

Strategic Report, Directors' Report and
Unaudited Financial Statements for the Year Ended 31 December 2020
for
Good Relations Limited

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Good Relations Limited

Contents of the Financial Statements for the Year Ended 31 December 2020

	Page
Company Information	1
Strategic Report	2
Directors' Report	5
Statement of Directors' Responsibilities	6
Statement of Comprehensive Income	7
Balance Sheet	8
Statement of Changes in Equity	10
Notes to the Financial Statements	11

Good Relations Limited

Company Information
for the Year Ended 31 December 2020

DIRECTORS:

A J Berendt
A M Coleman
M J Frost
R J Moss

SECRETARY:

T G Tolliss

REGISTERED OFFICE:

PO Box 70693 62 Buckingham Gate
London
SW1P 9ZP

REGISTERED NUMBER:

00697060 (England and Wales)

Good Relations Limited

Strategic Report for the Year Ended 31 December 2020

The Company's business activities together with the factors likely to affect its future development, performance and position are set out in the Strategic Report.

The directors, in preparing this Strategic Report, have complied with s414C of the Companies Act 2006.

Principal activities

The principal activity of the Company was that of acting as public relations advisers and consultants.

REVIEW OF BUSINESS

As shown in the Company's Income Statement, gross profit has decreased by £1,935,337 from the prior year and operating profit has decreased by £816,708. Gross margin has reduced by 4.6% from the preceding year. Administrative expenses have decreased by £1,118,629 from the preceding year.

Key performance indicators

Chime Group Holdings Limited ("Chime") manages its operations on a divisional basis. For this reason the Company's Directors do not believe that the performance indicators for the Company (or discussion thereof) are necessary or appropriate for an understanding of the development, performance or position of the business. The performance of Chime, which includes the Company, is discussed in the Chime Group Holdings Limited Annual Report, which does not form part of this report.

Good Relations Limited

Strategic Report

for the Year Ended 31 December 2020

PRINCIPAL RISKS AND UNCERTAINTIES

The directors consider the principal risks and uncertainties facing the Company to be consistent with those reported within the consolidated Group accounts of the parent undertaking, Chime Group Holdings Limited ("Chime"). In addition to the general economic and competitive risks affecting the business, the directors consider that the principal risks impacting the Company are credit risk and currency risk. The directors do not consider interest rate risk to be a significant concern for the company.

The policies for managing these risks are reviewed and agreed annually by Chime.

Credit risk

The Company's credit risk is primarily attributable to its trade debtors. The amounts presented in the balance sheet are net of allowances for doubtful debts. A provision for impairment is made where there is an identified loss event which, based on previous experience, is evidence of a reduction in the recoverability of the cash flows. The credit worthiness of customers is assessed and monitored on an on-going basis. If necessary, credit insurance or payments in advance are sought. Debtors are reviewed regularly as part of financial management reviews. Where deemed necessary, finance managers will review any proposal for further commitments to a client where payments are outstanding.

Liquidity risk

The Company, together with the ultimate parent company and certain other companies in the Chime Group Holdings Limited group ("Chime"), has given an unlimited cross-guarantee in favour of its bankers. The Company operates under Chime's banking facility.

The Group has a committed facility of £251.2m (2019: £251.2m) with a syndicate of banks. £216.8m matures in August 2024 and £34.5m matures in August 2023. The Group manages liquidity risk by maintaining adequate reserves and banking facilities and by continuously monitoring forecast and actual cash flows.

Cash flow movements are monitored to ensure that sufficient financial resources are available.

Coronavirus (COVID-19)

The spread of the COVID-19 virus has had an impact on the Company's prospects, business and financial condition, as a result of restrictive measures implemented by state authorities to contain the virus, and the likely economic impact upon clients and disruption to supply chains resulting from the spread of the virus and/or public concern resulting in a downturn in consumer spending. In mitigation of the assessed risk the Company has implemented the following:

Processes and controls: A COVID 19 cross group team, chaired by the Group's COO, meets regularly to review risk and take appropriate actions, co-ordinate appropriate processes and controls as well as communications internally and externally.

