Company Registration No. 4351294 (England and Wales)

THE OMBUDSMAN SERVICE LIMITED

COMPANY LIMITED BY GUARANTEE
ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

mha
MOORE & SMALLEY

THE OMBUDSMAN SERVICE LIMITED

COMPANY INFORMATION

Directors	Dr M M Amos	
	Lord T F Clement Jones CBE	
	Mrs M L Ibbs	
	Mr B J Landers	
	Sir L W Lewis KCB	
	Miss L Tennant	
	Mr M J Vickers	
	Mr S A Palmer	(Appointed 28 May 2020)
Company number	4351294	
Registered office	3300 Daresbury Park Daresbury Warrington WA4 4HS	
Auditor	MHA Moore and Smalley Richard House 9 Winckley Square Preston PR1 3HP	

THE OMBUDSMAN SERVICE LIMITED

CONTENTS

The directors present the strategic report and financial statements for the year ended 31 December 2020.

Review of the Business

As with many businesses, 2020 was dominated by the operational challenges caused by the COVID-19 pandemic and our main priorities at the start of the crisis were to mobilise the business quickly to ensure the continuity of our services and to help lessen the impact on our colleagues and consumers.

Our success in overhauling our IT platforms and infrastructure in recent years enabled us to deploy our business continuity plan seamlessly once the pandemic took hold, well before the majority of UK businesses. This meant that all colleagues were able to work from home from early March without a loss of service to customers.

Recognising the challenges faced by suppliers, we also liaised closely with Ofgem and Ofcom to adopt new ways of working to help suppliers bolster their own front-line operations and focus their resources on helping their consumers. There was also increased demand for our services in the second half of the year as more of our consumers worked from home and there was a natural focus on energy and broadband usage.

The pandemic has also been a testing time for our colleagues and we worked hard to support our people throughout 2020, implementing a number of colleague engagement and wellbeing initiatives. The Board is pleased to report that The Ombudsman Service Limited has now received formal accreditation as a 'Great Place to Work' based on its 2020 employee survey and has been included in the Top 50 of the UK's Best Workplaces for large companies.

Work on our new operating model continued during 2020 to ensure a better end to end consumer journey and a new operational leadership team was appointed to focus on the transition to the target operating model and implement the further structural and cultural changes planned for 2021. The Board is pleased that leaders have been appointed across the business who share our values of being balanced, open, courageous and empathetic.

Throughout 2020, we continued to develop our strategic options for the future. The Board have now approved three areas of strategic focus around Alternative Dispute Resolution (ADR) consolidation, diversification and the energy remit (which has not changed substantially since 2006). As the market moves from being commodity to service based, and with developments such as electric vehicles, we believe that there is more need than ever for consumer protection to keep pace with these advances.

In line with our strategic aims, we moved to a group structure following the launch of Lumin Tech Limited, a wholly owned subsidiary of The Ombudsman Service Limited in August 2020 as a commercial technology venture to support and develop our IT platform, reduce operating costs for the Ombudsman and develop commercial options for the future.

Despite the challenges of the pandemic, we have maintained momentum in our strategic planning as well as focussing on our people and supporting our customers throughout 2020.

Principal activities and business review

The Ombudsman Service Limited is a not-for-distributable-profit company which provides independent dispute resolution nationally for the energy and communications sectors. The business also administers the Parking on Private Land Appeals (POPLA) service on behalf of the British Parking Association.

Between January and December 2020, we handled just over 140,000 initial queries from consumers enquiring about our service. Of those cases which came within our terms of reference, we investigated and resolved 65,593 cases. The number of energy cases we received decreased by 11% in 2020, while communications cases decreased by 19% from the previous year, largely due to the impact of the pandemic.

The proportion of cases which were settled in 2020 remained consistent with the previous year at 21%.

Principal activities and business review (Continued)
Almost 42,000 decisions were issued by POPLA in 2020, a 34% decrease on 2019 following the suspension of the sector during the nationwide lockdowns of 2020. Due to the flexibility built into our operating model, we were able to redeploy the colleagues to energy and communications activities.

In summary, the combination of working differently and the increased challenges in all markets resulted in us falling behind on target. However, we recruited more colleagues and productivity recovered quickly – achieving, on average 95% of cases being resolved in twelve weeks or less. With all of the measures implemented, the Board is pleased to report that The Ombudsman Service Limited is making good progress in recovering its key performance indicators in the energy and communications sectors and is on track to achieve these by July 2021.

Results
The Ombudsman Service Limited recorded a surplus, after taxation, of £1,127,733 for the year. This is in line with the Board's intention of achieving a result that is between break-even and a surplus of up to 10% each year to ensure the Group remains sustainable.

The failure of energy suppliers continues to impact the Group's finances, with £303,000 of bad debt incurred in 2020. £283,000 (93%) of this related to Tonik Energy Limited, which went into administration in October 2020. The Group was able to absorb this bad debt due to the increase in volumes in the second half year and due to the work undertaken to maximise efficiency. As a result, the business had no need to mutualise these across the energy sector. The Directors continue to focus on cash collection and reducing aged debt to minimise this risk.

The Group has been able to maintain a level of reserves in line with the reserves policy set by the Board. The policy aims to cover a range of three to six months total costs in order to give the Group the ability to deal with sudden increases or decreases in case volumes, and to invest to sustain a quality service to all sectors.

