019
		£	£
Aggregate capital and reserves		100,073	101,678
Loss for the year		<u>(1,605)</u>	<u>(1,596)</u>

Activ8 Intelligence Limited

Registered office: Estate House, Evesham Street, Redditch, Worcestershire, B97 4HP

Nature of business: Software development

	%		
Class of shares:	holding		
Ordinary	100.00		
		2020	2019
		£	£
Aggregate capital and reserves		472,939	1,121,735
Loss for the year		<u>(35,558)</u>	<u>(185,420)</u>

3 Blue Dots Technologies Limited

Registered office: Liaison Court, Vincent Road, Worcester, WR5 1BW

Nature of business: Software development

	%		
Class of shares:	holding		
Ordinary	100.00		
		2020	2019
		£	£
Aggregate capital and reserves		358,937	360,893
Loss for the year		<u>(1,956)</u>	<u>(1,437)</u>

Joint ventures

Liaison One Call Limited

Registered office: Liaison Court, Vincent Road, Worcester, WR5 1BW

Nature of business: Provides salary sacrifice schemes to the NHS

	%		
Class of shares:	holding		
Ordinary	50.00		
		2020	2019
		£	£
Aggregate capital and reserves		14,470	14,016
Profit for the year		<u>561</u>	<u>536</u>

Liaison Financial Services Limited

Notes to the Consolidated Financial Statements - continued
for the year ended 31 December 2020

12. **FIXED ASSET INVESTMENTS - continued**

Associated companies

Infinity Health Ltd

Registered office: 3rd Floor, 114a Cromwell Road, London, SW7 4AG

Nature of business: Software development

	%		
Class of shares:	holding		
Ordinary	22.50		
		2020	
		£	
Aggregate capital and reserves		1,556,601	
Loss for the year		<u>(462,322)</u>	

JustAccounts Limited

Registered office: Tyrone House, 369 Haydock Lane, Haydock Industrial Estate, St Helens, Merseyside, WA11 9UY

Nature of business: Software development

	%		
Class of shares:	holding		
Ordinary	46.55		
		2020	2019
		£	£
Aggregate capital and reserves		(812)	175,987
Loss for the year		<u>(326,813)</u>	<u>(555,887)</u>

Stryde Accountancy Ltd

Registered office: Banhorn, Meadway, Berkhamstead, Herts, HP4 2PL

Nature of business: Software development

	%		
Class of shares:	holding		
Ordinary	20.00		
		2020	2019
		£	£
Aggregate capital and reserves		(209,557)	(182,278)
Loss for the year		<u>(27,279)</u>	<u>(75,630)</u>

Top One Percent Ltd

Registered office: First Floor, Western House, Western Street, Nottingham, NG1 3AZ

Nature of business: Software development

	%		
Class of shares:	holding		
Ordinary	20.00		
		2020	2019
		£	£
Aggregate capital and reserves		31,946	111,251
Loss for the year		<u>(79,304)</u>	<u>(26,307)</u>

Liaison Financial Services Limited

Notes to the Consolidated Financial Statements - continued
for the year ended 31 December 2020

13. DEBTORS

	Group		Company	
	2020	2019	2020	2019
	£	£	£	£
Amounts falling due within one year:				
Trade debtors	2,107,945	2,016,292	833,663	969,184
Amounts owed by participating interests	98,676	88,004	98,676	88,004
Amounts owed by joint ventures	30,000	-	30,000	-
Other debtors	37,989	202,840	12,567	183,564
Corporation tax recoverable	552,896	13,255	552,896	-
Prepayments and accrued income	<u>1,746,800</u>	<u>1,327,426</u>	<u>1,391,373</u>	<u>1,287,804</u>
	<u>4,574,306</u>	<u>3,647,817</u>	<u>2,919,175</u>	<u>2,528,556</u>
Amounts falling due after more than one year:				
Deferred tax asset	<u>11,614</u>	<u>22,652</u>	<u>-</u>	<u>-</u>
Aggregate amounts	<u>4,585,920</u>	<u>3,670,469</u>	<u>2,919,175</u>	<u>2,528,556</u>

