REGISTERED NUMBER: 06426660 (England and Wales)

Group Strategic Report, Report of the Directors and

Audited Consolidated Financial Statements for the Year Ended 31 December 2016

for

Liaison Financial Services Limited

Liaison Financial Services Limited (Registered number: 06426660)

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Liaison Financial Services Limited

Company Information
for the year ended 31 December 2016

DIRECTORS:	B J Thew A S Armitage
SECRETARY:	A S Armitage
REGISTERED OFFICE:	Estate House Evesham Street Redditch Worcestershire B97 4HP
REGISTERED NUMBER:	06426660 (England and Wales)
AUDITORS:	Derek Young & Co Accountants LLP Statutory Auditors Chartered Accountants Estate House Evesham Street Redditch Worcestershire B97 4HP

Group Strategic Report
for the year ended 31 December 2016

The directors present their strategic report of the company and the group for the year ended 31 December 2016.

REVIEW OF BUSINESS

The group operates primarily within the NHS, including Trusts, Health Boards, CCG's and CSU's, and generates cost savings and cash recovery across finance and temporary workforce management.

In 2016 we continued to expand our client base and the scope of workforce and financial services we provide through the acquisition of Activ8 Intelligence Limited and reviews for the continuing healthcare market. As a result, the group has invested in employee numbers to support these developments and in our infrastructure to make on-going improvements to our technology suite and service delivery.

With the NHS under constant pressure to manage temporary staffing spend, the workforce management product suite, using our TempRE solution, enables trusts and boards to use their own bank, as well as staffing through traditional agency supply and direct engagement routes. The TempRE product continues to be developed and enhanced to support further an integrated workforce management solution.

The acquisition of Activ8 Intelligence Limited in September 2016 provides the group with an HR Analytics product that will enable further workforce analysis and reporting that could be used by our client base to optimise their workforce and drive down temporary staffing spend.

Our VAT services, complimented by the Forensics services we provide, perform steadily as we continue to increase our share of the NHS market with existing services, develop the breadth of services we supply to the NHS and evaluate new market opportunities for the business. One of these opportunities has been to develop a range of services for the continuing healthcare market that we expect to be revenue generating in 2017.

Liaison Technology (LT) has continued to develop its software to support the delivery of workforce management in Liaison and has invested in staff to deliver the groups development plan. Operationally the group relies on IT and as such LT must provide a robust and reliable IT support service. The focus for the next year will be to ensure that this service can meet the growing needs of the group.

Client retention and satisfaction levels remain high and we are working closely with clients to ensure future product innovations and enhancements to existing products are well aligned to their requirements.

The financial key performance indicators are revenue from services, profit before tax and operating cash flow.

Revenue from services increased by 30%, profit before tax increased by 28% and the operating cash flow remained positive in 2016.

Group Strategic Report
for the year ended 31 December 2016

PRINCIPAL RISKS AND UNCERTAINTIES

The company has a risk with respect to government legislation in relation to the services we provide and we monitor HMRC for the latest guidelines and that may have an impact to ensure we can support clients where necessary. We would work with HMRC and participate in any consultation carried out. At present the IR35 proposed changes are being monitored to identify the impact on our clients, our service delivery and any revenue consequences.

Competition in our marketplace, for both clients and staff, is also considered a risk. We continue to invest in our HR management, training and development to ensure we retain and attract a committed and professional workforce. In addition our strategy to join national frameworks that allow Trusts to contract with us directly enables us to control the impact of some of this risk.

The structure of the NHS is also changing with the emergence of STPs and a surge towards greater collaboration between trusts and also across regions. These changes will undoubtedly impact decision making structures, sales cycles and ultimately, the scope and number of opportunities in the NHS market.

ON BEHALF OF THE BOARD:

A S Armitage - Director

28 September 2017

Report of the Directors
for the year ended 31 December 2016

The directors present their report with the financial statements of the company and the group for the year ended 31 December 2016.

DIVIDENDS
The total distribution of dividends for the year ended 31 December 2016 will be £1,519,800.

