
THE LIBERTI GROUP LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

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THE LIBERTI GROUP LIMITED

COMPANY INFORMATION

Directors	C J Mills N A Durrant S C Daw J D Mills
Company secretary	N A Durrant
Registered number	07523074
Registered office	Barbury House Stonehill Green Business Park Westlea Swindon SN5 7HB
Independent auditor	CLA Evelyn Partners Limited Chartered Accountants & Statutory Auditor 45 Gresham Street London EC2V 7BG

THE LIBERTI GROUP LIMITED

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THE LIBERTI GROUP LIMITED

GROUP STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2021

Introduction

The directors present the Group Strategic Report for The Liberti Group Limited and its subsidiary companies for the year ended 31 December 2021.

Principal Activities

The provision of fractional C-suite financial advisory services.

Business review

The Liberti Group is the holding company of the CFO Centre Group and Liberti Limited.

The CFO Centre Group holds interests in the multiple FD / CFO Centre businesses around the world (14 countries with subsidiary operations).

The FD Centre was started in September 2001 by Colin Mills. Colin continues to work in the business as the Executive Chairman. The business grew steadily in the UK, and from 2009 onwards the international subsidiaries were added. The CFO Centre businesses supply highly skilled fractional finance professionals at the C-Suite level to act as Board level advisors. Our services are provided by independent contractors seeking a portfolio-based career, working with multiple clients at any one time and helping those businesses and their owners achieve the outcomes that are important to them. We refer to this as defining and delivering "the Numbers that Really Matter".

Liberti Limited holds minority interests in companies that employ a similar model to the CFO Centre businesses but in other fields (Legal, IT, Sales, Marketing, Human Resources, Finance).

The UK and the international businesses of The CFO Centre Group operate a growth model which aims for each business to grow year on year. The largest of the subsidiaries is The FD Centre Limited operating in the UK which accounts for 60% of global revenues (2020 - 61%). The majority of the client base of the Group are SME businesses.

The Group has an organic growth strategy. It sets ambitious annual targets for growth which it aims to achieve through organic growth in existing territories or through expansion into new territories.

Performance in 2021

In 2021 the consolidated revenues of the group grew by 30.5% to £41.6 million. This followed a covid impacted year in 2020 where revenues fell by £0.2m (0.5%) compared to 2019. 2021's growth exceeded the Group's plan for the year and was a welcome return to growth for the Group which had experienced year on year growth of 35% on average since The FD Centre Limited first began trading in 2001.

In 2021 the Group had an average of 1,123 clients (2020 - 946).

The Group also saw an improvement in its measure of client retention, with the average months a client stays with the business increasing from 17 months in December 2020 to 20 months in December 2021. Client retention is a key focus for the business as an indicator of the quality of services provided to clients and the level of satisfaction with those services amongst our clients.

THE LIBERTI GROUP LIMITED

GROUP STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

Performance indicators

The business monitors a range of Key Performance Indicators (KPIs) across all of the FD and CFO Centre businesses across the world. The financial KPIs are revenue growth year on year, client retention, sales opportunities created, sales wins, number of consultants working with clients, number of clients. The table below shows these KPIs for 2021 compared to 2020:

KPI	2021	Unaudited 2020	Change
Revenues in £ million	41.6	31.8	9.8 (30.5%)
Client Retention on 31 December in months	20	17	3 (18%)
Sales Opportunities generated	3,570	3,171	399 (12.5%)
Sales wins	921	741	180 (24%)
Average number of clients	1,123	946	177 (19%)

Principal risks and uncertainties

The principal risks and uncertainties for the business are:

- Foreign exchange risk. Whilst over 60% of the revenues of the group are in sterling, there is an exposure in respect of remainder. To partially mitigate this risk, the Group engages in partial hedging to deliver some degree of certainty in respect of licence fee receipts.
- Competition. All the FD / CFO Centre businesses experience competition in one form or another. Whilst the Group is the only business operating in fractional FD / CFO services across the number of countries it does, it remains vigilant for emerging competition and trends within the industry. The Group monitors new entries into the market through its network of partner organisations and by monitoring trademark applications of potential competitors. The directors believe the strongest mitigations to competition risk are delivering value to our clients and continuing to organically build the business and its brand.
- Emerging regulations. The CFO and FD Centre businesses can operate the model of supplying services to clients through the subcontracting of delivery of those services in all countries in which it operates. The Group remains vigilant for changes in legislation in any jurisdiction in which it operates that might bring into question the employment status of the consultants contracted to deliver services. The Group works with specialist advisors to remain updated on potential regulator changes.
- Uncertainty and fragility in the world economy. The last two years have been challenging in differing ways within the countries in which the business operates. Whether it has been the impact of covid, political instability, or rising inflation, the businesses around the world have been impacted in different ways. The Group Board do remain confident that the services the Group provides are relevant in our target markets in all economic conditions, and that the business can add value to clients in all business conditions.