People: The safety and wellbeing of the Group's staff are paramount, and the Group is closely monitoring the spread of the virus and has adopted advice from relevant authorities in terms of working practices as well as working closely with our landlords. Regular support is available to all our colleagues.

Clients: The Group is working closely with clients regarding the impact upon our work with them.

IT Resilience and Security: The Group had moved to the Cloud, and so its workforce can work remotely with clients all over the world. Additional cyber security training has been implemented as a priority.

The accounts have been prepared on a going concern basis, the uncertainty as to the future impact on the Company of the COVID-19 outbreak has been considered as part of the Company's adoption of the going concern basis see note 2 for further details.

Currency risk

The Company operates globally, as explained in note 3 to the financial statements. Fluctuations in exchange rates between currencies, in which the Group operates, relative to pounds sterling, may cause fluctuations in its financial results, particularly in the current economic climate within the Eurozone. The main currencies which impact the Company's operations are the Euro and US Dollar.

On negotiation of contracts and, where possible, client commitments are made in sterling to alleviate risk. Additionally supply and delivery contracts are, where possible, agreed in the same currency to minimise foreign exchange losses on a particular project. Assessments of the impact of significant fluctuations in exchange rates of the main foreign currencies used by the Group are regularly performed and monitored centrally.

Environmental matters

Good Relations Limited

Strategic Report
for the Year Ended 31 December 2020

We acknowledge that our customers, staff and other stakeholders have an interest in our impact on the environment and, therefore, we have committed to monitor and improve our environmental performance where possible.

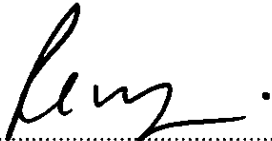
We deliver services to clients based on image, ideas, research and content execution. We regularly incorporate our environmental performance in business credentials presentations (including new business pitches) to clients, as we believe this is an important consideration when evaluating our approach to responsible and ethical trading.

Chime has strived to continually reduce its carbon footprint on a normalised basis since 2006. They are participants in the UK CDP Climate Change programme, and have been calculating their UK carbon footprint since 2012.

In 2019, Chime calculated its 2018 carbon footprint using the UK Government Environmental Reporting Guidelines and the latest UK Government Conversion Factors for Company Reporting to estimate GHG emissions for the period under review. The boundary of Chime's carbon footprint includes Global and UK operations over which they have direct operational control. In addition, Chime is preparing for the new reporting requirements under the UK Government's Streamlined Energy and Carbon Reporting (SECR) Regulations which will apply to Chime from 2020.

The Board at Chime receives regular updates on the work in this area as part of governance reports.

ON BEHALF OF THE BOARD:



.....
R J Moss - Director

Date: 29.9.21

Good Relations Limited

Directors' Report for the Year Ended 31 December 2020

The directors present their report with the financial statements of the company for the year ended 31 December 2020.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of public relations advisers and consultants. The directors do not anticipate any major changes in the foreseeable future.

DIVIDENDS

No dividends will be distributed for the year ended 31 December 2020.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 January 2020 to the date of this report.

A J Berendt
A M Coleman
M J Frost
R J Moss

Creditor payment terms

The company's policy on suppliers is that they will be paid in accordance with agreed terms and conditions or trade on a regular basis. The company had trade payables at 31 December 2020 of £162,263 (31 December 2019: £741,384).


Going concern

The financial statements have been prepared on the going concern basis, see note 2 for details.

Directors' indemnities

As at the date of this report, indemnities are in force under which the Company has agreed to indemnify the directors, to the extent permitted by law and the Company's articles of association, in respect of all losses arising out of, or in connection with, the execution of their powers, duties and responsibilities, as directors of the Company. Chime Group Holdings Ltd has purchased and maintains directors' and officers' insurance cover against legal liabilities and costs for claims in connection with any act or omission by its directors or officers in the execution of their duties, on behalf of this Company.