FUTURE DEVELOPMENTS
Overall, the group continues to look to the future and we are working with our NHS clients to identify new services that deliver costs savings. There is an ongoing strategy to innovate and develop our product base while maintaining our established business model with technology and data seen as key components to enable, support and provide efficiencies for the business within our primary market of the NHS.

DIRECTORS
The directors shown below have held office during the whole of the period from 1 January 2016 to the date of this report.

B J Thew
A S Armitage

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and the group and of the profit or loss of the group for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

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

Liaison Financial Services Limited (Registered number: 06426660)

Report of the Directors
for the year ended 31 December 2016

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

ON BEHALF OF THE BOARD:

A S Armitage - Director

28 September 2017

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

We have audited the financial statements of Liaison Financial Services Limited for the year ended 31 December 2016 on pages eight to twenty eight. The financial reporting framework that has been applied in their preparation is 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'.

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

Respective responsibilities of directors and auditors
As explained more fully in the Statement of Directors' Responsibilities set out on page four, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements
An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the group's and the parent company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Group Strategic Report and the Report of the Directors to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements
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 2016 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter 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 Group Strategic Report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements, and has been prepared in accordance with applicable legal requirements. In the light of the knowledge and understanding of the group and the parent company and its environment, we have not identified any material misstatements in the Group Strategic Report or the Report of the Directors.

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

Matters on which we are required to report by exception

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.

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

28 September 2017

Liaison Financial Services Limited (Registered number: 06426660)

Consolidated Income Statement
for the year ended 31 December 2016

	Notes	2016 £	2015 £
TURNOVER			
Group and share of joint venture		19,140,568	15,032,412
Less:			
Share of joint venture's turnover		(691,422)	(828,793)
GROUP TURNOVER		18,449,146	14,203,619
Cost of sales		33,920	-
GROSS PROFIT		18,415,226	14,203,619
Administrative expenses		13,119,757	10,064,476
OPERATING PROFIT	4	5,295,469	4,139,143
Interest receivable and similar income		31,163	34,480
		5,326,632	4,173,623
Interest payable and similar expenses	5	525	401
PROFIT BEFORE TAXATION		5,326,107	4,173,222
Tax on profit	6	1,134,427	949,206
PROFIT FOR THE FINANCIAL YEAR		4,191,680	3,224,016
Profit attributable to:			
Owners of the parent		4,136,369	3,212,128
Non-controlling interests		55,311	11,888
		4,191,680	3,224,016

The notes form part of these financial statements

Consolidated Other Comprehensive Income
for the year ended 31 December 2016

	2016	2015
	£	£
PROFIT FOR THE YEAR	4,191,680	3,224,016
OTHER COMPREHENSIVE INCOME		
Payments to acquire own shares	(114,442)	-
Capital redemption reserve	78	-
Joint venture share of profit	842	301
3 Blue Dots negative Goodwill write off	-	(81,138)
OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF INCOME TAX	(113,522)	(80,837)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	4,078,158	3,143,179
Total comprehensive income attributable to:		
Owners of the parent	4,022,847	3,042,891
Non-controlling interests	55,311	100,288
	4,078,158	3,143,179

The notes form part of these financial statements

Liaison Financial Services Limited (Registered number: 06426660)

Consolidated Balance Sheet
31 December 2016

	Notes	2016 £	2016 £	2015 £	2015 £
FIXED ASSETS					
Intangible assets	9		-		-
Tangible assets	10		398,048		121,160
Investments	11				
Interest in joint venture					
Share of gross assets			292,784		388,304
Share of gross liabilities			(286,965)		(383,327)
			5,819		4,977
Other investments			8,186,265		7,349,924
			8,590,132		7,476,061
CURRENT ASSETS					
Stocks	12	2,250		-	
Debtors	13	4,743,715		2,624,730	
Cash at bank and in hand	14	10,284,718		7,083,754	
		15,030,683		9,708,484	
CREDITORS					
Amounts falling due within one year	15	10,496,199		6,658,208	
NET CURRENT ASSETS			4,534,484		3,050,276
TOTAL ASSETS LESS CURRENT LIABILITIES			13,124,616		10,526,337
NET ASSETS			13,124,616		10,526,337
CAPITAL AND RESERVES					
Called up share capital	17		10,132		10,130
Share premium	18		1,123,766		1,083,846
Capital redemption reserve	18		566		488
Retained earnings	18		11,834,554		9,331,585
SHAREHOLDERS' FUNDS			12,969,018		10,426,049
NON-CONTROLLING INTERESTS			155,598		100,288
TOTAL EQUITY			13,124,616		10,526,337

