Liberty Group Investments Limited

Liberty

# Directors' Report and Financial Statements

## 2020-21

Company no: 00968396

**Contents**

## Board of Directors, Executives and Advisors

**Board of Directors:**

**Chair**

Martin Joyce

**Other Directors**

Bernard Spencer*

Colette McKune

Mike Parkin (resigned 10th September 2021)

Paul Kennedy* (resigned 10th September 2021)

* Non-Executive Director

**Auditors:**

RSM UK Audit LLP
9th Floor
3 Hardman Street
Spinningfields
Manchester
M3 3HF

**Executive Officers:**

Group Managing Director

Ray Jones

Group Finance Director

Simon Hindley

**Internal Auditors:**

BDO LLP
3 Hardman Street
Spinningfields
Manchester
M3 3AT

**Secretary and Registered Office:**

David McGovern (resigned 13th August 2021)
Catherine HardySmith (appointed 13th August 2021)
Garden Works
Charleywood Road
Knowsley Industrial Park
Liverpool
L33 7SG

**Solicitors:**

Bermans Solicitors
Exchange Station
Tithebarn Street
Liverpool
L2 2QP

**Bankers:**

NatWest Bank Plc
Leyland Branch
2 Golden Hill Lane
Leyland
Preston
Lancashire
PR25 3LP

Registration Number: 00968396

## INTRODUCTION

Liberty Group Investments Limited (LGIL) is the parent body of the Liberty Group subsidiaries.

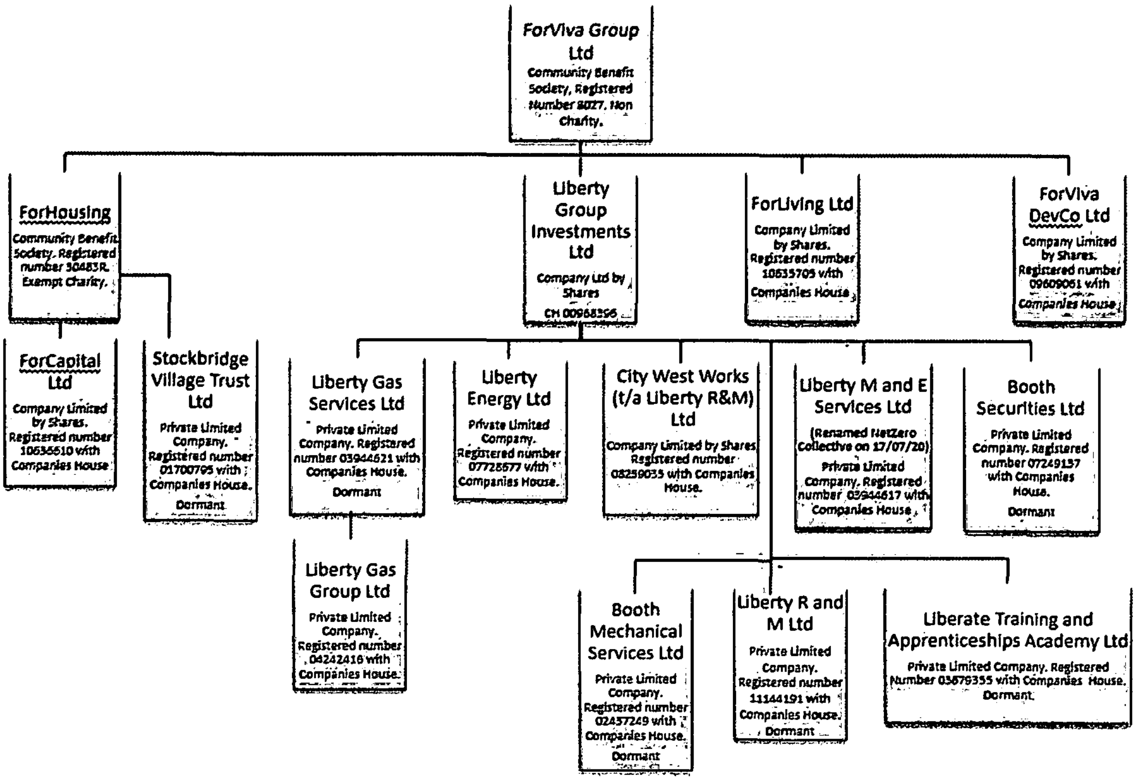
LGIL was first incorporated on 16th December 1969 as Booth Mechanical Services Limited. In January 1990, the name was changed to Booth Securities Limited, and then in December 2012, the name was again changed to Liberty Group Investments Limited.

In the financial year commencing 1st April 2018, the shares of Liberate Training and Apprenticeships Academy Limited (dormant) and Liberty M and E Services (dormant) were transferred to Liberty Group Investments Limited, and now sit alongside Liberty Energy Limited and Liberty Gas Services Limited (the holding company of Liberty Gas Group Limited. These were transferred for a consideration of £1.

On 1st April 2018 City West Works Limited (CWW) shares were transferred from ForViva Group Limited to Liberty Group Investments Limited. A merger accounting approach was used to prepare the consolidated financial statements thereafter, as this was considered be a Group restructure.

The company's principal activity is that of providing management for the Group's activities. The principal activity for the Group is the service, maintenance and installation of domestic and commercial gas appliances, predominantly into the social housing market. Other activities of the group surround whole house building maintenance solutions in occupied and void properties. In addition, the group also operates in the renewable energy market via its subsidiary company Liberty Energy Limited.

LGIL is part of the ForViva Group, and the ForViva Group structure, as at 31st March 2021 is shown below for information.




The registered providers of social housing within the Group, City West Housing Trust, Villages Housing Association, and Villages Community Housing Association, were collapsed into a single entity, City West Housing Trust and then renamed as ForHousing, with effect from 1st April 2019. The main commercial activity of the organisation has continued to be delivered by the Liberty Group.

The decision to progress with these governance changes was taken by the Board in order to simplify the structure and streamline the decision-making process, whilst ensuring that each entity has absolute clarity on its remit and delegated authorities.

A less complex and more efficient group structure supports ForViva's ongoing compliance with regulatory standards and will have a significant impact on Value for Money (VfM) by way of efficiencies in respect of the way we manage operations.

The new arrangements also provide a greater clarity in respect of decision making and our ability to monitor the protection of our Social Housing assets for the benefit of our tenants. The proposed change will enable the Registered Providers to meet the future challenges in respect of housing need, demographic change, homelessness and policy report more effectively.