ON BEHALF OF THE BOARD:



.....
R J Moss - Director

Date: 29.9.21

Good Relations Limited

Statement of Directors' Responsibilities for the Year Ended 31 December 2020

The directors are responsible for preparing the Strategic Report, the Directors' 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 company and of the profit or loss of the company 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 transactions and disclose with reasonable accuracy at any time the financial position of the 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 company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Good Relations Limited

Statement of Comprehensive Income
for the Year Ended 31 December 2020

	Notes	31.12.20 £	31.12.19 £
TURNOVER	4	6,566,322	9,648,081
Cost of sales		(1,538,137)	(2,684,559)
GROSS PROFIT		5,028,185	6,963,522
Administrative expenses		(4,241,371)	(5,360,000)
OPERATING PROFIT		786,814	1,603,522
Interest receivable and similar income		15,762	-
		802,576	1,603,522
Interest payable and similar expenses	6	(24,275)	(51,490)
PROFIT BEFORE TAXATION	7	778,301	1,552,032
Tax on profit	8	(88,821)	(327,054)
PROFIT FOR THE FINANCIAL YEAR		689,480	1,224,978
OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		689,480	1,224,978

The notes form part of these financial statements

Good Relations Limited (Registered number: 00697060)

Balance Sheet
31 December 2020

	Notes	31.12.20 £	31.12.19 £
FIXED ASSETS			
Owned			
Intangible assets	9	1,318,526	1,318,526
Tangible assets	10	35,046	285,518
Right-of-use			
Tangible assets	10, 15	-	531,075
		<u>1,353,572</u>	<u>2,135,119</u>
CURRENT ASSETS			
Work in progress	11	101,210	74,407
Debtors	12	1,739,036	2,608,089
Cash at bank		<u>3,199,463</u>	<u>2,735,894</u>
		5,039,709	5,418,390
CREDITORS			
Amounts falling due within one year	13	<u>(2,422,262)</u>	<u>(4,271,970)</u>
NET CURRENT ASSETS		<u>2,617,447</u>	<u>1,146,420</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>3,971,019</u>	<u>3,281,539</u>

The notes form part of these financial statements

Good Relations Limited (Registered number: 00697060)

Balance Sheet - continued
31 December 2020

	Notes	31.12.20 £	31.12.19 £
CAPITAL AND RESERVES			
Called up share capital	16	5,000	5,000
Other reserves	17	(26,000)	(26,000)
Retained earnings	17	3,992,019	3,302,539
		<hr/>	<hr/>
SHAREHOLDERS' FUNDS		3,971,019	3,281,539
		<hr/>	<hr/>

The company is entitled to exemption from audit under Section 479A of the Companies Act 2006 relating to subsidiary companies for the year ended 31 December 2020.

The members have not required the company to obtain an audit of its financial statements for the year ended 31 December 2020 in accordance with Section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for:

- (a) ensuring that the company keeps accounting records which comply with Sections 386 and 387 of the Companies Act 2006 and
- (b) preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of each financial year and of its profit or loss for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.

The financial statements were approved by the Board of Directors and authorised for issue on 29.9.21 and were signed on its behalf by:



.....
R J Moss - Director

The notes form part of these financial statements

Good Relations Limited

Statement of Changes in Equity
for the Year Ended 31 December 2020

	Called up share capital £	Retained earnings £	Other reserves £	Total equity £
Balance at 1 January 2019	5,000	2,077,561	(26,000)	2,056,561
Changes in equity				
Total comprehensive income	-	1,224,978	-	1,224,978
Balance at 31 December 2019	5,000	3,302,539	(26,000)	3,281,539
Changes in equity				
Total comprehensive income	-	689,480	-	689,480
Balance at 31 December 2020	5,000	3,992,019	(26,000)	3,971,019

The notes form part of these financial statements

Good Relations Limited

Notes to the Financial Statements for the Year Ended 31 December 2020

1. STATUTORY INFORMATION

Good Relations 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 Company Information page.

