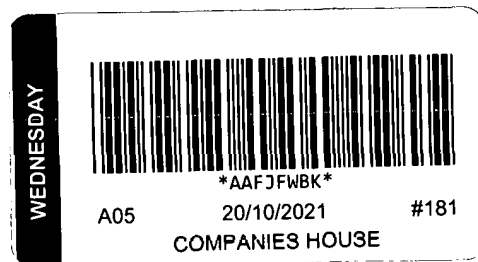


COMPANY REGISTRATION NUMBER: 09971883

Loyalty Works Limited
Filleted Financial Statements
31 January 2021



Loyalty Works Limited
Statement of Financial Position
31 January 2021

	Note	31 Jan 21 £	£	31 Jul 19 £
Fixed assets				
Intangible assets	5		15,000	60,000
Tangible assets	6		<u>57,638</u>	<u>89,021</u>
			72,638	149,021
Current assets				
Debtors	7	287,051		266,147
Cash at bank and in hand		<u>262,543</u>		<u>157,715</u>
		549,594		423,862
Creditors: amounts falling due within one year	8	<u>518,208</u>		<u>176,051</u>
Net current assets			<u>31,386</u>	<u>247,811</u>
Total assets less current liabilities			104,024	396,832
Creditors: amounts falling due after more than one year	9		-	294,746
Provisions			7,505	11,000
Net assets			<u>96,519</u>	<u>91,086</u>
Capital and reserves				
Called up share capital			23,765	23,765
Profit and loss account			<u>72,754</u>	<u>67,321</u>
Shareholders funds			<u>96,519</u>	<u>91,086</u>

These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with Section 1A of FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

In accordance with section 444 of the Companies Act 2006, the statement of income and retained earnings has not been delivered.

The director acknowledges his responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The statement of financial position
continues on the following page.

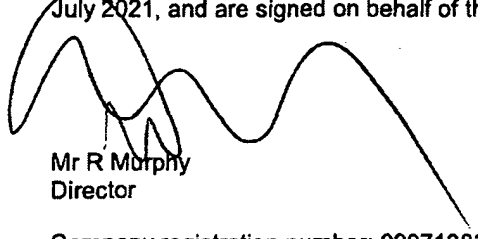
The notes on pages 3 to 10 form part of these financial statements.

Loyalty Works Limited

Statement of Financial Position *(continued)*

31 January 2021

These financial statements were approved by the board of directors and authorised for issue on 26 July 2021, and are signed on behalf of the board by:



Mr R Murphy
Director

Company registration number: 09971883

The notes on pages 3 to 10 form part of these financial statements.

Loyalty Works Limited

Notes to the Financial Statements

Period from 1 August 2019 to 31 January 2021

1. General information

The company is a private company limited by shares, registered in England and Wales. The address of the registered office is Ghyll Beck House Gill Lane, Yeadon, Leeds, LS19 7SE.

2. Statement of compliance

These financial statements have been prepared in compliance with Section 1A of FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'.

3. Accounting policies

Basis of preparation

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through profit or loss.

The financial statements are prepared in sterling, which is the functional currency of the entity.

Going concern

The director has considered the on-going situation with regard to COVID-19 as part of the going concern assessment. The company operated in a business sector which has been impacted by the global pandemic COVID-19 and the longer term effects of this are, at the time of approving the financial statements, somewhat unknown.

The view of the director is that, whilst acknowledging the significant disruption that the pandemic will bring over the coming weeks and months, the director feels that the company is well placed to negotiate the unique set of conditions currently facing the UK economy.

In reaching this conclusion, the director has considered the cash flows of the business covering a period of 12 months from the date of sign off of the financial statements. A key assumption used by the director in preparing the forecasts is that the business will continue to remain open with operational revenues for the ensuing 12 months. The director has considered the possibility of future 'lockdowns' on the UK economy as a whole and the impact thereon within their forecasts analysis.

The company will continue to make use of the various financial support measures announced by the UK Government where applicable and has considered the availability of further funding both internally and externally.

After consideration of all factors, the director continues to adopt the going concern basis in preparing the financial statements.

Revenue recognition

Turnover is measured at the fair value of the consideration received or receivable for goods supplied and services rendered, net of discounts and Value Added Tax.