## STRATEGIC REPORT

### Principal Activities

The company's principal activity is that of providing management for the Group's activities. Liberty Group delivers people-focused, intelligence-driven property services that deliver better outcomes for customers and clients. We repair and maintain buildings, manage properties, build homes and support clients with all their property needs.

Liberty has three main business units these include;

- Liberty Heating and Compliance services, through Liberty Gas Group Limited, which specialise in heating, gas, water and electrical compliance testing, servicing, installation and maintenance.
- Liberty Repairs and Maintenance, through City West Works which focuses on whole property repairs and maintenance including both reactive and planned improvement programmes.
- Liberty Projects, through Liberty Gas Group which provides construction services, plant room installations and refurbs and the design, installation and maintenance of mechanical and electrical installations such as sprinklers, solar PV and battery storage.

In addition, the Group also operates in the renewable energy market via its subsidiary company Liberty Energy Limited.

### Business Review

The Group operates via three main trading entities; Liberty Gas Group Limited, City West Works Limited t/a Liberty R&M and Liberty Energy Limited.

Turnover for the 12 months to 31st March 2021 decreased to £85.6m (2020 £98.6m), due to the impact of work that was delayed due to COVID-19. Due to the actions taken by the Group to mitigate the impact from COVID-19 the Group was able to post a PBT of £0.503m (2020 £1.061m). The Directors are pleased by the overall performance, which is on the back of a challenging year for the majority of UK businesses, and the number of contracts that were won and retained during the year.

In the previous year Liberty Gas Group Limited acquired the certain assets, liabilities and contracts of Warmer Energy Services Limited, from the Administrator, in a prepack deal in October 2019. These contracts have been fully integrated into the business and are performing in line with forecast and expectations.

Gross margin for the year was 21.4% (2020: 19.5%), The impact of COVID-19 has been partly offset with improvements being driven by efficiencies made through the Liberty Agility Programme, such as improving the target operating model. This builds on the improvements made in the prior year.

The Directors monitor Operating Profit, EBITDA and conversion of cash targets as part of the KPI's that management are measured on. The Group operating profit for the year was £1.195m (2020: £1.574m), EBITDA was £3.590m (2020: £3.350m). Cash conversion targets for the year were exceeded with the Group recording a rate of 106.1% (2020: 102.5%).

As well as the financial KPI's the Group monitors a number of non-financial KPI's under Health & Safety, People, Operations, Business Development and recycling, with these being presented as part of the overall Liberty Group Board Reports and also form part of the individual operational team meetings.

The Group has continued to roll out its new vehicle fleet; rather than being on operating leases vehicles are now owned. These vehicles are more fuel efficient than the ones they replace and produce less harmful substances, such as $CO_2$. During the year the Group made a profit on disposal of the old vehicles it replaced of £0.446m (2020: £0.364m). We expect that the realignment in the year of keeping commercial vehicles for 5 years, rather than 4 years will reduce the profit per vehicle in coming years, with that benefit being realised over the vehicles' lifecycle.

The Group recorded an overall profit before tax of £0.503m (2020 £1.061m) in the year. The reduction in profit is due to lower levels of work that was delayed due to COVID-19 and the first lock down.

Liberty Group continues to invest heavily in fixed assets, with most of this expenditure being in fleet and IT equipment. Total expenditure for the year was £4.08m (2020: £6.40m); this investment underpins the Group's commitment to provide the best available equipment to its staff to support its existing customers and also allowing it to have the capacity to meet the requirements of new customer contracts. Net assets now stand at £6.346m (2020: £6.197m) reflecting the profit made in the year, with all retained profit being taken to reserves. Trade and other debtors have increased during the year, reflecting the increase in turnover during the final quarter of the year, with the business recording its highest level of turnover during March. The improvement in cash can be seen with a positive inflow of £2.682m (2020: £1.232m) with the net figure standing at £2.097m (2020: £0.082m). Net current assets continue to be healthy, reflecting the late improvement in performance, with the total being £4.395m vs. £5.000m in 2020.

An improvement in the ageing profile of the Group's liabilities can be seen by Creditors due after 1 year now standing at £13.1m (2020: £12.8m), against a larger fall in Creditors due within 1 year to £23.1m (2020: £25.8m). Most of this figure is made up of finance lease costs for vehicles along with monies owed to ForViva Group. Liberty Group looks to match its debt profile to the expected term that the investment in fixed assets and systems will be realised over.

The profit for the year has again been underpinned by the ongoing investment into Liberty Group through its people, process and systems. This investment coupled with the drive by management to improve margin, through relationship building with customers who want a long-term partnership, has shown positive results in the year.

Trading conditions remain competitive and the full impact of COVID-19 on competitors remains to be fully seen. Due to our size and ownership structure, Liberty Group is well placed to assist current and prospective clients should they incur issues and disruption to service from their current contractors.

**Corporation Tax**

As a group, LGIL and its members will incur tax on their taxable profits.

**Reserves**

LGIL has reserves of £6.2m (2020: £5.9m).

**Loan Facilities**

There is a Rolling Credit Facility of £5m with ForHousing Limited. ForCapital is a subsidiary of ForHousing Limited and was set up as a special purpose vehicle for treasury purposes on the 23rd February 2017. On-lending is permitted to all entities within the ForViva Group.

**Financial risk management objectives and policies**
The directors regularly review the financial requirements of the company and wider group and assess the risks associated with the current trading position of the Group. The Group operates an internal treasury department. That ensures that all liquidity and interest rates are monitored and controlled to the best advantage of the Group.

There is no significant exposure to foreign currency fluctuations.

The Group's cash resources are monitored to ensure that interest received is maximised whilst short term borrowings are minimised. The Group finances its activities through the retention of earnings, finance leases, group loans and some short-term borrowings where necessary.

Credit risk is managed by a policy that requires appropriate credit checks on both potential and existing customers before sales.

**Future Developments**

Liberty Group has had a positive 2020-21 securing £52m of new business including work for Home Group, Wrexham Council and all of Magenta Living's stock. A 100% retention rate on national contracts reflects on the businesses net promoter score of +56 from clients and tenants. The current confirmed future order bank for the business now stands at £280m (2020: £278m), with full contract extensions of £370m (2020: £368m).

Netzero Collective was set up (not as a separate company) and launched by Liberty Group Investments during the year and has received positive feedback from clients, with a number signing up to pilot programmes for decarbonization solutions.
We're working with our social housing and industry partners to find decarbonisation solutions that work for them and this is underpinned by robust academic research and data from Southampton University, our academic partner. The outcomes and performance of the decarbonisation works and trials that we are undertaken are used to provide the best solutions to our partners.