The presentation currency of the financial statements is the Pound Sterling (£).

These financial statements are separate financial statements. The Company is exempt from the preparation of consolidated financial statements because it is included in the group accounts of Chime Group Holdings Limited ("Chime").

2. ACCOUNTING POLICIES

Basis of preparation

These financial statements have been prepared in accordance with Financial Reporting Standard 101 "Reduced Disclosure Framework" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by FRS 101 "Reduced Disclosure Framework":

- the requirements of paragraphs 45(b) and 46 to 52 of IFRS 2 Share-based Payment;
- the requirements of paragraphs 62, B64(d), B64(e), B64(g), B64(h), B64(j) to B64(m), B64(n)(ii), B64(o)(ii), B64(p), B64(q)(ii), B66 and B67 of IFRS 3 Business Combinations;
- the requirements of paragraph 33(c) of IFRS 5 Non Current Assets Held for Sale and Discontinued Operations;
- the requirements of paragraph 24(6) of IFRS 6 Exploration for and Evaluation of Mineral Resources;
- the requirements of IFRS 7 Financial Instruments: Disclosures;
- the requirements of paragraphs 91 to 99 of IFRS 13 Fair Value Measurement;
- the requirements of paragraph 52, the second sentence of paragraph 89, and paragraphs 90, 91 and 93 of IFRS 16 Leases;
- the requirements of paragraph 58 of IFRS 16;
- the requirements of the second sentence of paragraph 110 and paragraphs 113(a), 114, 115, 118, 119(a) to (c), 120 to 127 and 129 of IFRS 15 Revenue from Contracts with Customers;
- the requirement in paragraph 38 of IAS 1 Presentation of Financial Statements to present comparative information in respect of:
 - paragraph 79(a)(iv) of IAS 1;
 - paragraph 73(e) of IAS 16 Property, Plant and Equipment;
 - paragraph 118(e) of IAS 38 Intangible Assets;
 - paragraphs 76 and 79(d) of IAS 40 Investment Property; and
 - paragraph 50 of IAS 41 Agriculture;
- the requirements of paragraphs 10(d), 10(f), 16, 38A, 38B, 38C, 38D, 40A, 40B, 40C, 40D and 111 of IAS 1 Presentation of Financial Statements;
- the requirements of paragraphs 134 to 136 of IAS 1 Presentation of Financial Statements;
- the requirements of IAS 7 Statement of Cash Flows;
- the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors;
- the requirements of paragraphs 17 and 18A of IAS 24 Related Party Disclosures;
- the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group;
- the requirements of paragraphs 134(d) to 134(f) and 135(c) to 135(e) of IAS 36 Impairments of Assets.

2. ACCOUNTING POLICIES - continued

Revenue

The Group applies the IFRS 15 '5-step model' to each of the revenue streams across the Group, enabling the identification of distinct performance obligations within a contract, as well as the method for revenue recognition; either at a point in time when the performance obligation is satisfied, or over time as the performance obligation is satisfied. Where revenue is variable, revenue recognition is constrained to the extent that it is highly probable that a significant reversal for revenue already recognised will not occur, once the uncertainty about revenue is subsequently resolved.

Revenue is measured at the fair value of the consideration received or receivable and comprises the gross amounts billed to clients in respect of fees earned, expenses recharged and commission-based income. In line with IFRS 15, revenue is recognised in the income statement when the performance obligations detailed in the contract with the customer have been satisfied.

Revenue is largely derived from retainer fees and services performed subject to specific agreement. Revenue is recognised over the contract term, proportionate to the progress in overall satisfaction of the performance obligations (the services performed by Good Relations Limited), measured by cost incurred to date out of total estimated costs. In certain contracts, revenue is recognised when specific milestones are reached and the performance obligation is satisfied.