Impact of Covid-19 on the business
Following analysis of the results, the business has concluded that there were two key reasons why key performance indicators were not achieved in both the energy and communications sectors. Firstly, we saw an increase in complaints for the struggling suppliers and, due to the processes we deploy with such businesses, it generated a higher workload in the back office. Secondly, productivity did reduce in the early part of the year as colleagues adapted to home working; this has since recovered to pre-Covid levels. Complaints were therefore taking longer to resolve with, on average 95% of cases being resolved in twelve weeks or less.

By the end of the year, the majority of issues were back within our control. A combination of increased use of outsourced services and increased recruitment placed the business in a better position to tackle the next financial year.

POPLA volumes have been impacted for the longest period, as activity was effectively suspended during the three national lockdowns.

The wellbeing of colleagues has been one of the main priorities for the Group during the pandemic and a number of measures were put in place to support colleagues' physical and mental health. The results from the employee survey indicate that this resulted in a 19% increase in the Great Place to Work score.

Customer satisfaction
The Board recognises the importance of delivering a positive customer experience for all parties that interact with The Ombudsman Service Limited and its complaint handling processes. We receive regular reports on satisfaction levels from both consumers and participating companies. We also receive feedback from the Independent Assessor and information on the deeper trends emanating from service complaints. We are pleased to report that customer satisfaction in 2020 remained high, despite the challenges of the pandemic.

To ensure that we are capturing the voice of our consumers in the best way, the business introduced a new customer experience platform in February 2020 which provides insight from consumers at each stage of the customer journey. The plan is to expand this tool to incorporate further channels in 2021 as we continue to embed our customer experience strategy and framework within the business.

Risk

Risk Management forms part of the Board's system of governance contributing to and protecting the performance of the business. The Ombudsman Service Limited recognises that risk management is an important tool and therefore has a robust framework in place to facilitate controlled risk taking. This includes regular risk reviews by senior management, with the most significant corporate risks considered by the Audit and Risk Committee and Board as appropriate.

A key risk to the business is the variability in case volumes driven by factors which are outside its control, for example the uncertainty in the volume and profile of case volumes as a result of the pandemic. This risk is mitigated by on-going forecasting and planning to ensure the Group remains financially sound and is able to provide an effective service to all its stakeholders. A new Operational Support Unit has been put in place to manage increased volumes and assist with the recovery of key performance indicators.

The operational change risks will also be a continued focus for the Committee in the coming year, given the significant business transformation planned.

Internal audit

The Board recognises the need for independent assurance as part of the third line of defence, ensuring that first line management controls and the second line Risk and Compliance functions are operating effectively.

To ensure a continued robust system of internal audit, an in-house internal auditor was appointed in 2020 to provide independent assurance to the Audit and Risk Committee and the Board that risk management, governance and internal control processes across The Ombudsman Services Limited are operating effectively.

The Board, through the Audit and Risk Committee, have agreed a risk-based audit program for 2021 and will continue to monitor assurance needs and identify areas for focused review during the year.

Our people

The Board recognises that it is the Group's ongoing commitment to the wellbeing and development of our colleagues and the way we work that will ensure that The Ombudsman Service Limited emerges successfully from the pandemic and continues to pursue its goal of delivering a first class service to our consumers and stakeholders.

The wellbeing of colleagues and their families took on a renewed focus during 2020 and we expanded our existing wellbeing initiatives to include regular welfare calls, free access to online wellness and mental health resources such as Unum and the Unmind app, confidential individual support sessions through our partner 'Next Steps' and weekly wellbeing content on our internal communications platform.

We also introduced activities and events specifically designed to inspire and motivate colleagues as they attempted to balance work and home life, including inspirational guest speakers, coffee mornings and activities for children.

Our commitment to grow the skills of our people through investment in training and development continued in 2020 and we provided free LinkedIn Learning to all colleagues, which was underpinned by our successful 'Learning at Work' week.

Our people (Continued)

Despite the challenges of 2020, we were pleased to receive confirmation in early 2021 that the results of our 2020 annual employee survey will see The Ombudsman Services Limited included in the Top 50 of the UK's Best Workplaces list for large companies after our 'Great Place to Work' Score increased by 19%. The business will continue to build on these impressive results with areas of focus already identified for improvement in the next 12 months.

Through the work of its Nominations and Remuneration Committees, the Board has continued to review its own effectiveness with Board succession planning a priority and the recruitment of new Board members underway. A benchmarking exercise on executive pay was also completed in 2020.

Equality and Diversity

The Ombudsman Service Limited is committed to equality of opportunity and respect for diversity and inclusion and the Board takes a very close interest in equality and diversity issues.

We aim to deliver our mission by building a more diverse, inclusive and accessible Group that better represents our colleagues, stakeholder groups and the communities within which we operate. Guided by the Board, which has set a clear objective of increasing the diversity of the Board itself, of our management team and of the organisation as a whole, we have set about bringing this work into sharper focus in 2021 with several foundational steps implemented to bring about real change, including the completion of our first diversity and inclusion survey of customers. We are also making changes to our data capture processes and systems for colleagues and consumers to ensure we have accurate reporting in place and to better understand the profile of our customers so that we can identify in particular groups who are not using our services in accordance with the proportion of the population which they comprise.