Financial position as of December 2021 and plans for the Group

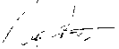
The Group ended 2021 in a strong financial position with £2.4m of net assets including £4.1m of cash. Plans for 2022 and beyond include investments in the group's ability to consistently deliver high value to our clients, in our core technology base, and in our learning and development capabilities to support our consultants.

The directors see significant opportunity to deliver value to current and future clients in all the countries the group has operations. We continue to target growth of 20% or more per annum over the next 5 years. There are also opportunities to enter new countries and expand to additional regions within existing countries which the business will be pursuing.

THE LIBERTI GROUP LIMITED

GROUP STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021

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



N A Durrant
Director

Date: 21/12/2022

THE LIBERTI GROUP LIMITED

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2021

The directors present their report and the financial statements for the year ended 31 December 2021.

Results and dividends

The consolidated profit for the year, after taxation and minority interests, amounted to £3.3m (2020 *unaudited* - £2.1m).

During the year £1.7m was paid in dividends to the shareholders. £0.6m of dividends were declared and unpaid as at 31 December 2021.

Directors

The directors who served during the year were:

C J Mills
N A Durrant
S C Daw
J D Mills

Disclosure of information to auditor

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

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

This information is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

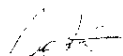
Post balance sheet events

There have been no significant events affecting the Group since the year end.

Auditor

The auditor, CLA Evelyn Partners Limited, have been appointed and will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

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



N A Durrant
Director

Date: 21/12/2022

THE LIBERTI GROUP LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2021

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 judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the 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.

THE LIBERTI GROUP LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE LIBERTI GROUP LIMITED

Opinion

We have audited the financial statements of The Liberti Group Limited (the 'Parent Company') and its subsidiaries (the 'Group') for the year ended 31 December 2021 which comprise the Consolidated Statement of Comprehensive Income, the Consolidated and Parent Company Balance Sheets, the Consolidated and Parent Company Statement of Changes in Equity, the Consolidated Statement of Cash Flows, the Consolidated Analysis of Net Debt and the notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 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 December 2021 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 Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Group and Parent Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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 and 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.

THE LIBERTI GROUP LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE LIBERTI GROUP LIMITED (CONTINUED)

Other information

The other information comprises the information included in the Annual report and Financial Statements, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the Annual report and Financial Statements. 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.

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 Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the 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 their environment obtained in the course of the audit, we have not identified material misstatements in the 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, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement set out on page 5, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the 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.

THE LIBERTI GROUP LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE LIBERTI GROUP LIMITED (CONTINUED)

Auditor's responsibilities for the audit of the financial statements

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

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:

We obtained a general understanding of the Group and the Parent Company's legal and regulatory framework through enquiry of management concerning their understanding of relevant laws and regulations and the entity's policies and procedures regarding compliance. We also drew on our existing understanding of the Group and the Parent Company's industry and regulation.

We understand that the Group and the Parent Company's complies with the framework through:

- Updating operating procedures, manuals and internal controls as legal and regulatory requirements change.
- The directors' close involvement in the day-to-day running of the business, including liaising with the country leaders and regional directors meaning that any litigation or claims would come to their attention directly.

In the context of the audit, we considered those laws and regulations which determine the form and content of the financial statements, and which are central to the Group and the Parent Company's ability to conduct its business and where failure to comply could result in material penalties. We did not identify any specific laws and regulations as being of significance in the context of the Group and the Parent Company's. The Group and the Parent Company's must abide by the Companies Act 2006 and FRS102 in respect of the preparation and presentation of the financial statements.

The senior statutory auditor led a discussion with all members of the engagement team regarding the susceptibility of the entity's financial statements to material misstatement, including how fraud might occur. The key areas identified as part of the discussion were with regard to manipulation of the financial statements through manual journals, incorrect recognition of revenue and management bias in areas of judgement and estimation uncertainty.