Operating income is revenue less amounts payable on behalf of clients to external suppliers where they are retained to perform part of a specific client project or service, and represents fees, commissions and mark-ups on rechargeable expenses and marketing products.

Contractual arrangements are reviewed to ascertain whether the Group acts as principal or agent with regard to third-party costs. If the relationship is that of agent then the amount of commission, plus any other amounts charged to the principal or other parties, net of corresponding sub-contractor costs, is recognised as revenue.

Goodwill

Goodwill arising on a business combination represents the excess of the fair value of consideration over the fair value of the identifiable assets, liabilities and contingent liabilities. Goodwill is recognised as an asset and tested for impairment annually. Any impairment is recognised in the income statement and is not subsequently reversed.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life or, if held under a finance lease, over the lease term, whichever is the shorter.

Short-term leasehold improvements	5 years
Fixtures, fittings and equipment	4 years
Computer hardware	4 years

2. ACCOUNTING POLICIES - continued

Financial instruments

Financial assets and financial liabilities are recognised on the Company's balance sheet when the Company becomes a party to the contractual provisions of the instrument.

Cash and cash equivalents

Cash comprises cash, overdrafts and cash held on short-term deposit (up to three months). Cash equivalents are cash deposits held on three months deposit at the Royal Bank of Scotland plc. The deposits guarantee the loan note creditors. Interest accruing on the deposits are payable to the holders of the loan notes less any costs arising.

Trade receivables

Trade receivables do not carry any interest and are stated at their nominal value as reduced by appropriate allowances for estimated irrecoverable amounts.

Investments

Investments are recognised and derecognised on a trade date where a purchase or sale of an investment is under contract whose terms require the delivery of the investment within the timeframe established by the market concerned, and are initially measured at cost, including transaction costs.

Investments are classified either as available for sale, and are measured at subsequent reporting dates at fair value, or at amortised cost, where no fair value is readily determinable. Gains and losses on available for sale financial assets arising from changes in fair value are recognised directly in equity, until the security is disposed of or is determined to be impaired, at which time the cumulative gain or loss previously recognised in equity is included in the net profit or loss for the period.

Bank borrowings

Interest bearing bank loans and overdrafts are recorded at the fair value of proceeds received, net of direct issue costs.

Trade payables

Trade payables are not interest-bearing and are stated at their nominal value.

Equity instruments

Equity instruments issued by the Company are recorded at the fair value of proceeds received, net of direct issue costs.

Taxation

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement, 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.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised.

Foreign currencies

Sterling is the functional and presentational currency of the Group. Transactions denominated in foreign currencies are initially translated at the exchange rate ruling at the date of the transaction. At each balance sheet date, monetary assets and liabilities denominated in foreign currencies are retranslated at the rates prevailing on the balance sheet date. Net gains and losses arising on retranslation are included in the income statement for the year. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Notes to the Financial Statements - continued
for the Year Ended 31 December 2020

2. ACCOUNTING POLICIES - continued

Leases

A right-of-use (ROU) asset and a lease liability is recognised at the lease commencement date, except for short-term leases of 12 months or less and leases of low-value assets, which are expensed in the income statement on a straight-line basis over the lease term.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounting using the interest rate implicit in the lease, or if this rate cannot be readily determined, using the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

At inception, the ROU asset comprises the initial lease liability, initial direct costs and the obligations to refurbish the asset, less any incentives granted by the lessors. The ROU asset is depreciated on a straight-line basis over the shorter of the lease term or the useful life of the underlying asset. The ROU asset is subject to testing for impairment if there is an indicator for impairment, as for owned assets.

ROU assets are included in the heading 'property, plant and equipment', and the lease liability is included in the heading 'other borrowings'.

Employee benefit costs

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to the income statement in the period to which they relate.