We have a focus on increasing our consumer reach to ensure that our services are accessible across UK society. To achieve a more diverse workforce and enhance our reputation as a fair and inclusive organisation, we have established a new People & Purpose directorate which will provide focus across the business on the Group's purpose and DNA. Work is ongoing to establish our various stakeholder profiles and develop our long-term diversity and inclusion strategy across the business.

The Board takes a close interest in ensuring that the Group has the right talent in the right roles, regardless of gender and The Ombudsman Service Limited continues to meet gender pay reporting requirements.

Health and safety

The Board recognises its obligation to safeguard health and safety and this has been a particular priority during the pandemic. Legal obligations are met through the strict adherence to our health and safety policy, setting safety objectives and suitable safeguards.

Ensuring that staff have all the equipment that they need to work from home has been a focus in 2020 and DSE assessments have been conducted with appropriate equipment provided to staff on an ongoing basis.

A Covid-19 risk assessment covering all aspects of Covid-19 safety within the building has been undertaken by an external risk consultant and we have taken all steps to ensure that the building is as Covid-19 secure as possible.

Mental Health has also been a key consideration during the pandemic with a variety of measures put in place to help all employees, including wellbeing calls, a specialist wellbeing app, virtual activities and family events.

We have 17 trained first aiders, 16 fire marshals, 6 DSE assessors and 19 colleagues trained to use Evacuation Chairs. The estates team are responsible for coordinating all associated activity and training, with further health and safety courses, including Mental First Aid, planned when on site working is re-established.

The Group has an external health and safety partner to provide specialist advice and support, along with accredited contractors to ensure compliance and an in-house estates team who promote best practice and ensure all relevant policies and procedures are adhered to.

Environmental responsibility

The Board takes its environmental responsibilities seriously and is committed to reducing the impact the Group has on the environment.

The Board is pleased to report that The Ombudsman Service Limited continues to recycle 100% of its waste through our current waste removal service incumbents and continues to voluntarily work alongside a third-party contractor, Envantage, to complete a Greenhouse Gas (GHG) assessment to identify our carbon footprint and to explore solutions for offsetting.

We promote paperless working where possible and also use a number of bio-degradable alternative products on site. We will also continue to support car lift-sharing and participate in cycle-to-work schemes when on-site working resumes in 2021 in order to reduce the environmental impact of commuting.

The Group continues to look at ways we can improve our environmental impact.

Corporate social responsibility

The Board encourages all members of the business to actively support our local community. The Ombudsman Service Limited was proud to maintain its relationship with the Warrington Foodbank during 2020, which is a cause our colleagues feel passionately about and one that has become even more critical during the pandemic.

In addition to our work with the Foodbank, colleagues chose the Mind and Dementia UK charities to support during the year. The pandemic limited normal activities but colleagues continued to fundraise, and this was match-funded by the business.

Like many organisations, the pandemic has prompted the business to reflect on its support activities and prioritise local causes which are aligned with our purpose. We will therefore actively seek out organisations to support that will allow the business to develop a deeper and richer relationship for colleagues and for the business.

Future developments

The most significant challenge faced by all businesses in the first half of 2021 is the continued impact of the Covid-19 pandemic. As explained above and in Note 1.4 to the Financial Statements, the Group is well-placed to manage the continued impacts of the pandemic and to continue its operations for the foreseeable future.

In the longer-term the Group's strategic planning process has identified some new possibilities and strategic options for the future. Central to these will be the core values of the Group and the role the Ombudsman plays in society - and ensuring this remains relevant in an ever-changing world.

On behalf of the board

....

Lord T F Clement Jones CBE
Director

16/06/2021
....

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

Principal activities
The principal activity of the company and group continued to be that of independent dispute resolution.

Results and dividends
The results for the year are set out on page 12.

Directors
The directors who held office during the year and up to the date of signature of the financial statements were as follows:

Dr M M Amos	
Lord T F Clement Jones CBE	
Mrs M L Ibbs	
Mr B J Landers	
Sir L W Lewis KCB	
Miss L Tennant	
Mr M J Vickers	
Mr S A Palmer	(Appointed 28 May 2020)

Disabled persons
Applications for employment by disabled persons are always fully considered, bearing in mind the aptitudes of the applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment within the group continues and that the appropriate training is arranged. It is the policy of the group that the training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees.

Employee involvement
The Group's policy is to consult and discuss with employees, through unions, staff councils and at meetings, matters likely to affect employees' interests.

Information about matters of concern to employees is given through information bulletins and reports which seek to achieve a common awareness on the part of all employees of the financial and economic factors affecting the group's performance.

Auditor
The auditor, MHA Moore and Smalley, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

Statement of disclosure to auditor
So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the auditor of the company is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the auditor of the company is aware of that information.

On behalf of the board

....

Lord T F Clement Jones CBE
Director

16/06/2021
....

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2020

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and company, and of the surplus or deficit 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;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and company will continue in business.