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

Other matter


The financial statements of The Liberti Group Limited for the year ended 31 December 2020 were unaudited.

THE LIBERTI GROUP LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE LIBERTI GROUP LIMITED (CONTINUED)

Use of our report

This report is made solely to the Group and Parent 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 Parent Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Parent Company and the Parent Company's members as a body, for our audit work, for this report, or for the opinions we have formed.


CLA Evelyn Partners (Dec 21, 2022 16:22 GMT)

Chetan Mistry (Senior Statutory Auditor)

for and on behalf of
CLA Evelyn Partners Limited

Chartered Accountants
Statutory Auditor

45 Gresham Street
London
EC2V 7BG

Date: 21/12/2022

THE LIBERTI GROUP LIMITED

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2021

	Note	2021 £000	Unaudited 2020 £000
Turnover	4	41,552	31,837
Cost of sales		(32,032)	(24,647)
Gross profit		9,520	7,190
Administrative expenses		(5,476)	(4,549)
Operating profit	5	4,044	2,641
Interest receivable and similar income		2	4
Profit before taxation		4,046	2,645
Tax on profit	9	(722)	(497)
Profit for the financial year		3,324	2,148
Profit for the year attributable to:			
Non-controlling interests		47	(7)

There was no other comprehensive income for 2021 (2020 - £Nil).

The notes on pages 18 to 32 form part of these financial statements.

THE LIBERTI GROUP LIMITED
REGISTERED NUMBER: 07523074

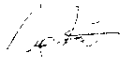
CONSOLIDATED BALANCE SHEET
AS AT 31 DECEMBER 2021

	Note	2021 £000	Unaudited 2020 £000
Fixed assets			
Tangible assets	10	21	36
Investments	11	126	87
		<u>147</u>	<u>123</u>
Current assets			
Debtors: amounts falling due within one year	12	4,998	4,082
Cash at bank and in hand	13	4,105	2,198
		<u>9,103</u>	<u>6,280</u>
Creditors: amounts falling due within one year	14	(6,659)	(4,740)
Net current assets		<u>2,444</u>	<u>1,540</u>
Total assets less current liabilities		<u>2,591</u>	<u>1,663</u>
Creditors: amounts falling due after more than one year	15	(215)	(17)
Provisions for liabilities			
Net assets		<u>2,376</u>	<u>1,646</u>
Capital and reserves			
Called up share capital	16	9	9
Share premium account	17	40	40
Profit and loss account	17	2,272	1,589
Non-controlling interests	17	55	8
Shareholders' funds		<u>2,376</u>	<u>1,646</u>

THE LIBERTI GROUP LIMITED
REGISTERED NUMBER: 07523074

CONSOLIDATED BALANCE SHEET (CONTINUED)
AS AT 31 DECEMBER 2021

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



N A Durrant
Director

Date: 21/12/2022

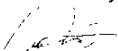
The notes on pages 18 to 32 form part of these financial statements.

THE LIBERTI GROUP LIMITED
REGISTERED NUMBER: 07523074

COMPANY BALANCE SHEET
AS AT 31 DECEMBER 2021

	Note	2021 £000	Unaudited 2020 £000
Fixed assets			
Investments	11	1	1
		<u>1</u>	<u>1</u>
Current assets			
Debtors: amounts falling due within one year	12	103	96
Cash at bank and in hand	13	674	396
		<u>777</u>	<u>492</u>
Creditors: amounts falling due within one year	14	(656)	(65)
Net current assets		<u>121</u>	<u>427</u>
Net assets		<u><u>122</u></u>	<u><u>428</u></u>
Capital and reserves			
Called up share capital	16	9	9
Share premium account	17	40	40
Profit and loss account carried forward		73	379
Shareholders' funds		<u><u>122</u></u>	<u><u>428</u></u>

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



N A Durrant
Director

Date: 21/12/2022

The notes on pages 18 to 32 form part of these financial statements.