The financial statements were approved by the Board of Directors on 28 September 2017 and were signed on its behalf by:

A S Armitage - Director

The notes form part of these financial statements

Liaison Financial Services Limited (Registered number: 06426660)

Company Balance Sheet
31 December 2016

	Notes	2016 £	2016 £	2015 £	2015 £
FIXED ASSETS					
Intangible assets	9		-		-
Tangible assets	10		343,413		38,399
Investments	11		10,467,203		8,841,442
			10,810,616		8,879,841
CURRENT ASSETS					
Debtors	13	3,281,464		2,070,209	
Cash at bank	14	9,215,931		5,984,257	
		12,497,395		8,054,466	
CREDITORS					
Amounts falling due within one year	15	16,729,100		12,614,752	
NET CURRENT LIABILITIES			(4,231,705)		(4,560,286)
TOTAL ASSETS LESS CURRENT LIABILITIES			6,578,911		4,319,555
CAPITAL AND RESERVES					
Called up share capital	17		10,132		10,130
Share premium	18		1,123,766		1,083,846
Capital redemption reserve	18		566		488
Retained earnings	18		5,444,447		3,225,091
SHAREHOLDERS' FUNDS			6,578,911		4,319,555
Company's profit for the financial year			3,853,598		3,008,958

The financial statements were approved by the Board of Directors on 28 September 2017 and were signed on its behalf by:

A S Armitage - Director

The notes form part of these financial statements

Liaison Financial Services Limited (Registered number: 06426660)

Consolidated Statement of Changes in Equity for the year ended 31 December 2016

	Called up share capital £	Retained earnings £	Share premium £
Balance at 1 January 2015	10,130	7,973,044	1,083,846
Changes in equity			
Dividends	-	(1,772,750)	-
Total comprehensive income	-	3,131,291	-
Balance at 31 December 2015	10,130	9,331,585	1,083,846
Changes in equity			
Issue of share capital	2	-	39,920
Dividends	-	(1,519,800)	-
Total comprehensive income	-	4,022,769	-
Balance at 31 December 2016	10,132	11,834,554	1,123,766

	Capital redemption reserve £	Total £	Non-controlling interests £	Total equity £
Balance at 1 January 2015	488	9,067,508	-	9,067,508
Changes in equity				
Dividends	-	(1,772,750)	-	(1,772,750)
Total comprehensive income	-	3,131,291	100,288	3,231,579
Balance at 31 December 2015	488	10,426,049	100,288	10,526,337
Changes in equity				
Issue of share capital	-	39,922	-	39,922
Dividends	-	(1,519,800)	-	(1,519,800)
Total comprehensive income	78	4,022,847	55,310	4,078,157
Balance at 31 December 2016	566	12,969,018	155,598	13,124,616

The notes form part of these financial statements

Liaison Financial Services Limited (Registered number: 06426660)

Company Statement of Changes in Equity for the year ended 31 December 2016

	Called up share capital £	Retained earnings £	Share premium £	Capital redemption reserve £	Total equity £
Balance at 1 January 2015	10,130	1,988,883	1,083,846	488	3,083,347
Changes in equity					
Dividends	-	(1,772,750)	-	-	(1,772,750)
Total comprehensive income	-	3,008,958	-	-	3,008,958
Balance at 31 December 2015	10,130	3,225,091	1,083,846	488	4,319,555
Changes in equity					
Issue of share capital	2	-	39,920	-	39,922
Dividends	-	(1,519,800)	-	-	(1,519,800)
Total comprehensive income	-	3,739,156	-	78	3,739,234
Balance at 31 December 2016	10,132	5,444,447	1,123,766	566	6,578,911