We are entering an exciting period within Liberty, building upon the investment and foundations laid of recent years as we look to grow our offering and services, with client and customer satisfaction front and centre of our mission to be the go-to people for property services. Liberty's people are key in delivering future success and we will continue to recognise this as we invest in them to achieve their aspirations, and to further improve the performance and efficiency of the business – as success for Liberty is success for all.

Delivery of our core service offerings is key, and we exited 2020/21 in excellent shape with both of the two main trading businesses making a net profit on the back of a challenging year due to Covid. We continue to look ahead and focus on client and customer needs, developing our offering around these requirements, utilising technology and data coupled with an open and transparent approach to contracting. Trusted relationships are the only sustainable way to deliver continued growth in both top and bottom-line performance enabling reinvestment back into Liberty and in the Communities in which we work through ForViva.

Above all we will deliver personal, smart and altogether better property services that make sense.
We believe in a better way to do business, one that gives back, does great things and uses profit for good to improve lives.

**Risk Management**

Risk Management remains a discipline that cuts across all activities, from strategic to operational, and applies across all business areas to ensure that risks which could impact the achievement of Group objectives are identified and minimised. The ForViva Risk Management Strategy allows for a common approach to identify, assess and address risks facing the Group.

All risk management activity is overseen by the ForViva Chief Operating Officer, using the ForViva Risk Management Strategy and associated framework. A robust reporting and monitoring framework exists across the Group, allowing for continued assurance to the Board, the Audit and Risk Committee, Group Executive Leadership Team (GELT) and Senior Management.

The reporting and assurance structure ensures that risk continues to be high profile within the organisation.

The Risk Management Strategy provides the Board and Senior Managers with a common approach to identifying, assessing and addressing risks.

There are 19 risks on the Strategic Risk Register. These are reviewed by the Board, Senior Managers, Audit and Risk Committee and the Risk Management Working Group on a regular basis.

**COVID-19**

Over the last 12 months the business has, like many others, had to deal with the uncertainty and risks associated with the COVID-19 pandemic. LGIL's main income stream is derived from work undertaken for Housing Associations, the income of these associations is rental income, which is supported by Universal Credit payments from the UK Government where a tenant is unable to pay their rent due to financial hardship, which lowers the exposure to the adverse economic effects of COVID-19. The lock-down situation that occurred for the first quarter impacted the level of work that the business was able to undertake. Clients reverted to emergency work only, although essential service and repair work that the business undertakes, was permitted. Post the initial 3 month lock down and during the rest of the year we saw the activity levels of the Group return to their expected levels. The early actions taken by the Group to mitigate the impact of this slowdown has meant that although lower than in previous years the Group has reported a PBT of £0.503m (2020 £1.061m).

The Board undertakes regular forecasting exercises during the year, which enables the Board to be alert the future operating landscape effectively.

The most notable areas are:

**Financial Risks**
Financial viability
Loan covenants
Pension liabilities
Stress testing
Fraud

**Cyber Risks**
Attack on the IT system
- Firewalls and virus protection

Data Governance
- GDPR
- Data quality

Business continuity
ICT infrastructure

**Infrastructure**
Health and safety compliance
Effective governance structures
Robust operation of subsidiaries
Investment
Growth with purpose

**Legal**
Government & policy changes
Regulatory and legislative compliance

All other risks are recorded on operational registers which are managed at departmental level.

The current political climate and Brexit continue to surprise and potentially have an adverse impact on economic confidence. This is particularly important as the Group expands its commercial contracts. The Group regularly benchmarks its financial resilience against other organisations. The business plan has been robustly stress-tested and considered by the Board, to be enough for the Group's future growth.

Each risk has been analysed and prioritised in terms of likelihood of occurrence and impact on the organisation if it did occur to produce an inherent risk score. Any controls currently in place to mitigate either the likelihood or the impact are then recorded on the Register before the risk is then re-evaluated to give a current risk score. If the risk still gives cause for concern further required controls are identified along with timescales for implementation.

Regular challenge and scrutiny of identified risks, along with their respective scores and defined controls, takes place through discussion with senior managers and Executive Leads, along with formal challenge via the Risk Management Working Group.

Risk identification and analysis sessions are carried out in order to identify emerging risks, providing assurance that as a Group we continually scan the horizon and consider potential impacts on the business.

Each Strategic Risk Register has a corresponding Management Assurance Framework, providing additional detail as to the specific types of assurance available to demonstrate the implementation of effective controls. Such examples of assurance include internal and external audit, external accreditation and departmental checks and balances.

**Energy and Carbon Reporting**

During the year Liberty Group Investments Limited (LGIL), incorporating all of its subsidiaries used 480,403 Kwh of gas and electricity (2020: 451,050 Kwh), which equates to 100 tonnes of Carbon Dioxide (CO2) (2020: 98 tonnes). Due to the types of work that the Group undertakes the largest contributor to CO2 is the vehicle fleet, which is predominantly made up of commercial vehicles. In the year we used 1.43 million litres of diesel and petrol (2020: 1.54 million litres), which equates to 3,552 tonnes of CO2 (2020: 3,993 tonnes).

Overall, the total tonnes of CO2 generated by the Group annually equates to 3.13 tonnes of CO2 for each member of staff (2020: 3.70 tonnes).

The biggest contributor to the carbon output in Liberty Group is its vehicles. We have continued to upgrade the commercial fleet with new, more fuel efficient and low CO2 vans, replacing the older more polluting ones, with all of the less efficient vehicles due to be replaced during 2021-22. We are also running trials, nationally, of commercial electric vehicles to work through the challenges currently faced, such as range anxiety and charging availability. These trials will underpin the next stage of our evolution to a low CO2 fleet. Liberty Group has also introduced a hybrid and electric cars policy to its company car fleet policy and by December 2021 over 95% of our car fleet will be hybrid or electric, reducing our average car CO2 from 96gms to 38gms.

When calculating the equivalent tonnes of CO2, for each type of energy usage we have use the conversion factors that are from the governments Greenhouse gas reporting: conversion factors 2020.

**Section 172 Statement**

The Directors of the Group, as those of all UK companies, must act in accordance with a set of general duties as detailed in section 172 of the UK Companies Act 2006.

The board of directors of LGIL consider, both individually and together, that they have acted in the way they consider would be most likely to promote the success of the company for the benefit of the business as a whole. It is also important to note that Directors will fulfil their duties partly through a governance framework that delegates some day-to-day decision making to employees of the company.

Section 172 states that a director of a company must act in the way he considers, in good faith, would be most likely to promote the success of the company for the benefits of everyone within the organisation as a whole, and in doing so have regard to:

- the likely consequences of any decisions in the long-term;
- the interests of the company's employees;
- the need to foster the company's business relationships with suppliers, client, customers and others;
- the impact of the company's operations on the community and environment;
- the desirability of the company maintaining a reputation for high standards of business conduct.