The pension cost is the amount of contributions payable to the Groups defined contribution pension scheme and to personal pension schemes of certain employees during the accounting year. These are charged as an expense as they fall due.

Standards and interpretations

IFRS 16 Leases

The Company adopted IFRS 16 Leases in 2019. This standard replaces IAS 17 and sets out the principles for the recognition, measurement, presentation and disclosure of leases.

The main effect on the Company is that IFRS 16 introduces a single lease accounting model and requires lessees to recognise assets and liabilities for almost all leases and therefore resulted in an increase of property, plant and equipment and total financial debt at 1 January 2019.

This standard is mandatory for the accounting period beginning 1 January 2019. The Company adopted on 1 January 2019 under the modified retrospective approach utilising the practical expedient to not reassess whether a contract contains a lease.

Provisions

Provisions are recognised when the Group has a present obligation as a result of a past event and it is probable that the Group will be required to settle that obligation, and are discounted to present value where the effect is material.

Notes to the Financial Statements - continued
for the Year Ended 31 December 2020

2. ACCOUNTING POLICIES - continued

Going concern

The uncertainty as to the future impact on the Company of the COVID-19 outbreak has been considered as part of the Company's adoption of the going concern basis.

The Directors have prepared forecasts which indicate that the Company has adequate resources to continue in operational existence for the foreseeable future. In preparing these forecasts the Directors have taken into account the following key factors:

- the rate of growth of the UK and global economy;
- key client account renewals;
- planned acquisitions and disposals;
- anticipated payments under deemed remuneration and deferred and contingent consideration; and
- the level of committed and variable costs.

The company operated under the banking facility operated by Chime, which benefits from committed facilities of £251.2 million, comprising £216.8 million until August 2024, and £34.5 million until August 2023. This facility is subject to banking covenants. The company, together with Chime and certain other companies in the Chime Group Holdings Limited group, has given an unlimited cross-guarantee in favour of its banker.

The Directors have concluded, based on the cash flow forecasts and the commitment made by Chime under the cross-guarantee it has entered into, that it is appropriate to prepare the financial statements on a going concern basis for the next twelve months.

3. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINT

In the application of the Company's accounting policies, which are described in note 2, the directors are required to make judgements, estimates and assumptions about the carrying amounts 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 if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

4. TURNOVER

The turnover and profit before taxation are attributable to the one principal activity of the company.

An analysis of turnover by class of business is given below:

	31.12.20	31.12.19
	£	£
Public Relations services	6,566,322	9,648,081
	<u>6,566,322</u>	<u>9,648,081</u>

Good Relations Limited

Notes to the Financial Statements - continued for the Year Ended 31 December 2020

4. **TURNOVER - continued**

An analysis of turnover by geographical market is given below:

	31.12.20	31.12.19
	£	£
United Kingdom	4,989,382	6,928,197
Europe	1,574,275	2,631,057
United States of America	2,620	65,546
South America	45	23,281
	<u>6,566,322</u>	<u>9,648,081</u>

5. **EMPLOYEES AND DIRECTORS**

	31.12.20	31.12.19
	£	£
Wages and salaries	3,184,705	3,905,448
Social security costs	375,353	450,260
Other pension costs	160,990	165,721
	<u>3,721,048</u>	<u>4,521,429</u>

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

	31.12.20	31.12.19
Consultants	47	63
Administrative	5	6
	<u>52</u>	<u>69</u>

	31.12.20	31.12.19
	£	£
Directors' remuneration	373,976	330,232
Directors' pension contributions to money purchase schemes	26,162	31,600
	<u>399,138</u>	<u>361,832</u>

Information regarding the highest paid director is as follows:

	31.12.20	31.12.19
	£	£
Emoluments etc	327,473	247,002
Pension contributions to money purchase schemes	21,642	22,000
	<u>349,115</u>	<u>269,002</u>

The remuneration of A M Coleman and M J Frost for the current year and prior year is borne and not recharged by another Group company.