The notes form part of these financial statements

Liaison Financial Services Limited (Registered number: 06426660)

Consolidated Cash Flow Statement
for the year ended 31 December 2016

	Notes	2016 £	2015 £
Cash flows from operating activities			
Cash generated from operations	1	8,058,228	6,024,370
Interest paid		(525)	(401)
Tax paid		(1,318,343)	(661,506)
Net cash from operating activities		6,739,360	5,362,463
Cash flows from investing activities			
Purchase of intangible fixed assets		-	(3,448)
Purchase of tangible fixed assets		(410,713)	(75,597)
Purchase of fixed asset investments		(1,564,604)	(920,988)
Sale of tangible fixed assets		-	8,632
Interest received		31,163	34,480
Net cash from investing activities		(1,944,154)	(956,921)
Cash flows from financing activities			
Share issue		40,000	-
Share buyback		(114,442)	-
Equity dividends paid		(1,519,800)	(1,772,750)
Net cash from financing activities		(1,594,242)	(1,772,750)
Increase in cash and cash equivalents		3,200,964	2,632,792
Cash and cash equivalents at beginning of year	2	7,083,754	4,450,962
Cash and cash equivalents at end of year	2	10,284,718	7,083,754

The notes form part of these financial statements

Liaison Financial Services Limited (Registered number: 06426660)

Notes to the Consolidated Cash Flow Statement
for the year ended 31 December 2016

1. RECONCILIATION OF PROFIT BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS

	2016	2015
	£	£
Profit before taxation	5,326,107	4,173,222
Depreciation charges	862,089	733,583
Non-controlling interest	-	88,400
3 Blue Dots negative Goodwill write off	-	(81,138)
Finance costs	525	401
Finance income	(31,163)	(34,480)
	6,157,558	4,879,988
Increase in stocks	(2,250)	-
Increase in trade and other debtors	(1,776,347)	(484,072)
Increase in trade and other creditors	3,679,267	1,628,454
Cash generated from operations	8,058,228	6,024,370

2. CASH AND CASH EQUIVALENTS

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

Year ended 31 December 2016

	31.12.16	1.1.16
	£	£
Cash and cash equivalents	10,284,718	7,083,754

Year ended 31 December 2015

	31.12.15	1.1.15
	£	£
Cash and cash equivalents	7,083,754	4,450,962

1. **STATUTORY INFORMATION**

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

2. **ACCOUNTING POLICIES**

Basis of preparing the financial statements
These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Turnover
Turnover represents amounts derived from the provision of goods and services falling within the company's ordinary activities, after deduction of trade discounts, value added tax and any other tax based on the amounts so derived.

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

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

Computer software	- 1 year
Goodwill	- 10 years

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

Office Equipment	-	25% on cost
Motor vehicles	-	25% on reducing balance
Computer equipment	-	25% - to 33% on cost

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

Investments in subsidiaries
Investments in subsidiary undertakings are recognised at cost less any provision for impairment.

Stocks
Work in progress is valued at the lower of cost and net realisable value.

Cost is calculated using the first-in, first-out method and includes all purchase, transport, and handling costs in bringing stocks to their present location and condition.

continued...

2. **ACCOUNTING POLICIES - continued**

Taxation

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

Current or deferred taxation assets and liabilities are not discounted.

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

Deferred tax

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

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

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

Hire purchase and leasing commitments

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

Pension costs and other post-retirement benefits

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

Operating leases

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged to the profit and loss account as incurred.

Investments

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

Revenue recognition

The company operates primarily on a contingency fee basis and recognises revenue when the service delivery value has been agreed.

3. **EMPLOYEES AND DIRECTORS**

	2016	2015
	£	£
Wages and salaries	7,108,522	5,258,300
Social security costs	784,896	618,527
Other pension costs	162,227	127,144
	8,055,645	6,003,971

continued...