**The likely consequences of any decision in the long term and maintaining a reputation for high standards of conduct**

The Group operates in a sector characterised by long-term partnering contracts and arrangements between stakeholders, so therefore maintaining high standard of conduct is vital to these relationships. To enable this, we maintain strong client relationships and expects all members of the supply chain to act with honesty and integrity. Integrity is underpinned with policies in relation to bribery and corruption, data protection, equality, diversity and inclusion, modern slavery and fraud, each of which is enforced through appropriate training.

**Our People**

The Group is committed to being a responsible business. Our behaviour is aligned with expectations of our employees, clients, customers and communities as a whole we operate in. People are at the heart of our services, with the aim of making Liberty the go-to people for property services. This is only achieved by making a difference and improving the lives of the clients and customers we serve, in smart, common sense ways and thinking ahead to deliver better outcomes every day. This is underpinned by the overall principles of the Group being:

- **People Focused:** We're confident, friendly and connected to real people in the real world;
- **Simply Innovative:** Driven to intelligent thinking and getting future ready to make an impact on people and communities;
- **Always Accountable:** We do the right thing every time, always trustworthy, reliable and transparent in our process;
- **Helpfully Smart:** We take a straightforward approach and think ahead about the needs of clients and customers.

**Community and Environment**
This focus is further underpinned with Liberty Group Investments Limited being part of the ForViva Group, which is a social purpose group that aims to positively impact communities by reinvesting profits; building vibrant and safe communities. The Company's approach is to use our position of strength to create positive change for the people and communities with which we interact. The Company is working with landlords, local authorities and private sector companies across the country and is building new homes across the north of England.

**Business Conduct**
The Company is ever mindful of the need to maintain its good reputation and the need to ensure that decisions are made to a high standard of business conduct. By holding integrity to be a fundamental principle that underpins all of it operations, the Company and the Board recognise that this ethos contributes to the enduring long-term success of the Company at a fundamental level. The Board places these ethical values at the highest level of importance and have ensured that they inform and influence the conduct of colleagues, both within the organisation and with other stakeholders.

By order of the Board

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**Martin Joyce**

Chair

16th September 2021

**REPORT OF THE BOARD OF DIRECTORS**

The Board of Directors present their report and the audited financial statements for Liberty Group Investments Limited and the Group consolidated position, inclusive of its Group members (the Group), for the year ended 31st March 2021. Those active members included in the consolidation are:

- Liberty Gas Group Limited
- Liberty Energy Limited
- City West Works Limited (t/a Liberty R&M)
- There are also a number of dormant subsidiaries as set out on page 4.

**The Board**

The Board of Directors are responsible for exercising all the powers of the organisation, controlling strategic direction and setting its policy framework. The ForViva Group is governed by its Board Members.

Accordingly, the ForViva Board reserves a number of matters for its own consideration where those matters impact on strategic direction and effective oversight, including corporate governance, property development and finance and approval of the budget and business plan.

**Results and dividends**

The results for the year are set out on page 23 and 24.

There were no ordinary dividends declared. The Directors do not recommend payment of a final dividend.

**Appointments**

The Directors' who served throughout the year and up to the date of approval of these financial statements, are listed on page 3.

ForViva Group members have maintained Board and Officers' liability insurance throughout the year this covers the Directors' of LGIL.

**Shareholders**

LGIL has in issue 11,824,000 Class A ordinary shares all of which were purchased for 1p as per the company's Rules.

The Shareholding Body is invited to the Annual General Meeting, of which it forms the quorum and votes on resolutions to approve the annual report and accounts and appoint Board Members.

**Board Delegation**

In order to operate effectively and ensure appropriate attention to certain areas of business, the Board has delegated authority to Group Committees. The tasks delegated are defined in the Committees' terms of reference and the Committees comprise:

- The Audit and Risk Committee, which met five times during the period;
- The Remuneration and Staffing Committee, which met twice during the period;
- The Development Committee, which met five times during the period; and
- The Investment Committee, which met three times during the period.

**Board Delegation (Continued)**

To ensure operational efficiency, the day to day management is delegated to the Executive Officers who are appointed by, and report directly to, the Board. This is supported by a range of key performance indicators set by and reported to the Board at each meeting.

The Board and Audit and Risk Committee recognise that risk management is a continuous process and with this in mind, partake in horizon scanning and scenario exercises, which test our current risk management arrangements along with our ability to react appropriately to the ever changing risks within the sector.

**Qualifying Third Party Indemnity Provisions**

The Group has made qualifying third-party indemnity provisions for the benefit of its directors during the year. These provisions remain in force at the reporting date.

**Risk Management Activities**

The organisation has a risk management and control system. The three main objectives of the system are:

- To focus the attention of the Board and management on the key business and financial risks facing the organisation in order to ensure that appropriate control mechanisms and policies are put in place to mitigate those risks.
- To maintain a system of risk management and control which allows the organisation to demonstrate clearly that the Board has reviewed the key risks and controls and has satisfied itself that the net risk score matches the level of risk faced.
- To ensure that any new control framework or improvements to existing policies and procedures are consistent with the organisations prime aims and objectives. Paramount is the avoidance of potentially harmful surprises.

**Financial Risk Management Objectives and Policies**

The directors regularly review the financial requirements of the company and wider group and assess the risks associated with the current trading position of the Group. The ForViva Group operates an internal treasury department that ensures that all liquidity and interest rates are monitored and controlled to the best advantage of the Group.

There is no significant exposure to foreign currency fluctuations.

The Group's cash resources are monitored to ensure that interest received is maximised whilst short term borrowings are minimised. The Group finances its activities through the retention of earnings and some short-term borrowings where necessary, including finance leases.

Credit risk is managed by a policy that requires appropriate credit checks on both potential and existing customers before sales.

**Fraud Management**

A Group Fraud Register is maintained, which records the details of any potential or actual frauds that have been committed. The Register, along with a supporting narrative is reported on an annual basis to the Audit and Risk Committee and RSH, following approval by the Group Director of Resources. There have been no frauds or potential frauds identified or reported during the financial year.

**Internal Controls Assurance**

The Board has overall responsibility for establishing and maintaining the whole system of internal control and reviewing its effectiveness.

**Internal Controls Assurance (Continued)**

The Board recognises that no system of internal control can provide absolute assurance against material misstatement or loss or eliminate all risk of failure to achieve business objectives. The system of internal control is designed to manage key risks and to provide reasonable assurance that planned business objectives and outcomes are achieved. It also exists to give reasonable assurance about the preparation and reliability of financial and operational information and the safeguarding of the organisation's assets and interests.