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2020	2019	2020	2019
	£	£	£	£
Trade creditors	347,425	257,519	299,817	186,862
Amounts owed to group undertakings	-	-	10,354,655	10,777,027
Tax	58,035	89,775	-	28,472
Social security and other taxes	299,664	332,069	-	-
VAT	683,110	445,253	278,164	123,583
Other creditors	56,545	39,443	-	-
Client account	13,810,613	13,183,241	13,810,613	13,183,241
Client bank account	(13,810,613)	(13,183,241)	(13,810,613)	(13,183,241)
Accrued expenses	<u>999,944</u>	<u>1,116,493</u>	<u>190,972</u>	<u>186,830</u>
	<u>2,444,723</u>	<u>2,280,552</u>	<u>11,123,608</u>	<u>11,302,774</u>

15. LEASING AGREEMENTS

Minimum lease payments fall due as follows:

Company

	Non-cancellable operating leases	
	2020	2019
	£	£
Between one and five years	230,448	70,680
In more than five years	<u>600,000</u>	<u>952,287</u>
	<u>830,448</u>	<u>1,022,967</u>

Liaison Financial Services Limited

Notes to the Consolidated Financial Statements - continued
for the year ended 31 December 2020

16. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2020 £	2019 £
10,194 (2019 - 10,295)	Ordinary	1	<u>10,194</u>	<u>10,295</u>

17. RESERVES

Group

	Retained earnings £	Share premium £	Capital redemption reserve £	Totals £
At 1 January 2020	11,842,996	1,247,103	566	13,090,665
Profit for the year	890,920			890,920
Dividends	(1,019,400)			(1,019,400)
Purchase of own shares	(160,089)	-	101	(159,988)
Joint venture	227	-	-	227
Revaluation of unlisted investment	179,519	-	-	179,519
Associate undertaking	(215,622)	-	-	(215,622)
At 31 December 2020	<u>11,518,551</u>	<u>1,247,103</u>	<u>667</u>	<u>12,766,321</u>

Company

	Retained earnings £	Share premium £	Capital redemption reserve £	Totals £
At 1 January 2020	4,733,522	1,247,103	566	5,981,191
Profit for the year	1,814,686			1,814,686
Dividends	(1,019,400)			(1,019,400)
Purchase of own shares	(160,089)	-	101	(159,988)
Revaluation of unlisted investment	179,519	-	-	179,519
At 31 December 2020	<u>5,548,238</u>	<u>1,247,103</u>	<u>667</u>	<u>6,796,008</u>

18. DIRECTORS' ADVANCES, CREDITS AND GUARANTEES

During the period dividends were distributed to the directors as follows:

Mr B Thew £542,800
Mr A Armitage £3,200

Liaison Financial Services Limited

Notes to the Consolidated Financial Statements - continued
for the year ended 31 December 2020

19. RELATED PARTY DISCLOSURES

During the period Liaison Financial Services Ltd (LFS) recharged costs totalling £605,000 to Liaison VAT Consultancy Ltd (LVC), a wholly owned subsidiary company.

LVC recharged payroll costs and other overheads to LFS during the period totalling £9,318,500. At the year end £10,332,030 was due to LVC.

Group borrowings are repayable on demand and no interest is charged on these balances.

Mr B Thew has a controlling interest in Active Non Executive Services Ltd (ANES). ANES provided the group with strategic marketing consultancy services during the period which amounted to £211,509. As at the year end the balance with Active Non Executive Services Ltd was £nil.

Mr B Thew also owns a minority share of JustAccounts Ltd (JA). He is also a Director of JA. During the year LFS invested £114,954 in the share capital of JA, being 7,715 shares. In total LFS held 67,377 shares in JA at the period end which represented 46.55% of JA's share capital.

20. ULTIMATE CONTROLLING PARTY

The controlling party throughout the period was the director B J Thew by virtue of his 53% holding of the issued share capital of the company.

21. AUDIT EXEMPTION FOR SUBSIDIARY UNDERTAKINGS

For the year ended 31 December 2020 the group has taken advantage of the exemption offered in section 479A of the Companies Act 2006 and, with the exception of Liaison VAT Consultancy Limited & Activ8 Intelligence Limited, its subsidiary undertakings have not been subject to an individual annual audit.

Liaison Financial Services Limited has given a statutory guarantee to each of these subsidiary undertakings guaranteeing their liabilities, a copy of which will be filed at Companies House.

The companies which have taken this exemption are as follows:

Name	Company Number
3 Blue Dots Technologies Limited	4851459
Liaison Technology Limited	9175316