3. EMPLOYEES AND DIRECTORS - continued

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

	2016	2015
Admin, Sales and Marketing	102	71
Operational	61	36
	163	107

The average number of employees by undertakings that are proportionately consolidated during the year was 2 (2015 - 2).

	2016	2015
	£	£
Directors' remuneration	440,676	399,175
Directors' pension contributions to money purchase schemes	19,925	19,345

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

Money purchase schemes	1	1

Information regarding the highest paid director is as follows:

	2016	2015
	£	£
Emoluments etc	440,676	399,175
Pension contributions to money purchase schemes	19,925	19,345

4. OPERATING PROFIT

The operating profit is stated after charging:

	2016	2015
	£	£
Hire of plant and machinery	13,169	11,619
Depreciation - owned assets	133,825	77,558
Computer software amortisation	-	3,448
Auditors' remuneration	16,000	12,000

5. INTEREST PAYABLE AND SIMILAR EXPENSES

	2016	2015
	£	£
Bank interest	525	401

continued...

6. TAXATION

Analysis of the tax charge
The tax charge on the profit for the year was as follows:

	2016	2015
	£	£
Current tax:		
UK corporation tax	1,188,702	979,510
Prior year adjustment	(5,137)	-
Research & development tax credit	-	(30,304)
Total current tax	1,183,565	949,206
Deferred tax	(49,138)	-
Tax on profit	1,134,427	949,206

UK corporation tax has been charged at 20%.

Reconciliation of total tax charge included in profit and loss
The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The difference is explained below:

	2016	2015
	£	£
Profit before tax	5,326,107	4,173,222
Profit multiplied by the standard rate of corporation tax in the UK of 20% (2015 - 20%)	1,065,221	834,644
Effects of:		
Expenses not deductible for tax purposes	5,546	3,216
Capital allowances in excess of depreciation	(22,222)	(1,472)
Effect of a change in the rate of tax	-	12,000
Increase/(Reduction) in general bad debt provision	-	559
Research & development tax credit	-	(30,304)
Other short term timing differences	135,020	130,563
Deferred tax	(49,138)	-
Total tax charge	1,134,427	949,206

continued...

6. **TAXATION - continued**

Tax effects relating to effects of other comprehensive income

	2016		
	Gross	Tax	Net
	£	£	£
Payments to acquire own shares	(114,442)	-	(114,442)
Capital redemption reserve	78	-	78
Joint venture share of profit	842	-	842
	(113,522)	-	(113,522)

	2015		
	Gross	Tax	Net
	£	£	£
Payments to acquire own shares			
Capital redemption reserve			
Joint venture share of profit	301	-	301
3 Blue Dots negative Goodwill write off	(81,138)	-	(81,138)
	(80,837)	-	(80,837)

7. **INDIVIDUAL INCOME STATEMENT**

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

8. **DIVIDENDS**

	2016	2015
	£	£
Interim	1,519,800	1,772,750

continued...

9. INTANGIBLE FIXED ASSETS

Group

	Computer software £
COST	
At 1 January 2016 and 31 December 2016	3,448
AMORTISATION	
At 1 January 2016 and 31 December 2016	3,448
NET BOOK VALUE	
At 31 December 2016	-
At 31 December 2015	-

10. TANGIBLE FIXED ASSETS

Group

	Office Equipment £	Motor vehicles £	Computer equipment £	Totals £
COST				
At 1 January 2016	126,901	12,488	516,854	656,243
Additions	220,869	-	189,844	410,713
At 31 December 2016	347,770	12,488	706,698	1,066,956
DEPRECIATION				
At 1 January 2016	126,901	5,268	402,914	535,083
Charge for year	39,878	1,805	92,142	133,825
At 31 December 2016	166,779	7,073	495,056	668,908
NET BOOK VALUE				
At 31 December 2016	180,991	5,415	211,642	398,048
At 31 December 2015	-	7,220	113,940	121,160

 continued...