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

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF THE OMBUDSMAN SERVICE LIMITED

Opinion

We have audited the financial statements of The Ombudsman Service Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2020 which comprise the group statement of comprehensive income, the group balance sheet, the company balance sheet, the group statement of changes in equity, the company statement of changes in equity, the group statement of cash flows, the company statement of cash flows and 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 the parent company's affairs as at 31 December 2020 and of the group's surplus for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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 parent company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our 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 its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the directors' report.

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

- adequate accounting records have not been kept 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 directors' responsibilities statement, 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 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 company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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 specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud, is detailed below.

- Enquiries with management about any known or suspected instances of non-compliance with laws and regulations and fraud;

- Challenging assumptions and judgements made by management in their significant accounting estimates, in particular in relation to provisions and future performance in light of the impact of Covid 19;

- Auditing the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness; and

- Reviewing board minutes and resolutions

Because of the field in which the client operates, we identified the following areas as those most likely to have a material impact on the financial statements: Health and Safety; employment law, compliance with regulator KPI's and compliance with the UK Companies Act.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Nicola Mason

Nicola Mason (Senior Statutory Auditor)
For and on behalf of MHA Moore and Smalley
Chartered Accountants
Statutory Auditor

Richard House
9 Winckley Square
Preston
PR1 3HP

24/06/2021

THE OMBUDSMAN SERVICE LIMITED

GROUP STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2020

	Notes	2020 £	2019 £
Turnover	3	27,046,871	25,712,799
Administrative expenses		(26,079,908)	(26,086,805)
Operating surplus/(loss)	4	966,963	(374,006)
Interest receivable and similar income	8	8,319	44,307
Change in value of investments	9	192,249	337,015
Surplus before taxation		1,167,531	7,316
Tax on surplus	10	(39,798)	(80,771)
Surplus/(loss) for the financial year		1,127,733	(73,455)

Surplus/(loss) for the financial year is all attributable to the parent company.

Total comprehensive income for the year is all attributable to the parent company.

THE OMBUDSMAN SERVICE LIMITED

GROUP AND COMPANY BALANCE SHEETS

AS AT 31 DECEMBER 2020

	Notes	Group 2020 £	2019 £	Company 2020 £	2019 £
Fixed assets					
Intangible assets	11	358,277	1,045,203	358,277	1,045,203
Tangible assets	12	1,238,125	1,230,360	1,196,702	1,230,360
Investments	13	3,576,983	3,409,347	3,577,083	3,409,347
		5,173,385	5,684,910	5,132,062	5,684,910
Current assets					
Debtors	15	4,892,596	6,222,661	4,981,929	6,222,661
Cash at bank and in hand		7,839,163	4,078,135	7,836,384	4,078,135
		12,731,759	10,300,796	12,818,313	10,300,796
Creditors: amounts falling due within one year	16	(4,309,699)	(3,242,420)	(4,389,430)	(3,242,420)
Net current assets		8,422,060	7,058,376	8,428,883	7,058,376
Total assets less current liabilities		13,595,445	12,743,286	13,560,945	12,743,286
Creditors: amounts falling due after more than one year	17	(1,232,595)	(1,478,823)	(1,232,595)	(1,478,823)
Provisions for liabilities					
Provisions	18	(841,879)	(871,225)	(841,879)	(871,225)
Deferred tax liability	19	(47,849)	(47,849)	(47,849)	(47,849)
		(889,728)	(919,074)	(889,728)	(919,074)
Net assets		11,473,122	10,345,389	11,438,622	10,345,389
Capital and reserves					
Income and Expenditure account		11,473,122	10,345,389	11,438,622	10,345,389

As permitted by s408 Companies Act 2006, the company has not presented its own income and expenditure account and related notes. The company's surplus for the year was £1,093,234 (2019 - £73,455 deficit).

The financial statements were approved by the board of directors and authorised for issue on 16/06/2021 and are signed on its behalf by:

The notes on pages 18 to 35 are an integral part of these financial statements.

....

Lord T F Clement Jones CBE
Director

Company Registration No. 4351294

GROUP STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2020

	Income and Expenditure £
Balance at 1 January 2019	10,418,844
Year ended 31 December 2019:	
Loss and total comprehensive income for the year	(73,455)
Balance at 31 December 2019	10,345,389
Year ended 31 December 2020:	
Surplus and total comprehensive income for the year	1,127,733
Balance at 31 December 2020	11,473,122

THE OMBUDSMAN SERVICE LIMITED

COMPANY STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2020

	Income and Expenditure £
Balance at 1 January 2019	10,418,844
Year ended 31 December 2019:	
Loss and total comprehensive income for the year	(73,455)
Balance at 31 December 2019	10,345,389
Year ended 31 December 2020:	
Surplus and total comprehensive income for the year	1,093,233
Balance at 31 December 2020	11,438,622

THE OMBUDSMAN SERVICE LIMITED

GROUP STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2020

	Notes	2020 £	2020 £	2019 £	2019 £
Cash flows from operating activities					
Cash generated from/(absorbed by) operations	23		4,467,614		(2,788,761)
Income taxes paid			(29,798)		(25,625)
Net cash inflow/(outflow) from operating activities			4,437,816		(2,814,386)
Investing activities					
Purchase of intangible assets		(228,410)		(346,459)	
Purchase of tangible fixed assets		(481,310)		(320,091)	
Proceeds on disposal of tangible fixed assets		-		150,000	
Proceeds on disposal of investments		(167,636)		(329,136)	
Receipts arising from loans made		192,249		337,015	
Interest received		8,319		44,307	
Net cash used in investing activities			(676,788)		(464,364)
Net increase/(decrease) in cash and cash equivalents			3,761,028		(3,278,750)
Cash and cash equivalents at beginning of year			4,078,135		7,356,885
Cash and cash equivalents at end of year			7,839,163		4,078,135