6. **INTEREST PAYABLE AND SIMILAR EXPENSES**

	31.12.20	31.12.19
	£	£
Finance cost lease liabilities	<u>24,275</u>	<u>51,490</u>

Good Relations Limited

Notes to the Financial Statements - continued for the Year Ended 31 December 2020

7. **PROFIT BEFORE TAXATION**

The profit before taxation is stated after charging:

	31.12.20	31.12.19
	£	£
Depreciation - owned assets	135,300	-
Depreciation - assets on hire purchase contracts or finance leases	717,640	531,076
Loss on disposal of fixed assets	138,465	-
Foreign exchange differences	31,411	5,168
	<u> </u>	<u> </u>

8. **TAXATION**

Analysis of tax expense

	31.12.20	31.12.19
	£	£
Current tax:		
Tax	87,770	361,618
Deferred tax	1,051	(34,564)
	<u> </u>	<u> </u>
Total tax expense in statement of comprehensive income	<u>88,821</u>	<u>327,054</u>

Factors affecting the tax expense

The tax assessed for the year is lower (2019 - higher) than the standard rate of corporation tax in the UK. The difference is explained below:

	31.12.20	31.12.19
	£	£
Profit before income tax	<u>778,301</u>	<u>1,552,032</u>
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2019 - 19%)	147,877	294,886
Effects of:		
Expenses not deductible for tax	(39,590)	21,425
Prior year adjustments	(6,398)	7,955
Impact of rate change	(13,068)	2,788
	<u> </u>	<u> </u>
Tax expense	<u>88,821</u>	<u>327,054</u>

Good Relations Limited

Notes to the Financial Statements - continued
for the Year Ended 31 December 2020

9. INTANGIBLE FIXED ASSETS

	Goodwill £	Computer software £	Totals £
COST			
At 1 January 2020 and 31 December 2020	1,318,526	104,021	1,422,547
AMORTISATION			
At 1 January 2020 and 31 December 2020	-	104,021	104,021
NET BOOK VALUE			
At 31 December 2020	1,318,526	-	1,318,526
At 31 December 2019	1,318,526	-	1,318,526

10. TANGIBLE FIXED ASSETS

	Short leasehold £	Long leasehold £	Fixtures and fittings £	Computer equipment £	Totals £
COST					
At 1 January 2020	765,967	1,062,151	362,112	115,801	2,306,031
Additions	4,349	186,565	-	18,944	209,858
Disposals	(770,316)	(1,248,716)	(300,908)	(5,188)	(2,325,128)
At 31 December 2020	-	-	61,204	129,557	190,761
DEPRECIATION					
At 1 January 2020	571,351	531,076	299,667	87,344	1,489,438
Charge for year	83,647	717,640	38,525	13,128	852,940
Eliminated on disposal	(654,998)	(1,248,716)	(277,761)	(5,188)	(2,186,663)
At 31 December 2020	-	-	60,431	95,284	155,715
NET BOOK VALUE					
At 31 December 2020	-	-	773	34,273	35,046
At 31 December 2019	194,616	531,075	62,445	28,457	816,593

11. WORK IN PROGRESS

	31.12.20 £	31.12.19 £
Work-in-progress	101,210	74,407

Good Relations Limited

Notes to the Financial Statements - continued for the Year Ended 31 December 2020

12. DEBTORS

	31.12.20 £	31.12.19 £
Amounts falling due within one year:		
Trade debtors	1,054,781	1,673,029
Amounts owed by group undertakings	320,894	-
Other debtors	95,848	263,207
Bad Debt Provision	(45,000)	(40,000)
Prepayments and accrued income	134,435	217,373
Prepayments	65,549	380,900
	<u>1,626,507</u>	<u>2,494,509</u>
Amounts falling due after more than one year:		
Deferred tax asset	<u>112,529</u>	<u>113,580</u>
Aggregate amounts	<u>1,739,036</u>	<u>2,608,089</u>

Intercompany balances are repayable on demand. No interest is charged on these balances. The carrying value of trade receivables is considered to approximate fair value.