10. TANGIBLE FIXED ASSETS - continued

Company

	Office Equipment £	Computer equipment £	Totals £
COST			
At 1 January 2016	-	63,747	63,747
Additions	216,728	167,762	384,490
At 31 December 2016	216,728	231,509	448,237
DEPRECIATION			
At 1 January 2016	-	25,348	25,348
Charge for year	38,929	40,547	79,476
At 31 December 2016	38,929	65,895	104,824
NET BOOK VALUE			
At 31 December 2016	177,799	165,614	343,413
At 31 December 2015	-	38,399	38,399

11. FIXED ASSET INVESTMENTS

Group

	Goodwill £	Interest in joint venture £	Unlisted investments £	Totals £
COST				
At 1 January 2016	6,525,772	4,977	1,476,729	8,007,478
Additions	756,858	-	807,746	1,564,604
Share of profit/(loss)	-	842	-	842
At 31 December 2016	7,282,630	5,819	2,284,475	9,572,924
PROVISIONS				
At 1 January 2016	652,577	-	-	652,577
Provision for year	728,263	-	-	728,263
At 31 December 2016	1,380,840	-	-	1,380,840
NET BOOK VALUE				
At 31 December 2016	5,901,790	5,819	2,284,475	8,192,084
At 31 December 2015	5,873,195	4,977	1,476,729	7,354,901

continued...

Notes to the Consolidated Financial Statements - continued
for the year ended 31 December 2016

Group

Interest in joint venture

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

	2016	2015
	£	£
Profit before tax	1,052	377
Taxation	(210)	(76)
Profit after tax	842	301

Share of assets		
Fixed assets	-	-
Current assets	292,784	388,304
Share of liabilities		
Share of liabilities due within one year	(286,965)	(383,327)
Share of liabilities due after one year or more	-	-
Share of net assets	5,819	4,977

Company

	Goodwill	Interest in joint venture	Unlisted investments	Totals
	£	£	£	£
COST				
At 1 January 2016	7,364,703	10	1,476,729	8,841,442
Additions	818,015	-	807,746	1,625,761
At 31 December 2016	8,182,718	10	2,284,475	10,467,203
NET BOOK VALUE				
At 31 December 2016	8,182,718	10	2,284,475	10,467,203
At 31 December 2015	7,364,703	10	1,476,729	8,841,442

continued...

11. **FIXED ASSET INVESTMENTS - continued**

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

Subsidiaries

Liaison VAT Consultancy Ltd
Registered office: Estate House, Evesham Street, Redditch, Worcestershire, B97 4HP
Nature of business: Provider of VAT and related advisory services

Class of shares:	% holding
Ordinary	100.00

	2016	2015
	£	£
Aggregate capital and reserves	8,653,032	7,657,985
Profit for the year	1,254,166	1,055,775

Liaison Technology Limited
Registered office: Liaison Court, Vincent Road, Worcester, WR5 1BW
Nature of business: Provider of IT support to the group

Class of shares:	% holding
Ordinary	60.00

	2016	2015
	£	£
Aggregate capital and reserves	56,815	52,060
Profit/(loss) for the year	4,755	(47,940)

Activ8 Intelligence Limited
Registered office: Estate House, Evesham Street, Redditch, Worcestershire, B97 4HP
Nature of business: Software development

Class of shares:	% holding
Ordinary	100.00

	2016
	£
Aggregate capital and reserves	(7,223)
Loss for the year	(279,017)

Joint venture

Liaison One Call Limited
Registered office: Liaison Court, Vincent Road, Worcester, WR5 1BW
Nature of business: Provides salary sacrifice schemes to the NHS

Class of shares:	% holding
Ordinary	50.00

	2016	2015
	£	£
Aggregate capital and reserves	11,638	9,955
Profit for the year	2,104	754

continued...

