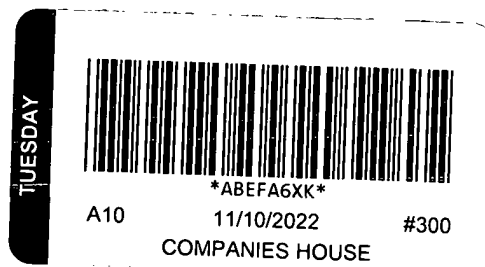


COMPANY REGISTRATION NUMBER: 09971883

**Loyalty Works Limited**  
**Filleted Financial Statements**  
**31 January 2022**



**Loyalty Works Limited**  
**Statement of Financial Position**  
**31 January 2022**

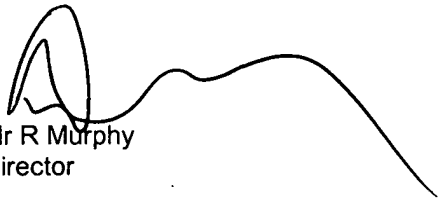
	Note	2022 £	2021 £
<b>Fixed assets</b>			
Intangible assets	5	–	15,000
Tangible assets	6	<u>20,810</u>	<u>57,638</u>
		20,810	72,638
<b>Current assets</b>			
Debtors	7	253,912	287,051
Cash at bank and in hand		<u>617,887</u>	<u>262,543</u>
		871,799	549,594
<b>Creditors: amounts falling due within one year</b>	8	<u>641,376</u>	<u>518,208</u>
<b>Net current assets</b>		230,423	<u>31,386</u>
<b>Total assets less current liabilities</b>		251,233	104,024
<b>Provisions</b>		(12,361)	<u>7,505</u>
<b>Net assets</b>		<u>263,594</u>	<u>96,519</u>
<b>Capital and reserves</b>			
Called up share capital		23,765	23,765
Profit and loss account		<u>239,829</u>	<u>72,754</u>
<b>Shareholders funds</b>		<u>263,594</u>	<u>96,519</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.

These financial statements were approved by the board of directors and authorised for issue on 7 July 2022, and are signed on behalf of the board by:

  
Mr R Murphy  
Director

Company registration number: 09971883

The notes on pages 2 to 8 form part of these financial statements.

**Loyalty Works Limited**  
**Notes to the Financial Statements**  
**Year ended 31 January 2022**

---

**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)*

Year ended 31 January 2022

---

### 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)*

Year ended 31 January 2022

---

### 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)*

Year ended 31 January 2022

---

### 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)*

Year ended 31 January 2022

---

### 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 year amounted to 10 (2021: 14).

# Loyalty Works Limited

## Notes to the Financial Statements *(continued)*

Year ended 31 January 2022

### 5. Intangible assets

	Goodwill £
<b>Cost</b>	
At 1 February 2021 and 31 January 2022	150,000
<b>Amortisation</b>	
At 1 February 2021	135,000
Charge for the year	15,000
<b>At 31 January 2022</b>	<u>150,000</u>
<b>Carrying amount</b>	
At 31 January 2022	-
At 31 January 2021	<u>15,000</u>

### 6. Tangible assets

	Equipment £
<b>Cost</b>	
At 1 February 2021	218,832
Additions	2,217
Disposals	(12,429)
<b>At 31 January 2022</b>	<u>208,620</u>
<b>Depreciation</b>	
At 1 February 2021	161,194
Charge for the year	36,228
Disposals	(9,612)
<b>At 31 January 2022</b>	<u>187,810</u>
<b>Carrying amount</b>	
At 31 January 2022	<u>20,810</u>
At 31 January 2021	<u>57,638</u>

### 7. Debtors

	2022 £	2021 £
Trade debtors	217,608	147,542
Other debtors	36,304	139,509
	<u>253,912</u>	<u>287,051</u>

# Loyalty Works Limited

## Notes to the Financial Statements *(continued)*

Year ended 31 January 2022

---

### 8. Creditors: amounts falling due within one year

	2022	2021
	£	£
Trade creditors	408,503	6,431
Corporation tax	3,189	–
Social security and other taxes	42,424	36,974
Other creditors	187,260	474,803
	<u>641,376</u>	<u>518,208</u>

### 9. Operating leases

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

	2022	2021
	£	£
Not later than 1 year	–	1,630
Later than 1 year and not later than 5 years	26,740	–
	<u>26,740</u>	<u>1,630</u>

### 10. Summary audit opinion

The auditor's report for the year dated 7 July 2022 was unqualified.

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

### 11. Related party transactions

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

Management charges paid

	2022	2021
	£	£
Other related parties	300,000	125,000

Amounts owed to related parties

	2022	2021
	£	£
Other related parties	–	415,896