In meeting its responsibilities, the Board has adopted a risk-based approach to internal controls which are embedded within the existing management and governance process. This approach includes the regular evaluation of the nature and extent of risks to which the organisation is exposed.

The organisation's approach to risk management is reviewed every year by its Internal Auditors. They confirmed that the systems in place were fit for purpose and there were no significant control weaknesses identified during the year which could have resulted in material loss to the Group. In addition, the Board actively reviews the approach to risk management, re-examines scores and defined controls and confirms their satisfaction as to the systems in place.

**Performance Indicators**

The Board is aware of the importance of monitoring and ongoing review of key performance indicators, these are reported to the Board to provide assurance and assess whether the organisation is meeting its objectives.

As well as the financial KPI's the business monitors a number of non-financial KPI's under Health & Safety, People, Operations, Business Development and recycling, with these being presented as part of the overall Liberty Group Board Reports and also form part of the individual operational team meetings.

**Corporation Tax**

As a Group, LGIL and its members will incur tax on their taxable profits.

**Environment and Sustainability**

The principal area where a group will be looking to improve its carbon emissions is the fuel use for its extensive vehicle fleet. The Group will carry out extensive analysis on a month by month basis of data, to continue to drive a reduction in fuel consumption.

We have continued to upgrade the commercial fleet with new, more fuel efficient and low $CO_2$ vans, replacing the older more polluting ones, with all of the less efficient vehicles due to be replaced during 2021-22. We are also running trials, nationally, of commercial electric vehicles to work through the challenges currently faced, such as range anxiety and charging availability. These trials will underpin the next stage of our evolution to a low $CO_2$ fleet. Liberty Group has also introduced a hybrid and electric cars policy to its company car fleet policy and by December 2021 over 95% of our car fleet will be hybrid or electric, reducing our average car $CO_2$ from 96gms to 38gms.

The Group also works with its supply chain to introduce a policy of using 100% recycled paper. Continuing into the future, the Group is committed to utilising where possible app based technology to negate the need for paper records whatsoever. To reduce the reliance on paper products the Group is developing better electronic working practices.

**Employment**

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

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

**Disabled Persons**

The Group is committed to a policy of recruitment and promotion on the basis of aptitude and ability without discrimination of any kind.

Management actively pursues both the employment of disabled persons whenever a suitable vacancy arises and the continued employment and retention of employees who become disabled whilst employed by the Group. Particular attention is given to the training, career development and promotion of disabled employees with a view to encourage them to play an active role in the development of the Group.

**Modern Slavery Act**

Under the Modern Slavery Act 2015, organisations who have a consolidated global turnover of £36m per annum or more are required to prepare a slavery and human trafficking statement on an annual basis to ensure that they have taken sufficient steps throughout the financial year to ensure that slavery and human trafficking are not taking place within the business or within supply chains. The Liberty Board is aware of its responsibilities under the Modern Slavery Act 2015 and can confirm that they are not aware of any modern slavery or human trafficking incidents having occurred within LGIL or its supply chain during 2020/21 and will continue to act vigilantly in line with the Act.

**Health and Safety**

The Liberty Board is aware of its Health and Safety responsibilities and has a policy statement in place; supported by a robust framework of policies and procedures, and receives regular reports on health and safety issues arising from across the organisation.

**Procurement**

Procurement frameworks are in place for all major contractors and this has secured significant savings which are being invested in additional work elements. Contractors are drawn off the framework or subjected to a mini tender on an annual basis to retain a strong competitive element to the award of work.

**Criminal Finances Act 2017**

The Liberty Board is aware of its responsibilities under the Criminal Finances Act 2017 and is committed to promoting the highest standards of probity in the business activities that ForViva carry out directly and those that are associated through our procurement arrangements and supply chains. The practices that are already in place to detect and prevent any form of fraud, corruption and money laundering, have been built upon in order to prevent the criminal facilitation of tax evasion in line with the Act.

**Donations**

There were no donations made during the year.

**Political Contributions**

The company made no disclosable political donations or incurred any disclosable political expenditure during the period.

**Internal Audit**

The ForViva Group employs an Internal Audit service provided via a contract with BDO LLP, an external provider. The remit of the Internal Audit service is to provide independent and objective assurance across the whole range of the organisation's activities. Internal functions may be able to provide assurance in specialised areas; however, the Internal Audit service has the advantage of being in partnership with the organisation in such a way that it can take a broad overview whilst retaining its independence.

In addition to the programmed reports above, the Internal Audit service presents an annual report to the Audit and Risk Committee which must include the following:

- Restatement of the terms of reference and the standards of the service to be provided.
- Actual audit work completed during the year, with a comparison to the approved work-plan for the year.
- Other areas of work undertaken during the year.
- Overview of the systems of internal control reviewed.
- Main findings, together with a status report on key control weaknesses identified

For year ended 31st March 2021, the Internal Auditors provided the Audit and Risk Committee with assurance in respect of internal controls in operation in the areas tested.

**External Auditor**

The auditors of ForViva Group and its members are RSM UK Audit LLP who were appointed at the ForViva Group AGM on 21st September 2018.

**Disclosure of Information to Auditors**

The Directors who held office at the date of approval of this Directors' report confirm that, so far as they are each aware, there is no relevant audit information of which Group auditors are unaware; and each Director has taken all the steps that they ought to have taken as a Director to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

**Going Concern**

At the year end, the Group had net current assets of £4,395k (2020: £5,000k) and net assets of £6,346k (2020: £6,055k).

As set out in the Strategic Report on pages 6 to 11, following the three months lockdown period at the beginning of the financial year LGIL has seen the level of business return to expected levels and turnover increased throughout the remained of the year, in order to catch-up with the shortfall in earlier operations.