THE OMBUDSMAN SERVICE LIMITED

COMPANY STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2020

	Notes	2020 £	2020 £	2019 £	2019 £
Cash flows from operating activities					
Cash generated from/(absorbed by) operations	**24**		4,420,115		(2,788,761)
Income taxes paid			(29,798)		(25,625)
Net cash inflow/(outflow) from operating activities			4,390,317		(2,814,386)
Investing activities					
Purchase of intangible assets		(228,410)		(346,459)	
Purchase of tangible fixed assets		(436,490)		(320,091)	
Proceeds on disposal of tangible fixed assets		-		150,000	
Purchase of subsidiaries		(100)		-	
Proceeds on disposal of investments		(167,636)		(329,136)	
Receipts arising from loans made		192,249		337,015	
Interest received		8,319		44,307	
Net cash used in investing activities			(632,068)		(464,364)
Net increase/(decrease) in cash and cash equivalents			3,758,249		(3,278,750)
Cash and cash equivalents at beginning of year			4,078,135		7,356,885
Cash and cash equivalents at end of year			7,836,384		4,078,135

1 Accounting policies

Company information

The Ombudsman Service Limited ("the company") is a private limited company domiciled and incorporated in England and Wales. The registered office is 3300 Daresbury Park, Daresbury, Warrington, WA4 4HS.

The group consists of The Ombudsman Service Limited and all of its subsidiaries.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

1.2 Business combinations

In the parent company financial statements, the cost of a business combination is the fair value at the acquisition date of the assets given, equity instruments issued and liabilities incurred or assumed, plus costs directly attributable to the business combination. The excess of the cost of a business combination over the fair value of the identifiable assets, liabilities and contingent liabilities acquired is recognised as goodwill. The cost of the combination includes the estimated amount of contingent consideration that is probable and can be measured reliably, and is adjusted for changes in contingent consideration after the acquisition date. Provisional fair values recognised for business combinations in previous periods are adjusted retrospectively for final fair values determined in the 12 months following the acquisition date. Investments in subsidiaries, joint ventures and associates are accounted for at cost less impairment.

Deferred tax is recognised on differences between the value of assets (other than goodwill) and liabilities recognised in a business combination accounted for using the purchase method and the amounts that can be deducted or assessed for tax, considering the manner in which the carrying amount of the asset or liability is expected to be recovered or settled. The deferred tax recognised is adjusted against goodwill or negative goodwill.

1.3 Basis of consolidation

The consolidated group financial statements consist of the financial statements of the parent company The Ombudsman Service Limited together with all entities controlled by the parent company (its subsidiaries).

All financial statements are made up to 31 December 2020. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the group.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Subsidiaries are consolidated in the group's financial statements from the date that control commences until the date that control ceases.

1 Accounting policies **(Continued)**

Entities in which the group holds an interest and which are jointly controlled by the group and one or more other venturers under a contractual arrangement are treated as joint ventures. Entities other than subsidiary undertakings or joint ventures, in which the group has a participating interest and over whose operating and financial policies the group exercises a significant influence, are treated as associates.

Investments in joint ventures and associates are carried in the group balance sheet at cost plus post-acquisition changes in the group's share of the net assets of the entity, less any impairment in value. The carrying values of investments in joint ventures and associates include acquired goodwill.

If the group's share of losses in a joint venture or associate equals or exceeds its investment in the joint venture or associate, the group does not recognise further losses unless it has incurred obligations to do so or has made payments on behalf of the joint venture or associate.

Unrealised gains arising from transactions with joint ventures and associates are eliminated to the extent of the group's interest in the entity.

1.4 Going concern

The financial statements have been prepared on the going concern basis of accounting.

The Directors continue to assess the impact of the pandemic on all aspects of the business and measures have been taken to ensure the Group remains financially sound, whilst also providing the most appropriate service to consumers and participating companies in the current circumstances.

Specifically, the Group has been able to support full remote working and focus on the wellbeing of colleagues, together with ensuring the continued availability of the Group's services to all stakeholders, with a particular focus on the more vulnerable consumers.

Having considered the UK Government's response to the pandemic and its roadmap for the easing of restrictions, at the time of approving the financial statements, the Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

1.5 Turnover

Turnover represents subscription and case fee income of the service and any costs recovered in setting upp new ombudsman services.

Case fee income is recognised dependent on the progress of the case and the stage of completion at the period end.

Subscriptions are included in the financial statements as they become receivable or due.

1.6 Intangible fixed assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Intangible assets acquired on business combinations are recognised separately from goodwill at the acquisition date where it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the fair value of the asset can be measured reliably; the intangible asset arises from contractual or other legal rights; and the intangible asset is separable from the entity.