Loyalty Works Limited

Notes to the Financial Statements *(continued)*

Period from 1 August 2019 to 31 January 2021

3. Accounting policies *(continued)*

Revenue recognition *(continued)*

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership have transferred to the buyer (usually on despatch of the goods); the amount of revenue can be measured reliably; it is probable that the associated economic benefits will flow to the entity; and the costs incurred or to be incurred in respect of the transactions can be measured reliably.

Income tax

The taxation expense represents the aggregate amount of current and deferred tax recognised in the reporting period. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, tax is recognised in other comprehensive income or directly in equity, respectively.

Current tax is recognised on taxable profit for the current and past periods. Current tax is measured at the amounts of tax expected to pay or recover using the tax rates and laws that have been enacted or substantively enacted at the reporting date.

Deferred tax is recognised in respect of all timing differences at the reporting date. Unrelieved tax losses and other deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

Operating leases

Lease payments are recognised as an expense over the lease term on a straight-line basis. The aggregate benefit of lease incentives is recognised as a reduction to expense over the lease term, on a straight-line basis.

Goodwill

Goodwill arises on business acquisitions and represents the excess of the cost of the acquisition over the company's interest in the net amount of the identifiable assets, liabilities and contingent liabilities of the acquired business.

Goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. It is amortised on a straight-line basis over its useful life. Where a reliable estimate of the useful life of goodwill or intangible assets cannot be made, the life is presumed not to exceed ten years.

Amortisation

Amortisation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful life of that asset as follows:

Goodwill - 10% straight line

If there is an indication that there has been a significant change in amortisation rate, useful life or residual value of an intangible asset, the amortisation is revised prospectively to reflect the new estimates.

Loyalty Works Limited

Notes to the Financial Statements *(continued)*

Period from 1 August 2019 to 31 January 2021

3. Accounting policies *(continued)*

Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

An increase in the carrying amount of an asset as a result of a revaluation, is recognised in other comprehensive income and accumulated in equity, except to the extent it reverses a revaluation decrease of the same asset previously recognised in profit or loss. A decrease in the carrying amount of an asset as a result of revaluation, is recognised in other comprehensive income to the extent of any previously recognised revaluation increase accumulated in equity in respect of that asset. Where a revaluation decrease exceeds the accumulated revaluation gains accumulated in equity in respect of that asset, the excess shall be recognised in profit or loss.

Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Equipment - 3 years straight line

Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that largely independent of the cash inflows from other assets or groups of assets.

For impairment testing of goodwill, the goodwill acquired in a business combination is, from the acquisition date, allocated to each of the cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the company are assigned to those units.

Government grants

Government grants are recognised at the fair value of the asset received or receivable. Grants are not recognised until there is reasonable assurance that the company will comply with the conditions attaching to them and the grants will be received.

Government grants are recognised using the accrual model and the performance model.

Loyalty Works Limited

Notes to the Financial Statements *(continued)*

Period from 1 August 2019 to 31 January 2021

3. Accounting policies *(continued)*

Government grants *(continued)*

Under the accrual model, government grants relating to revenue are recognised on a systematic basis over the periods in which the company recognises the related costs for which the grant is intended to compensate. Grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the entity with no future related costs are recognised in income in the period in which it becomes receivable.

Grants relating to assets are recognised in income on a systematic basis over the expected useful life of the asset. Where part of a grant relating to an asset is deferred, it is recognised as deferred income and not deducted from the carrying amount of the asset.

Under the performance model, where the grant does not impose specified future performance-related conditions on the recipient, it is recognised in income when the grant proceeds are received or receivable. Where the grant does impose specified future performance-related conditions on the recipient, it is recognised in income only when the performance-related conditions have been met. Where grants received are prior to satisfying the revenue recognition criteria, they are recognised as a liability.

Provisions

Provisions are recognised when the entity has an obligation at the reporting date as a result of a past event, it is probable that the entity will be required to transfer economic benefits in settlement and the amount of the obligation can be estimated reliably. Provisions are recognised as a liability in the statement of financial position and the amount of the provision as an expense.

Provisions are initially measured at the best estimate of the amount required to settle the obligation at the reporting date and subsequently reviewed at each reporting date and adjusted to reflect the current best estimate of the amount that would be required to settle the obligation. Any adjustments to the amounts previously recognised are recognised in profit or loss unless the provision was originally recognised as part of the cost of an asset. When a provision is measured at the present value of the amount expected to be required to settle the obligation, the unwinding of the discount is recognised as a finance cost in profit or loss in the period it arises.

Financial instruments

A financial asset or a financial liability is recognised only when the company becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the transaction price, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Debt instruments are subsequently measured at amortised cost.