THE LIBERTI GROUP LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2021

	Called up share capital £000	Share premium account £000	Profit and loss account £000	Non- controlling interests £000	Total equity £000
At 1 January 2020 (unaudited)	9	40	970	15	1,034
Profit for the year	-	-	2,155	(7)	2,148
Dividends paid	-	-	(1,287)	-	(1,287)
Redemption of shares	-	-	(249)	-	(249)
At 1 January 2021 (unaudited)	9	40	1,589	8	1,646
Profit for the year	-	-	3,277	47	3,324
Dividends Paid	-	-	(2,345)	-	(2,345)
Redemption of shares	-	-	(249)	-	(249)
At 31 December 2021	9	40	2,272	55	2,376

THE LIBERTI GROUP LIMITED

COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2021

	Called up share capital £000	Share premium account £000	Profit and loss account £000	Total equity £000
At 1 January 2020 (unaudited)	9	40	219	268
Profit for the year	-	-	1,695	1,695
Dividends Paid	-	-	(1,287)	(1,287)
Redemption of shares	-	-	(249)	(249)
At 1 January 2021 (unaudited)	9	40	378	427
Profit for the year	-	-	2,289	2,289
Dividends Paid	-	-	(2,345)	(2,345)
Redemption of shares	-	-	(249)	(249)
At 31 December 2021	9	40	73	122

THE LIBERTI GROUP LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2021

	2021 £000	Unaudited 2020 £000
Cash flows from operating activities		
Profit for the financial year	3,324	2,148
Adjustments for:		
Depreciation of tangible assets	15	17
Interest received	(2)	(4)
Taxation charge	722	497
Increase in debtors	(917)	(503)
Increase in creditors	1,826	633
Corporation tax (paid)	(430)	(533)
Net cash generated from operating activities	4,538	2,255
Cash flows from investing activities		
Purchase of tangible fixed assets	(2)	-
Sale of tangible fixed assets	1	-
Purchase of fixed asset investments	(40)	-
Sale of fixed asset investments	1	-
Interest received	2	4
Net cash from investing activities	(38)	4
Cash flows from financing activities		
Redemption of shares	(249)	(249)
Dividends paid	(2,345)	(1,437)
Net cash used in financing activities	(2,594)	(1,686)
Net increase in cash and cash equivalents	1,906	573
Cash and cash equivalents at beginning of year	2,198	1,571
Foreign exchange gains and losses	1	54
Cash and cash equivalents at the end of year	4,105	2,198
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	4,105	2,198

THE LIBERTI GROUP LIMITED

CONSOLIDATED ANALYSIS OF NET DEBT
FOR THE YEAR ENDED 31 DECEMBER 2021

	At 1 January 2021 £000	Cash flows £000	At 31 December 2021 £000
Cash at bank and in hand	2,198	1,907	4,105

THE LIBERTI GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

1. General information

The Liberti Group Limited is a private company, limited by shares, domiciled and incorporated in England and Wales (registered number: 07523074). The registered office address is Barbury House Stonehill Green Business Park, Westlea, Swindon, SN5 7HB.

2. Accounting policies

2.1 Basis of preparation of financial statements

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

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires Group management to exercise judgment 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 Statement of Comprehensive Income 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 Statement of Comprehensive Income from the date on which control is obtained. They are deconsolidated from the date control ceases.

2.3 Going concern

In preparing the financial statements the directors are required to assess the Group and Parent Company's ability to continue to trade as a going concern for the foreseeable future.

In undertaking this assessment, the directors have given due consideration to the Group and Parent Company's historical and current trading, together with the forward-looking projections. The Company has prepared detailed cashflow forecasts and applied sensitivities to the *underlying assumptions with reductions in revenue and costs savings that could be achieved if decreases in revenue were experienced*.

The directors have reviewed the cash flow forecasts and scenarios and based on their best assessment believe that the Group and Parent Company's will have sufficient financing in place to ensure cash flow requirements are satisfied for at least the next twelve months and that there are no material uncertainties. As such, the directors continue to adopt the going concern basis of accounting in preparing the annual financial statements.

THE LIBERTI GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

2. Accounting policies (continued)

2.4 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

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

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

2.5 Turnover

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the Group and the turnover can be reliably measured. Turnover 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 turnover is recognised:

Rendering of services

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

- the amount of turnover 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.

2.6 Interest income

Interest income is recognised in profit or loss using the effective interest method.

2.7 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.

THE LIBERTI GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

2. Accounting policies (continued)

2.8 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:

Fixtures and fittings	- over 48 months
Computer equipment	- over 12 months

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.

2.9 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.10 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.