The Board is confident that LGIL remains a going concern for the following key reasons that have been considered at ForViva Group level:

**Going Concern (Continued)**

- Following the lockdown announcement in March 2020 the Board instigated its Business Continuity arrangements, which meant that all services that were able to be delivered safely were able to continue, including essential repairs to tenant's properties, and all statutory compliance activities;

- The lockdown restrictions started to be lifted in June 2020, since when we have remobilised the business, including providing day to day repairs and maintenance activities aligned with the Government's social distancing guidelines and have seen business activity return to pre pandemic levels, with little impact seem with the second lockdown;

- The Board receives monthly briefings from the Chief Executive, so is aware of the impact of COVID-19 on all aspects of the business;

- Preparation of detailed financial forecasts and business plans, which demonstrate that the LGIL Group has sufficient cash and is able to continue to meet its financial obligations. The LGIL Group have prepared cash flow forecasts that cover at least 12 months from approval of the financial statements which demonstrates the Group has sufficient liquidity to continue to trade over the foreseeable future;

- The Group has access to an invoice discount facility of £5.9m and following approval from the Board is expected to enter into a £10m RCF facility with Nat West;

- Sensitivity analysis and stress testing analysis has been performed by ForHousing and its subsidiary ForCapital which demonstrates that there are sufficient funds available to meet the uncertainty that COVID-19 brings with it. The management team of Liberty monitor cash, debtors and WIP on a weekly basis and these are reported to Board monthly.

The financial statements have been prepared on a going concern basis which takes account of the support letter received from the ultimate parent company, which confirms, that, for a period of twelve months from the date the financial statements are signed, that additional funding will be provided, if required, to enable the company to continue to trade.

Taking into consideration of all the factors as set out above, the Board confirms it has a reasonable expectation that the business has adequate resources to continue in operational existence for the foreseeable future. Accordingly, it continues to adopt the going concern basis in preparing the LGIL financial statements.

## STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE BOARD'S REPORT AND THE FINANCIAL STATEMENTS

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 they have elected to prepare the Group and company financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 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 Group and parent company and of their profit or loss for that period. In preparing each of the Group and company financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis, unless it is appropriate to presume but the Group and Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Group and Company's transactions and disclose with reasonable accuracy at any time the financial position of the Group and Company and enable them to ensure that its financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Group and the company to prevent and detect fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

**Annual General Meeting (AGM)**

The AGM was held on 16th September 2021.

By order of the Board

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**Martin Joyce**
**Chair**

16th September 2021

**Registered Office:**
Garden Works Charleywood Road, Knowsley Industrial Park, Liverpool, England, L33 7SG.

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LIBERTY GROUP INVESTMENT LIMITED

### Opinion

We have audited the financial statements of Liberty Group Investment Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 March 2021 which comprise the Consolidated Statement of Comprehensive Income, the Company Statement of Comprehensive Income, the Consolidated Statement of Financial Position, the Company Statement of Financial Position, the Consolidated Statement of Cash Flows, the Consolidated Statement of Changes in Reserves, the Company Statement of Changes in Reserves and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and of the parent company's affairs as at 31 March 2021 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006.

### Basis for opinion

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

### Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's or the parent company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

### Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

**Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

**Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the group and the parent company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

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

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

**Responsibilities of directors**

As explained more fully in the directors' responsibilities statement set out on page 18, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

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

The extent to which the audit was considered capable of detecting irregularities, including fraud
Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit

are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the group audit engagement team:

- obtained an understanding of the nature of the industry and sector, including the legal and regulatory frameworks that the group and parent company operate in and how the group and parent company are complying with the legal and regulatory frameworks;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, the Companies Act 2006 and tax compliance regulations. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing financial statement disclosures, inspecting correspondence with local tax authorities and evaluating advice received from external tax advisors.

The most significant laws and regulations that have an indirect impact on the financial statements are those in relation to employment, including health and safety, and compliance regulations for gas engineers. We performed audit procedures to inquire of management whether the company is in compliance with these law and regulations and inspected correspondence with licensing or regulatory authorities.

The group audit engagement team identified the risk of management override of controls and revenue recognition in Liberty Gas Group Limited as the areas where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to testing manual journal entries and other adjustments and evaluating the business rationale in relation to significant, unusual transactions and transactions entered into outside the normal course of business. The audit engagement team also challenged judgments and estimates applied in revenue recognition including reviewing transactions around the period end.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: http://www.frc.org.uk/auditorsresponsibilities This description forms part of our auditor's report.

**Use of our report**

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

RSM UK Audit LLP

John Guest (Senior Statutory Auditor)
For and on behalf of RSM UK Audit LLP, Statutory Auditor
Chartered Accountants
3 Hardman Street
Manchester
M3 3HF

Date 30 September 2021

**Consolidated Statement of Comprehensive Income for the Year Ended 31st March 2021**

| | Note | Liberty Group Year Ended 31st March 2021 £'000 | Liberty Group Year Ended 31st March 2020 £'000 |
|---|---|---|---|
| **Turnover** | 3 | 85,600 | 98,568 |
| Cost of Sales | | (68,306) | (79,332) |
| **Gross Profit** | | 17,294 | 19,236 |
| Other Operating Income | | 1,106 | - |
| Administrative Expenses | | (17,654) | (18,026) |
| Gain on Disposal of Property, Plant and Equipment | 12 | 449 | 364 |
| **Operating Profit** | 4 | 1,195 | 1,574 |
| Interest Payable and Financing Costs | 6 | (703) | (513) |
| **Profit Before Taxation** | | 493 | 1,061 |
| Taxation on Profit on Ordinary Activities | 9 | (200) | (167) |
| **Profit for the Year** | | 293 | 894 |
| **Total Comprehensive Income for the Year** | | 293 | 894 |

The notes on pages 30 to 55 form part of these financial statements.

These financial statements were approved by the Board of Directors on 16th September 2021.

**Company Statement of Comprehensive Income for the Year Ended 31st March 2021**

| | Note | Year Ended 31st March 2021 £'000 | Year Ended 31st March 2020 £'000 |
|---|---|---|---|
| **Turnover** | 3 | **1,190** | **652** |
| Cost of Sales | | (898) | (598) |
| **Gross Profit** | | **292** | **54** |
| Administrative Expenses | | - | - |
| Gain on Disposal of Fixed Asset | | 29 | 78 |
| **Operating Profit** | 4 | **321** | **132** |
| Interest Receivable | 5 | - | - |
| Interest Payable and Financing Costs | 6 | (300) | (123) |
| **Profit Before Taxation** | | **22** | **9** |
| Taxation on Profit on Ordinary Activities | 9 | (59) | 9 |
| **Profit for the Year** | | **(38)** | **18** |
| **Total Comprehensive Income for the Year** | | **(38)** | **18** |

The notes on pages 30 to 55 form part of these financial statements.

These financial statements were approved by the Board of Directors on 16th September 2021.