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.12.20 £	31.12.19 £
Leases (see note 14)	-	533,979
Trade creditors	162,263	741,384
Amounts owed to group undertakings	-	604,006
Tax	96,672	342,807
Social security and other taxes	119,279	124,810
VAT	234,655	262,525
Other creditors	71,423	74,632
Work-in-progress	849,635	657,625
Accruals and deferred income	449,272	321,339
Accrued expenses	439,063	608,863
	<u>2,422,262</u>	<u>4,271,970</u>

Intercompany balances are repayable on demand. No interest is charged on these balances.

14. FINANCIAL LIABILITIES - BORROWINGS

	31.12.20 £	31.12.19 £
Current:		
Leases (see note 15)	<u>-</u>	<u>533,979</u>

Good Relations Limited

Notes to the Financial Statements - continued
for the Year Ended 31 December 2020

15. **LEASING**

Right-of-use assets

Tangible fixed assets

	31.12.20 £	31.12.19 £
COST		
At 1 January 2020	1,062,151	1,062,151
Additions	186,565	-
Disposals	(1,248,716)	-
	<u>-</u>	<u>1,062,151</u>
 DEPRECIATION		
At 1 January 2020	531,076	-
Charge for year	717,640	531,076
Eliminated on disposal	(1,248,716)	-
	<u>-</u>	<u>531,076</u>
 NET BOOK VALUE	<u>-</u>	<u>531,075</u>

Lease liabilities

Minimum lease payments fall due as follows:

	31.12.20 £	31.12.19 £
Gross obligations repayable:		
Within one year	(75,766)	482,489
	<u>(75,766)</u>	<u>482,489</u>
 Finance charges repayable:		
Within one year	(75,766)	(51,490)
	<u>(75,766)</u>	<u>(51,490)</u>
 Net obligations repayable:		
Within one year	<u>-</u>	<u>533,979</u>

16. **CALLED UP SHARE CAPITAL**

Allotted, issued and fully paid:				
Number:	Class:	Nominal value:	31.12.20 £	31.12.19 £
5,000	Ordinary	£1	<u>5,000</u>	<u>5,000</u>

Good Relations Limited

Notes to the Financial Statements - continued for the Year Ended 31 December 2020

17. RESERVES

	Retained earnings £	Other reserves £	Totals £
At 1 January 2020	3,302,539	(26,000)	3,276,539
Profit for the year	689,480		689,480
	<hr/>	<hr/>	<hr/>
At 31 December 2020	3,992,019	(26,000)	3,966,019
	<hr/>	<hr/>	<hr/>
	Retained earnings £	Other reserves £	Totals £
At 1 January 2019	2,077,561	(26,000)	2,051,561
Profit for the year	1,224,978		1,224,978
	<hr/>	<hr/>	<hr/>
At 31 December 2019	3,302,539	(26,000)	3,276,539
	<hr/>	<hr/>	<hr/>

18. ULTIMATE CONTROLLING PARTY

The company's immediate parent undertaking and its immediate controlling party is VCCP Holdings Ltd, incorporated in the United Kingdom and registered in England and Wales. This was transferred from Chime Communications in December 2019

The company's ultimate parent company and controlling party from 16 October 2015 to present date was PM VII S.a.r.l, a company incorporated and registered in Luxembourg.

The largest group for which the group financial statements are prepared and of which the group is a member is Chime Group Holdings Limited which is incorporated in the United Kingdom and registered in England and Wales. The smallest group for which the group financial statements are prepared and of which the group is a member is Chime Group Limited which is incorporated in the United Kingdom and registered in England and Wales. Copies of their financial statements are available from Companies House, Crown Way, Maindy, Cardiff CF14 3UZ.