1 Accounting policies **(Continued)**

Amortisation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Software	33% - 50% straight line

1.7 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Leasehold improvements	Over the period of the lease
Fixtures and fittings	20% - 50% straight line
Computers	33% straight line or over life of lease

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the income and expenditure account.

1.8 Fixed asset investments

Equity investments are measured at fair value through surplus or deficit.

In the parent company financial statements, investments in subsidiaries are initially measured at cost and subsequently measured at cost less any accumulated impairment losses.

A subsidiary is an entity controlled by the group. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

1.9 *Impairment of fixed assets*

At each reporting period end date, the group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in surplus or deficit, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease to the extent it reverses a previous upwards revaluation.

1 Accounting policies (Continued)

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in surplus or deficit, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.10 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.11 Financial instruments

The group has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the group's balance sheet when the group becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in surplus or deficit, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Impairment of financial assets

Financial assets, other than those held at fair value through surplus and deficit, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in surplus or deficit.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in surplus or deficit.

1 Accounting policies **(Continued)**

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the group transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities

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

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

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

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Other financial liabilities

There are no other financial liabilities held by the Group.

Derecognition of financial liabilities

Financial liabilities are derecognised when the group's contractual obligations expire or are discharged or cancelled.

1.12 Equity instruments

Equity instruments issued by the group are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the group.

1.13 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

The Ombudsman Service Limited is only liable to taxation on its investment activities. Deferred tax is porvided for on unrealised gains on the valuation of investments.

1 Accounting policies **(Continued)**

1.14 Provisions

Provisions are recognised when the group has a legal or constructive present obligation as a result of a past event, it is probable that the group will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting end date, taking into account the risks and uncertainties surrounding the obligation. Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value. When a provision is measured at present value, the unwinding of the discount is recognised as a finance cost in surplus or deficit in the period in which it arises.

1.15 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.16 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.17 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to surplus or deficit on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

2 Judgements 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 estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Critical judgements

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

Fixed asset valuation

Fixed assets are initially recorded at cost and depreciated over their useful economic life. See accounting policy 1.5.

Useful economic life is based on the anticipated time that the asset will be in use by the company. This is based on historic experience and asset replacement policies.

Dilapidations provision

The dilapidations provision is based on an average cost per square metre for the property leased to provide an estimate of likely costs. This is based on historic experience of likely costs but the eventual cost may differ.

Onerous contract

There is a detailed plan in place to switch contract providers in relation to the case management system. The current contract is an onerous contract and as this will not be fully utilised in the future periods, a provision has been created that is based on the cost of the subscription, the minimum users tied into the contract and the length of the contract.

Bad debt provision

The bad debt provision is based on an estimate of how much is ultimately recoverable from debtors.

3 Turnover and other revenue

	2020	2019
	£	£
Turnover	27,046,871	25,712,799

	2020	2019
	£	£
Other significant revenue		
Interest income	8,319	44,307

The total turnover of the group for the year has been derived from its principal activity wholly undertaken in the UK.

4 Operating profit/(loss)

	2020	2019
	£	£
Operating profit/(loss) for the year is stated after charging/(crediting):		
Depreciation of owned tangible fixed assets	473,545	671,312
Surplus on disposal of tangible fixed assets	-	(45,000)
Amortisation of intangible assets	915,336	898,116
Operating lease charges	1,285,247	1,110,293

5 Auditor's remuneration

	2020	2019
Fees payable to the company's auditor and associates:	£	£
For audit services		
Audit of the financial statements of the group and company	11,339	12,460
For other services		
Taxation compliance services	1,065	500
All other non-audit services	1,500	1,500
	2,565	2,000

6 Employees

The average monthly number of persons (including directors) employed by the group and company during the year was:

	Group 2020	2019	Company 2020	2019
	Number	Number	Number	Number
Management and administration	432	449	428	449

Their aggregate remuneration comprised:

	Group 2020	2019	Company 2020	2019
	£	£	£	£
Wages and salaries	13,279,388	12,806,170	13,094,883	12,806,170
Social security costs	1,261,387	1,275,477	1,239,569	1,275,477
Pension costs	517,403	512,357	514,550	512,357
	15,058,178	14,594,004	14,849,002	14,594,004
Redundancy payments made or committed	523,672	510,833	523,672	510,833

7 Directors' remuneration

	2020	2019
	£	£
Remuneration for qualifying services	440,420	300,083
Company pension contributions to defined contribution schemes	32,101	21,027
	472,521	321,110

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 4 (2019 - 6).

Remuneration disclosed above includes the following amounts paid to the highest paid director:

	2020	2019
	£	£
Remuneration for qualifying services	208,822	184,250
Company pension contributions to defined contribution schemes	20,475	17,875

8 Interest receivable and similar income

	2020	2019
	£	£
Interest income		
Interest on bank deposits	8,319	44,307

9 Change in value of investments

	2020	2019
	£	£
Fair value gains/(losses) on financial instruments		
Change in value of investments	192,249	337,015

10 Taxation

	2020	2019
	£	£
Current tax		
UK corporation tax on surplus for the current period	39,798	17,151
Adjustments in respect of prior periods	-	15,771
Total current tax	39,798	32,922
Deferred tax		
Origination and reversal of timing differences	-	47,849
Total tax charge	39,798	80,771

10 Taxation **(Continued)**

The actual charge for the year can be reconciled to the expected charge for the year based on the surplus or deficit and the standard rate of tax as follows:

	2020	2019
	£	£
Surplus before taxation	1,167,531	7,316
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2019: 19.00%)	221,831	1,390
Adjustments in respect of prior years	-	15,771
Deferred tax charge on investment gain	-	47,849
Exempt activity	(182,033)	15,761
Taxation charge	39,798	80,771

Ombudsman Services Limited is liable to corporation tax on its investment income but is exempt from corporation tax on Alternative Dispute Resolution activities, which are not considered to be trading activities for the purposes of taxation.