THE LIBERTI GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

2. Accounting policies (continued)

2.11 Financial instruments

Financial assets and financial liabilities are recognised in the Balance Sheet when the Group becomes a party to the contractual provisions of the instrument.

Trade and other debtors and creditors are classified as basic financial instruments and measured at initial recognition at transaction price. Debtors and creditors are subsequently measured at amortised cost using the effective interest rate method. A provision is established when there is objective evidence that the Group will not be able to collect all amounts due.

Cash and cash equivalents are classified as basic financial instruments and comprise cash in hand and at bank, short-term bank deposits with an original maturity of three months or less and bank overdrafts which are an integral part of the Group's cash management.

Interest bearing bank loans, overdrafts and other loans which meet the criteria to be classified as basic financial instruments are initially recorded at the present value of cash payable to the bank, which is ordinarily equal to the proceeds received net of direct issue costs. These liabilities are subsequently measured at amortised cost, using the effective interest rate method.

2.12 Taxation

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.

2.13 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

THE LIBERTI GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

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

In the application of the Group's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The judgements, estimates and assumptions are evaluated at each reporting date and are based on historical experience as adjusted for current market conditions and other factors. Management makes estimates and assumptions concerning the future in preparing the financial statements and the actual results will not always reflect the accounting estimates made. The estimates and assumptions that had a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities of the Group are outlined below.

Trade debtors consist of amounts due from customers. An allowance for doubtful debts is maintained for estimated losses resulting from the viability of the Group's customers to make required payment. The allowance is based on the Company's regular assessment of the credit worthiness and financial conditions of customers.

The carrying value of investments in subsidiaries and amounts owed by group undertakings are initially recorded at costs and subsequently measured at cost less provision for impairment. The directors have reviewed all forecast and budgetary information available to them and have deemed there to be no objective evidence that the Parent Company will not recover the amount stated in the financial statements.

4. Turnover

The whole of turnover is attributable to the Group's principal activity.

Analysis of turnover by country of destination:

	2021 £000	Unaudited 2020 £000
United Kingdom	25,431	19,374
Europe	3,916	2,372
Rest of the world	12,205	10,091
	<u>41,552</u>	<u>31,837</u>

THE LIBERTI GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

5. Operating profit

The operating profit is stated after charging:

	2021 £000	Unaudited 2020 £000
Exchange differences	111	29
Depreciation	14	17
	<u>125</u>	<u>46</u>

6. Auditor's remuneration

	2021 £000	Unaudited 2020 £000
Fees payable to the Group's auditor for the audit of the Group's annual financial statements and its subsidiaries	47	-
	<u>47</u>	<u>-</u>
Fees payable to the Group's auditor and its associates in respect of:		
All other services	11	-
	<u>11</u>	<u>-</u>

THE LIBERTI GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

7. Employees

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

	Group	Group <i>Unaudited</i>	Company	Company <i>Unaudited</i>
	2021	2020	2021	2020
	£000	£000	£000	£000
Wages and salaries	2,167	1,768	245	216
Social security costs	155	56	32	24
Cost of defined contribution scheme	163	21	13	14
	<u>2,485</u>	<u>1,845</u>	<u>290</u>	<u>254</u>

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

	Group	Group <i>Unaudited</i>	Company	Company <i>Unaudited</i>
	2021	2020	2021	2020
	No.	No.	No.	No.
Administration	63	52	5	5

8. Directors' remuneration

	2021	<i>Unaudited</i> 2020
	£000	£000
Directors' emoluments	213	198
Cost of defined contribution pension schemes	5	5
	<u>218</u>	<u>203</u>

During the year retirement benefits were accruing to 1 director (*2020 unaudited - 1*) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £175,000 (*2020 unaudited - £160,000*).

The value of the Group's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £5,250 (*2020 unaudited - £4,850*).

THE LIBERTI GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

9. Taxation

	2021 £000	<i>Unaudited</i> 2020 £000
Corporation tax		
Current tax on profits for the year	722	497
Total current tax	<u>722</u>	<u>497</u>

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2020 - *lower than*) the standard rate of corporation tax in the UK of 19% (2020 - 19%). The differences are explained below:

	2021 £000	<i>Unaudited</i> 2020 £000
Profit on ordinary activities before tax	<u>4,046</u>	<u>2,645</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2020 - 19%)	770	503
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	9	(6)
Impact of overseas tax rates	(23)	-
Group relief	(34)	-
Total tax charge for the year	<u>722</u>	<u>497</u>

Factors that may affect future tax charges

Finance Act 2021 includes legislation to increase the main rate of corporation tax from 19% to 25% from 1 April 2023. The full anticipated effect of these changes is reflected in the above deferred tax balances.