Where investments in non-convertible preference shares and non-puttable ordinary shares or preference shares are publicly traded or their fair value can otherwise be measured reliably, the investment is subsequently measured at fair value with changes in fair value recognised in profit or loss. All other such investments are subsequently measured at cost less impairment.

Loyalty Works Limited

Notes to the Financial Statements *(continued)*

Period from 1 August 2019 to 31 January 2021

3. Accounting policies *(continued)*

Financial Instruments *(continued)*

Other financial instruments, including derivatives, are initially recognised at fair value, unless payment for an asset is deferred beyond normal business terms or financed at a rate of interest that is not a market rate, in which case the asset is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Other financial instruments are subsequently measured at fair value, with any changes recognised in profit or loss, with the exception of hedging instruments in a designated hedging relationship.

Financial assets that are measured at cost or amortised cost are reviewed for objective evidence of impairment at the end of each reporting date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss immediately.

For all equity instruments regardless of significance, and other financial assets that are individually significant, these are assessed individually for impairment. Other financial assets are either assessed individually or grouped on the basis of similar credit risk characteristics.

Any reversals of impairment are recognised in profit or loss immediately, to the extent that the reversal does not result in a carrying amount of the financial asset that exceeds what the carrying amount would have been had the impairment not previously been recognised.

Defined contribution plans

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund.

When contributions are not expected to be settled wholly within 12 months of the end of the reporting date in which the employees render the related service, the liability is measured on a discounted present value basis. The unwinding of the discount is recognised as a finance cost in profit or loss in the period in which it arises.

4. Employee numbers

The average number of persons employed by the company during the period amounted to 14 (2019: 15).

Loyalty Works Limited

Notes to the Financial Statements *(continued)*

Period from 1 August 2019 to 31 January 2021

5. Intangible assets

	Goodwill £
Cost	
At 1 August 2019 and 31 January 2021	<u>150,000</u>
Amortisation	
At 1 August 2019	90,000
Charge for the period	<u>45,000</u>
At 31 January 2021	<u>135,000</u>
Carrying amount	
At 31 January 2021	<u>15,000</u>
At 31 July 2019	<u>60,000</u>

6. Tangible assets

	Equipment £
Cost	
At 1 August 2019	186,744
Additions	40,148
Disposals	<u>(8,060)</u>
At 31 January 2021	<u>218,832</u>
Depreciation	
At 1 August 2019	97,723
Charge for the period	68,436
Disposals	<u>(4,965)</u>
At 31 January 2021	<u>161,194</u>
Carrying amount	
At 31 January 2021	<u>57,638</u>
At 31 July 2019	<u>89,021</u>

7. Debtors

	31 Jan 21 £	31 Jul 19 £
Trade debtors	147,542	204,852
Other debtors	<u>139,509</u>	<u>61,295</u>
	<u>287,051</u>	<u>266,147</u>

Loyalty Works Limited

Notes to the Financial Statements *(continued)*

Period from 1 August 2019 to 31 January 2021

8. Creditors: amounts falling due within one year

	31 Jan 21	31 Jul 19
	£	£
Trade creditors	6,431	14,749
Social security and other taxes	36,974	40,061
Other creditors	474,803	121,241
	<u>518,208</u>	<u>176,051</u>

9. Creditors: amounts falling due after more than one year

	31 Jan 21	31 Jul 19
	£	£
Other creditors	—	294,746

10. Capital commitments

Capital expenditure contracted for but not provided for in the financial statements is as follows:

	31 Jan 21	31 Jul 19
	£	£
Tangible assets	—	5,760

11. Operating leases

The total future minimum lease payments under non-cancellable operating leases are as follows:

	31 Jan 21	31 Jul 19
	£	£
Not later than 1 year	1,630	—
Later than 1 year and not later than 5 years	—	11,942
	<u>1,630</u>	<u>11,942</u>

12. Summary audit opinion

The auditor's report for the period dated 26 July 2021 was unqualified.

The senior statutory auditor was Andrew Wild BA FCA, for and on behalf of TLP Consulting Limited.

Loyalty Works Limited

Notes to the Financial Statements *(continued)*

Period from 1 August 2019 to 31 January 2021

13. Related party transactions

During the year the company entered into the following transactions with related parties:

Management charges paid

	2021	2019
	£	£
Other related parties	125,000	100,000

Amounts owed to related parties

	2021	2019
	£	£
Other related parties	415,896	294,746