**Consolidated Statement of Financial Position for the Year Ended 31st March 2021**

| | Note | Liberty Group Year Ended 31st March 2021 £'000 | Liberty Group Year Ended 31st March 2020 £'000 |
|---|---|---|---|
| **Fixed Assets** | | | |
| Tangible Fixed Assets | 10 | 14,665 | 13,260 |
| Intangible Fixed Assets | 11 | 803 | 896 |
| | | **15,468** | **14,156** |
| **Current Assets** | | | |
| Stock | 14 | 631 | 537 |
| Trade and Other Debtors | 15 | 24,081 | 26,263 |
| Cash and Cash Equivalents | 16 | 2,764 | 4,023 |
| | | **27,476** | **30,823** |
| **Creditors: Amounts Falling Due Within One Year** | 17 | (23,081) | (25,823) |
| **Net Current Assets** | | **4,395** | **5,000** |
| **Total Assets Less Current Liabilities** | | **19,863** | **19,156** |
| **Creditors: Amounts Falling Due After More Than One Year** | 18 | (13,082) | (12,809) |
| **Provisions for Liabilities** | | | |
| Other Provisions | 22 | (436) | (292) |
| **Total Net Assets** | | **6,346** | **6,055** |
| **Capital & Reserves** | | | |
| Share Capital | 23 | 116 | 118 |
| Income and Expenditure Reserve | | 5,567 | 5,274 |
| Revaluation Reserve | | 663 | 663 |
| **Total Capital & Reserves** | | **6,346** | **6,055** |

The notes on pages 30 to 55 form part of these financial statements.

These financial statements were approved by the Board of Directors on 16th September 2021 and were signed on its behalf by:

Martin Joyce
**Chair**

Colette McKune
**Director**

Registration Number: 00968396

**Company Statement of Financial Position for the Year Ended 31st March 2021**

| | Note | Year Ended 31st March 2021 £'000 | Year Ended 31st March 2020 £'000 |
|---|---|---|---|
| **Fixed Assets** | | | |
| Tangible Fixed Assets | 10 | 1,200 | 1,393 |
| Investment in Subsidiaries | 13 | 52 | 52 |
| | | **1,252** | **1,445** |
| **Current Assets** | | | |
| Trade and Other Debtors | 15 | 12,797 | 16,304 |
| Cash and Cash Equivalents | 16 | 707 | 932 |
| | | **13,504** | **17,236** |
| **Creditors: Amounts Falling Due Within One Year** | 17 | **(6,998)** | **(10,485)** |
| **Net Current Assets** | | **6,506** | **6,751** |
| **Total Assets Less Current Liabilities** | | **7,758** | **8,196** |
| **Creditors: Amounts Falling Due After More Than One Year** | 18 | (5,751) | (6,162) |
| **Provisions For Liabilities** | | | |
| Other Provisions | 22 | (74) | (61) |
| **Total Net Assets** | | **1,933** | **1,973** |
| **Capital & Reserves** | | | |
| Share Capital | 23 | 116 | 118 |
| Income and Expenditure Reserve | | 1,154 | 1,192 |
| Revaluation Reserve | | 663 | 663 |
| **Total Capital & Reserves** | | **1,933** | **1,973** |

The notes on pages 30 to 55 form part of these financial statements.

These financial statements were approved by the Board of Directors on 16th September 2021 and were signed on its behalf by:

| | |
|---|---|
| Martin Joyce | Colette McKune |
| **Chair** | **Director** |

Registration Number: 00968396

**Consolidated Statement of Cash Flows for the Year Ended 31st March 2021**

| | Note | Liberty Group Year Ended 31st March 2021 £'000 | Liberty Group Year Ended 31st March 2020 £'000 |
|---|---|---|---|
| **Net Cash from Operating Activities** | 27 | **5,225** | **5,418** |
| **Investing Activities** | | | |
| Purchase of Other Tangible Fixed Assets | | (1,413) | (781) |
| Proceeds of Disposal of Tangible Fixed Assets | | 814 | 408 |
| Acquisitions | | - | (1,060) |
| **Net Cash From Investing Activities** | | **(599)** | **(1,433)** |
| **Financing Activities** | | | |
| New Secured Loans/Financing Costs | | - | - |
| Repayment of Borrowings (External Loan) | | (305) | (313) |
| Repayment of Borrowings (Intra-group Loan) | | - | - |
| Repayments of Obligations Under Finance Leases | | (1,639) | (2,417) |
| Redemption of Share Capital | | - | (23) |
| **Net Cash from Financing Activities** | | **(1,944)** | **(2,753)** |
| Net Change in Cash and Cash Equivalents | | 2,682 | 1,232 |
| **Reconciliation of Net Cash Flow to Movement in Net Debt** | | | |
| **Opening net (debt)** | | | |
| Cash and Cash Equivalents | | 82 | (1,150) |
| Obligations Under Finance Leases | | (8,628) | (5,931) |
| Loans | | (6,227) | (1,240) |
| | | **(14,773)** | **(8,321)** |
| **Changes in net debt arising from:** | | | |
| Cash Flows from Entity | | 2,682 | 1,232 |
| Non-Cash Flows | | (720) | (7,684) |
| **Movement in net debt** | | **1,962** | **(6,452)** |
| **Closing Net (Debt):** | | | |
| Cash and Cash Equivalents | | 2,764 | 82 |
| Obligations Under Finance Leases | | (9,651) | (8,628) |
| Loans | | (5,924) | (6,227) |
| | | **(12,811)** | **(14,773)** |

The notes on pages 30 to 55 form part of these financial statements.

**Consolidated Statement of Changes in Reserves for the Year Ended 31st March 2021**

| | Called up Share Capital £'000 | Revaluation Reserve £'000 | Income and Expenditure Reserve £'000 | Total Reserves £'000 |
|---|---|---|---|---|
| **Balance at 1st April 2019** | **118** | **663** | **4,380** | **5,161** |
| Profit for the Year | - | - | 894 | 894 |
| Other Comprehensive Income, Net of Tax: | | | | |
| Movement in Revaluation Reserve | - | - | - | - |
| **Total Comprehensive Income for the Period** | **118** | **663** | **4,380** | **5,161** |
| Transactions with Owners in their Capacity as Owners | - | - | - | - |
| **Total Transactions with Owners in their Capacity as Owners** | **-** | **-** | **-** | **-** |
| **Balance as at 1st April 2020** | **118** | **663** | **5,274** | **6,055** |
| Profit for the Year | - | - | 293 | 293 |
| Other Comprehensive Income | - | - | - | - |
| **Total Comprehensive Income for the Year** | | | **293** | **293** |
| Transactions with Owners in their Capacity as Owners | (2) - | - | - | (2) |
| **Total Transactions with Owners in their Capacity as Owners** | **(2)** | **-** | **-** | **(2)** |
| **Balance as at 31st March 2021** | **116** | **663** | **5,567** | **6,346** |

The notes on pages 30 to 55 form part of these financial statements.