THE LIBERTI GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

10. Tangible fixed assets

Group

	Fixtures and fittings £000	Computer equipment £000	Total £000
Cost			
At 1 January 2021 (unaudited)	59	9	68
Additions	-	2	2
Disposals	-	(1)	(1)
Forex Movement	(1)	-	(1)
At 31 December 2021	<u>58</u>	<u>10</u>	<u>68</u>
Depreciation			
At 1 January 2021 (unaudited)	28	4	32
Charge for the year	14	1	15
At 31 December 2021	<u>42</u>	<u>5</u>	<u>47</u>
Net book value			
At 31 December 2021	<u>16</u>	<u>5</u>	<u>21</u>
<i>At 31 December 2020 (unaudited)</i>	<u>31</u>	<u>5</u>	<u>36</u>

THE LIBERTI GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

11. Fixed asset investments

Group

	Other investments £000
Cost	
At 1 January 2021 (unaudited)	87
Additions	40
Disposals	(1)
At 31 December 2021	<u>126</u>

THE LIBERTI GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

11. Fixed asset investments (continued)

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Registered office	Country of incorporation	Class of shares	Holding
CFO Centre Limited	c/- NDCA Limited, Unit R, 301 Botany Road, Golflands, Auckland, 2013 New Zealand	New Zealand	Ordinary	100%
CFO (HK) Limited	17/F, 80 GLOUCESTER ROAD, WANCHAI HK	China	Ordinary	100%
CFO Centre Pte Ltd	6 Raffles Place, #11-07, Singapore 048580	Singapore	Ordinary	100%
CFO Centre Pty Ltd	11 Regency Place, Floraville, NSW 2280	Australia	Ordinary	90%
CFO WA Pty Ltd	C/- red Fox Group Pty Ltd 2 Gemstone Boulevard Carine WA 6020	Australia	Ordinary	50%
CFO Centrum BV	Gooimeer 3, 1410 AC Naarden	Netherlands	Ordinary	50%
The FD Skills Centre SA Pty (Ltd)	9 St Michaels Road, Hilton, 3290	South Africa	Ordinary	50%
Het CFO Centrum bvba	Floralienlaan 2 bus 1, 2600 Antwerpen	Belgium	Ordinary	50%
The CFO Center Ltd	30 Wall Street, 8th Floor, New York City, NY 10005	USA	Ordinary	100%
The CFO Centre GmbH	Potsdamer Straße 182 10783 Berlin Deutschland	Germany	Ordinary	100%
The CFO centre Italy srl	Via G.B. De Rossi 13 - 00161 Rome	Italy	Ordinary	80%
The CFO Centre Limited	1140-3280 Bloor St West, Toronton, ON Canada M8X 2X3	USA	Ordinary	80%
The FD Centre Limited	Barbury House, Stonehill Green Business Park, Bentham Close, Swindon, Wiltshire, SN5 7HB	United Kingdom	Ordinary	100%
The FD Centre Limited	2 Seapoint Avenue, Blackrock, A94 VY68, Dublin, Ireland	Ireland	Ordinary	100%
The FD Centre Services India Pvt Ltd	67B, Gopal Mansion, Gurunanak Road, Bandra (West), Mumbai Maharashtra 400050 India	India	Ordinary	50%
Liberti Limited	Barbury House, Stonehill Green Business Park, Bentham Close, Swindon, Wiltshire, SN5 7HB	United Kingdom	Ordinary	100%
The CFO Centre Group Limited	Barbury House, Stonehill Green Business Park, Bentham Close, Swindon, Wiltshire, SN5 7HB	United Kingdom	Ordinary	100%
CFO Center (Shanghai) Limited*	Rm 10, Floor 9, Building 10, No.196 Ouyang Road, Hongkou District, Shanghai China	China	Ordinary	100%