12. STOCKS

	Group	
	2016	2015
	£	£
Work-in-progress	2,250	-

13. DEBTORS

	Group		Company	
	2016	2015	2016	2015
	£	£	£	£
Amounts falling due within one year:				
Trade debtors	3,595,687	2,024,418	2,237,383	1,485,536
Amounts owed by group undertakings	-	-	333,030	41,766
Amounts owed by joint ventures	20,079	20,079	12,902	12,902
Other debtors	201,172	168,476	169,293	154,031
Tax	-	31,490	-	29,680
Prepayments and accrued income	231,090	68,460	207,299	34,487
	4,048,028	2,312,923	2,959,907	1,758,402
Amounts falling due after more than one year:				
Other debtors	321,557	311,807	321,557	311,807
Tax	374,130	-	-	-
	695,687	311,807	321,557	311,807
Aggregate amounts	4,743,715	2,624,730	3,281,464	2,070,209

14. CASH AT BANK AND IN HAND

Included in the Cash at Bank figure is a bank account specifically for clients' money. The balance of the Client Account as at 31 December 2016 was £7,380,388 and the corresponding liability is shown in Note 15 as Other Creditors.

continued...

15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2016	2015	2016	2015
	£	£	£	£
Trade creditors	361,588	94,345	166,859	55,870
Amounts owed to group undertakings	-	-	8,267,467	7,227,787
Tax	620,645	461,921	522,251	392,667
Social security and other taxes	220,773	161,946	-	-
VAT	828,758	626,542	330,197	290,002
Other creditors	7,398,980	4,647,896	7,380,388	4,647,204
Accrued expenses	1,065,455	665,558	61,938	1,222
	10,496,199	6,658,208	16,729,100	12,614,752

16. LEASING AGREEMENTS

Minimum lease payments fall due as follows:

Company

	Non-cancellable operating leases	
	2016	2015
	£	£
In more than five years	417,804	464,643

17. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2016	2015
			£	£
10,132 (2015 - 10,130)	Ordinary	1	10,132	10,130

80 Ordinary shares of 1 were issued during the year for cash of £40,000.

18. RESERVES

Group

	Retained earnings	Share premium	Capital redemption reserve	Totals
	£	£	£	£
At 1 January 2016	9,331,585	1,083,846	488	10,415,919
Profit for the year	4,136,369			4,136,369
Dividends	(1,519,800)			(1,519,800)
Purchase of own shares	(114,442)	39,920	78	(74,444)
Joint venture	842	-	-	842
At 31 December 2016	11,834,554	1,123,766	566	12,958,886

continued...

18. **RESERVES - continued**

Company

	Retained earnings £	Share premium £	Capital redemption reserve £	Totals £
At 1 January 2016	3,225,091	1,083,846	488	4,309,425
Profit for the year	3,853,598			3,853,598
Dividends	(1,519,800)			(1,519,800)
Purchase of own shares	(114,442)	39,920	78	(74,444)
At 31 December 2016	5,444,447	1,123,766	566	6,568,779

19. **DIRECTORS' ADVANCES, CREDITS AND GUARANTEES**

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

Mr B Thew £814,050
Mr A Armitage £nil

20. **RELATED PARTY DISCLOSURES**

B J Thew also has a controlling interest in Active Non Executive Services Ltd. Active Non Executive Services Ltd provided the group with strategic marketing consultancy services during the period which amounted to £234,435. As at the year end the balance with Active Non Executive Services Ltd was £nil.

Bruce Thew owns a 13% share of Safeguard World International Ltd (SWI). He is also a Director of SWI. During the year the group invested £500,000 in the share capital of SWI, being 69,165 shares. In total the group now holds 265,180 shares in SWI which represents about 3% of SWI's share capital.

Bruce Thew also owns a 17% share of Just Accounts Ltd (JA). He is also a Director of JA.
During the year the group invested £307,746 in the share capital of JA, being 1,717 shares. In total the group now holds 4,521 shares in JA which represents about 16% of JA's share capital.

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21. AUDIT EXEMPTION FOR SUBSIDIARY UNDERTAKINGS

For the year ended 31 December 2016 the group has taken advantage of the exemption offered in section 479C of the Companies Act 2006 and, with the exception of Liaison VAT Consultancy Limited, Liaison One Call Limited & Activ8 Intelligence Limited, its subsidiary undertakings have not been subject to an individual annual audit.

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

The companies which have taken this exemption are as follows:

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