11 Intangible fixed assets

Group	Software
	£
Cost	
At 1 January 2020	3,168,781
Additions	379,837
Disposals	(151,427)
At 31 December 2020	3,397,191
Amortisation and impairment	
At 1 January 2020	2,123,578
Amortisation charged for the year	915,336
At 31 December 2020	3,038,914
Carrying amount	
At 31 December 2020	358,277
At 31 December 2019	1,045,203

11 Intangible fixed assets (Continued)

Company	Software
	£
Cost	
At 1 January 2020	3,168,781
Additions	379,837
Disposals	(151,427)
At 31 December 2020	3,397,191
Amortisation and impairment	
At 1 January 2020	2,123,578
Amortisation charged for the year	915,336
At 31 December 2020	3,038,914
Carrying amount	
At 31 December 2020	358,277
At 31 December 2019	1,045,203

12 Tangible fixed assets

Group	Leasehold improvements	Assets under construction	Fixtures and fittings	Computers	Total
	£	£	£	£	£
Cost					
At 1 January 2020	438,610	214,709	3,182,817	2,182,044	6,018,180
Additions	339,651	-	123,809	107,427	570,887
Transfers	-	(89,577)	-	-	(89,577)
At 31 December 2020	778,261	125,132	3,306,626	2,289,471	6,499,490
Depreciation and impairment					
At 1 January 2020	43,938	-	2,649,629	2,094,253	4,787,820
Depreciation charged in the year	87,015	-	300,400	86,130	473,545
At 31 December 2020	130,953	-	2,950,029	2,180,383	5,261,365
Carrying amount					
At 31 December 2020	647,308	125,132	356,597	109,088	1,238,125
At 31 December 2019	394,672	214,709	533,188	87,791	1,230,360

12 Tangible fixed assets (Continued)

Company	Leasehold improvements	Assets under construction	Fixtures and fittings	Computers	Total
	£	£	£	£	£
Cost					
At 1 January 2020	438,610	214,709	3,182,817	2,182,044	6,018,180
Additions	339,651	-	123,809	62,607	526,067
Transfers	-	(89,577)	-	-	(89,577)
At 31 December 2020	778,261	125,132	3,306,626	2,244,651	6,454,670
Depreciation and impairment					
At 1 January 2020	43,938	-	2,649,629	2,094,253	4,787,820
Depreciation charged in the year	87,015	-	300,400	82,733	470,148
At 31 December 2020	130,953	-	2,950,029	2,176,986	5,257,968
Carrying amount					
At 31 December 2020	647,308	125,132	356,597	67,665	1,196,702
At 31 December 2019	394,672	214,709	533,188	87,791	1,230,360

13 Fixed asset investments

	Notes	Group 2020	2019	Company 2020	2019
		£	£	£	£
Investments in subsidiaries	14	-	-	100	-
Listed investments		3,576,983	3,409,347	3,576,983	3,409,347
		3,576,983	3,409,347	3,577,083	3,409,347
Listed investments included above:					
Listed investments carrying amount		3,576,983	3,409,347	3,576,983	3,409,347

13 Fixed asset investments (Continued)

Movements in fixed asset investments
Group

	Investments other than loans
	£
Cost or valuation	
At 1 January 2020	3,409,347
Valuation changes	167,636
At 31 December 2020	3,576,983
Carrying amount	
At 31 December 2020	3,576,983
At 31 December 2019	3,409,347

Movements in fixed asset investments
Company

	Shares in group undertakings	Other investments other than loans	Total
	£	£	£
Cost or valuation			
At 1 January 2020	-	3,409,347	3,409,347
Additions	100	-	100
Valuation changes	-	167,636	167,636
At 31 December 2020	100	3,576,983	3,577,083
Carrying amount			
At 31 December 2020	100	3,576,983	3,577,083
At 31 December 2019	-	3,409,347	3,409,347

14 Subsidiaries

Details of the company's subsidiaries at 31 December 2020 are as follows:

Name of undertaking	Registered office	Class of shares held	% Held Direct
Lumin Tech Limited	England and Wales	Ordinary	100.00

15 Debtors

	Group 2020	2019	Company 2020	2019
Amounts falling due within one year:	£	£	£	£
Trade debtors	3,347,713	5,352,636	3,347,713	5,352,636
Other debtors	-	-	89,333	-
Prepayments and accrued income	1,544,883	870,025	1,544,883	870,025
	4,892,596	6,222,661	4,981,929	6,222,661

16 Creditors: amounts falling due within one year

	Group 2020	2019	Company 2020	2019
	£	£	£	£
Trade creditors	610,061	243,680	585,554	243,680
Corporation tax payable	27,151	17,151	27,151	17,151
Other taxation and social security	1,264,234	612,412	1,174,560	612,412
Other creditors	113,926	110,938	331,691	110,938
Accruals and deferred income	2,294,327	2,258,239	2,270,474	2,258,239
	4,309,699	3,242,420	4,389,430	3,242,420

17 Creditors: amounts falling due after more than one year

	Group 2020	2019	Company 2020	2019
	£	£	£	£
Accruals and deferred income	1,232,595	1,478,823	1,232,595	1,478,823

Accruals and deferred income due after more than one year relates to the receipt of a lease premium which is being spread over the life of the lease.