*held indirectly

THE LIBERTI GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

12. Debtors

	Group	Group Unaudited	Company	Company Unaudited
	2021	2020	2021	2020
	£000	£000	£000	£000
Trade debtors	4,673	3,831	-	-
Amounts owed by group undertakings	-	-	33	34
Other debtors	30	16	-	-
Called up share capital not paid	54	54	30	30
Prepayments and accrued income	241	180	12	9
Tax recoverable	-	1	28	23
	<u>4,998</u>	<u>4,082</u>	<u>103</u>	<u>96</u>

13. Cash and cash equivalents

	Group	Group Unaudited	Company	Company Unaudited
	2021	2020	2021	2020
	£000	£000	£000	£000
Cash at bank and in hand	4,105	2,198	674	396
	<u>4,105</u>	<u>2,198</u>	<u>674</u>	<u>396</u>

14. Creditors: Amounts falling due within one year

	Group	Group Unaudited	Company	Company Unaudited
	2021	2020	2021	2020
	£000	£000	£000	£000
Trade creditors	4,208	3,721	31	6
Amounts owed to group undertakings	-	-	1	-
Corporation tax	316	25	-	-
Other taxation and social security	569	289	21	7
Other Creditors	712	81	602	-
Accruals and deferred income	854	624	1	52
	<u>6,659</u>	<u>4,740</u>	<u>656</u>	<u>65</u>

Other creditors include amounts owed from related parties.

THE LIBERTI GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

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

	Group	<i>Group</i> <i>Unaudited</i>
	2021	2020
	£000	£000
Other creditors	-	17
Accruals and deferred income	215	-
	<u>215</u>	<u>17</u>

The Parent Company have no creditors due after one year.

16. Share capital

	2021	<i>Unaudited</i> <i>2020</i>
	£000	£000
Allotted and called up		
2,875 Ordinary A shares of £1.00 each	3	3
2,875 Ordinary B shares of £1.00 each	3	3
1,800 Ordinary C shares of £1.00 each	2	2
1,000 Ordinary D shares of £1.00 each	1	1
450 Ordinary F shares of £1.00 each	-	-
	<u>9</u>	<u>9</u>

All shares rank pari passu except that certain actions including the payment of dividends may only be taken with the consent of the holder of Ordinary A shares.

Rights attaching to Ordinary D shares shall be varied such that those shares shall have no right to vote, no right to receive dividends and no right to participate on a winding up of the Company.

THE LIBERTI GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

17. Reserves

Share premium account

The share premium account is used to record the aggregate amount or value of premiums paid when the Company's shares are issued at an amount in excess of nominal value.

Non-controlling interests

This reserve relates to the cumulative retained earnings distributable to third party shareholders. Included within the non-controlling interests are also the foreign exchange re-translations that arise on consolidation.

Profit and loss account

This reserve relates to the cumulative retained earnings less amounts distributed to shareholders. Included within the profit and loss account are also the foreign exchange re-translations that arise on consolidation.

18. Related party transactions

Wholly owned group entities

The Company has taken advantage of the exemption in FRS 102 Section 33.1A to not disclose transactions with wholly owned group entities.

Entities under common control

The group holds a number of investments in subsidiary entities that are not wholly owned as disclosed in note 11. Transactions with these entities are disclosed below:

	2021 £000	Unaudited 2020 £000
Entities under common control		
Sales to related party	1,422	1,063
Amounts owed from related party	251	199
	<u>1,673</u>	<u>1,262</u>

The directors are considered to be key management personnel. The directors remuneration for the year was £242,000 (2020 unaudited - £225,000). During the year, Dividends of £2,345,000 (2020 unaudited - £1,287,000) were paid to the directors.

19. Controlling party

The ultimate controlling party is C J Mills, by virtue of their shareholding and directorship in the ultimate parent undertaking.

THE LIBERTI GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

20. Subsidiary claiming audit exemption

The following companies is included within the consolidated financial statements of The Liberty Group Limited and has taken the exemption from an audit for the year ended 31 December 2021 by virtue of s479A of Companies Act 2006. In order to allow this subsidiaries to take the audit exemption, the Parent Company The Liberty Group Limited has given a statutory guarantee, in line with s479C of the Companies Act 2006, of all the outstanding liabilities as at 31 December 2021.

Company name	Registered number	Country of Incorporation
The CFO Centre Group Limited	09077993	England and Wales
Liberty Limited	09053427	England and Wales
FDUK Limited	04247537	England and Wales
Badgers Brook Holdings Limited	09121656	England and Wales