18 Provisions for liabilities

	Group 2020	2019	Company 2020	2019
	£	£	£	£
Onerous contract provision	320,200	409,245	320,200	409,245
Dilapidations provision	468,179	436,980	468,179	436,980
Other provisions	53,500	25,000	53,500	25,000
	841,879	871,225	841,879	871,225

18 Provisions for liabilities (Continued)

Movements on provisions:

Group	Onerous contract provision	Dilapidations provision	Other provisions	Total
	£	£	£	£
At 1 January 2020	409,247	436,980	25,000	871,227
Additional provisions in the year	-	31,199	30,000	61,199
Utilisation of provision	(89,047)	-	(1,500)	(90,547)
At 31 December 2020	320,200	468,179	53,500	841,879

Company	Onerous contract	Dilapidations provision	Other provisions	Total
	£	£	£	£
At 1 January 2020	409,247	436,980	25,000	871,227
Additional provisions in the year	-	31,199	30,000	61,199
Utilisation of provision	(89,047)	-	(1,500)	(90,547)
At 31 December 2020	320,200	468,179	53,500	841,879

19 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the group and company, and movements thereon:

Group	Liabilities 2020	Liabilities 2019
	£	£
Investments	47,849	47,849

Company	Liabilities 2020	Liabilities 2019
	£	£
Investments	47,849	47,849

There were no deferred tax movements in the year.

20 Retirement benefit schemes

Defined contribution schemes	2020 £	2019 £
Charge to surplus or deficit in respect of defined contribution schemes	517,403	512,357

A defined contribution pension scheme is operated for all qualifying employees. The assets of the scheme are held separately from those of the group in an independently administered fund.

21 Operating lease commitments

Lessee

At the reporting end date the group had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	Group 2020 £	2019 £	Company 2020 £	2019 £
Within one year	860,000	860,000	860,000	860,000
Between two and five years	3,440,000	3,440,000	3,440,000	3,440,000
In over five years	860,000	1,720,000	860,000	1,720,000
	5,160,000	6,020,000	5,160,000	6,020,000

22 Related party transactions

Remuneration of key management personnel

The remuneration of key management personnel is as follows.

	2020 £	2019 £
Aggregate compensation	1,450,175	1,068,666

The remuneration of key management personnel is set by the Remuneration Committee and is benchmarked against remuneration of similar sized companies according to data provided by Towers Watson.

There is no overall controlling party of the company.

23 Cash generated from/(absorbed by) group operations

	2020 £	2019 £
Surplus/(deficit) for the year after tax	1,127,733	(73,455)
Adjustments for:		
Taxation charged	39,798	80,771
Investment income	(8,319)	(44,307)
Gain on disposal of tangible fixed assets	-	(45,000)
Amortisation and impairment of intangible assets	915,336	898,116
Depreciation and impairment of tangible fixed assets	473,545	671,312
Change in value of investments	(192,249)	(337,015)
Decrease in provisions	(29,346)	(329,414)
Movements in working capital:		
Decrease/(increase) in debtors	1,330,065	(2,434,150)
Increase/(decrease) in creditors	811,051	(1,175,619)
Cash generated from/(absorbed by) operations	4,467,614	(2,788,761)

24 Cash generated from/(absorbed by) operations - company

	2020 £	2019 £
Surplus/(deficit) for the year after tax	1,093,233	(73,455)
Adjustments for:		
Taxation charged	39,798	80,771
Investment income	(8,319)	(44,307)
Gain on disposal of tangible fixed assets	-	(45,000)
Amortisation and impairment of intangible assets	915,336	898,116
Depreciation and impairment of tangible fixed assets	470,148	671,312
Change in value of investments	(192,249)	(337,015)
Decrease in provisions	(29,346)	(329,414)
Movements in working capital:		
Decrease/(increase) in debtors	1,240,732	(2,434,150)
Increase/(decrease) in creditors	890,782	(1,175,619)
Cash generated from/(absorbed by) operations	4,420,115	(2,788,761)

25 Analysis of changes in net funds - group

	1 January 2020	Cash flows	31 December 2020
	£	£	£
Cash at bank and in hand	4,078,135	3,761,028	7,839,163

26 Analysis of changes in net funds - company

	1 January 2020	Cash flows	31 December 2020
	£	£	£
Cash at bank and in hand	4,078,135	3,758,249	7,836,384

Offices in: Preston, Blackpool, East Midlands, Kendal, Kirkby Lonsdale, Lancaster, Liverpool, Manchester and Southport

mooreandsmalley.co.uk

@MooreandSmalley