**Company Statement of Changes in Reserves for the Year Ended 31st March 2021**

| | Called up Share Capital | Revaluation Reserve | Income and Expenditure Reserve | Total Reserves |
|---|---|---|---|---|
| | £'000 | £'000 | £'000 | £'000 |
| **Balance at 1st April 2019** | **118** | **663** | **1,174** | **1,955** |
| Profit for the Year | - | - | 18 | 18 |
| Other Comprehensive Income, Net of Tax:- | - | - | - | - |
| Movement in Revaluation Reserve | - | | - | - |
| **Total Comprehensive Income for the Period** | **-** | **-** | **18** | **18** |
| Transactions with Owners in their Capacity as Owners | - | - | - | - |
| **Total Transactions with Owners in their Capacity as Owners** | **-** | **-** | **-** | **-** |
| **Balance as at 1st April 2020** | **118** | **663** | **1,192** | **1,973** |
| Profit for the Year | - | - | (38) | (38) |
| **Total Comprehensive Income for the Year** | **-** | **-** | **(38)** | **(38)** |
| | - | | | |
| **Total Transactions with Owners in their Capacity as Owners** | **(2)** | **-** | **-** | **(2)** |
| **Balance as at 31st March 2021** | **116** | **663** | **1,154** | **1,933** |

The notes on pages 30 to 55 form part of these financial statements.

**Notes to the Financial Statements for the Year Ended 31st March 2021**

**1. Legal Status**

Liberty Group Investments Limited is a private company limited by shares incorporated in England and Wales. The registered office is Garden Works, Charleywood Road, Knowsley Industrial Park, Liverpool, England, L33 7SG.

Liberty Group Investments Limited is a non-registered, non charitable company that is the parent company of the Liberty Group. Its principal activity is to provide management services for the Group's activities.

The following active companies in the Group are registered under the Companies Act 2006 as limited companies:

- Liberty Group Investments Limited
- Liberty Gas Group Limited
- Liberty Energy Limited
- City West Works Limited (trading as Liberty R&M)

The following companies in the Group are registered as dormant under the Companies Act 2006:

- Liberty Gas Services Limited
- Liberty R and M Limited
- Liberty M&E Services Limited
- Liberate Training and Apprenticeship Academy Limited
- Booth Securities Limited
- Booth Mechanical Services Limited

The following companies in the Group were struck off during 2019-2020:

- Gas Heating UK
- Pargas
- Mono Services
- Homerton Heating
- GMT Holdings

On 1st April 2018, the Group's ultimate parent (ForViva Group Limited) transferred the entire issued share capital of City West Works Limited for a nominal consideration of £1.

In the opinion of the Directors, this constituted a Group reorganisation and consequently the transaction was accounted for using the principles of merger accounting.

As such, the results and cashflows of all the combining entities were brought into the consolidated financial statements of the Group from 1st April 2018 and the comparative consolidated statement of comprehensive income and statement of financial position were restated to include the results and balances of City West Works Limited.

**Notes to the Financial Statements for the Year Ended 31st March 2021**

**2. Accounting Policies**
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 (FRS 102) and the requirements of the Companies Act 2006.

The company being a subsidiary of Liberty Group Investments Limited has taken advantage of the exemption from disclosing the following information, as permitted by the reduced disclosure regime within FRS102:

- Cash flow statement and related notes as per section 7
- Key management personnel compensation as per section 33 paragraph 33.6
- Related party transactions as per section 33 paragraph 33.9
- Financial Instruments as per section 11 and 12.

The individual entity financial statements of Liberty Group Investments Limited are consolidated within these financial statements.

The preparation of the financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires the company's management to exercise judgement in applying the company's accounting policies.

**Critical judgements in applying accounting policies**
The following judgements have had the most significant effect on amounts recognised in the financial statements:

- *Impairment*
  Management assess whether or not there are indicators of impairment of Liberty Group Investments Limited's tangible assets. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset. If such an indication exists, then the asset's recoverable amount is estimated. The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value less costs to sell and discounted using a pre-tax discount rate that reflects current market assessments of the time value of money and specific asset risks. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows or other assets or groups of assets (the "cash-generating unit").

- *Leases*
  Leases entered into by the company are deemed to be either finances leases or operating leases by management. These decisions depend on an assessment of whether the risks and rewards of ownership have been transferred from the lessor to the lessee on a lease by lease basis.

**Notes to the Financial Statements for the Year Ended 31st March 2021**

**2. Accounting Policies (Continued)**

**Critical estimates and assumptions in applying accounting policies**
The following estimates and assumptions have had the most significant effect on amounts recognised in the financial statements:

- *Tangible Fixed Assets*
  Tangible fixed assets are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values. Where parts of an item of tangible fixed assets have different useful lives, they are accounted for as separate items of tangible fixed assets, for example land is treated separately from buildings. Management will perform an assessment of the parts of the tangible fixed assets and assign useful lives to these components. Refer to note 10.

- *Trade Receivables*
  The estimate for receivables relates to the recoverability of the balances outstanding at year end. A review is performed on an individual debtor basis to consider whether each debt is recoverable. Refer to note 15.

**Basis of Consolidation**
The consolidated financial statements include the financial statements of the Company and its subsidiary undertakings made up to 31st March 2021.

Control is established when the Company has the power to govern the operating and financial policies of an entity so as to obtain benefits from its activities. All intra-group transactions, balances, income and expenses are eliminated in full on consolidation. Investments in associates are accounted for at cost less impairment in the individual financial statements.

As noted under legal status the principles of merger accounting have been adopted for Group reconstructions.

**Notes to the Financial Statements for the Year Ended 31st March 2021**

**2. Accounting Policies (Continued)**

**Going Concern**
As set out in the Strategic Report on pages 6 and 7, post the initial 3 month lock down and during the rest of the year we saw the activity levels of the business return to their expected levels. The early actions taken by the LGIL Group to mitigate the impact of this slowdown, along with its improved efficiencies made through the Liberty Agility Programme, meant the business recorded a PBT of £0.493m (2020: £1.061m).

At the time of signing these financial statements, the Board is confident that LGIL remains a going concern for the following key reasons:

- Following the lockdown announcement in March 2020 the Board instigated its Business Continuity arrangements, which meant that all services that were able to be delivered safely were able to continue, including essential repairs to tenant's properties, and all statutory compliance activities;

- The lockdown restrictions started to be lifted in June 2020, since when we have remobilised the business, including providing day to day repairs and maintenance activities aligned with the Government's social distancing guidelines and have seen business activity return to pre pandemic levels, with little impact seem with the second lockdown;

- The Board receives monthly briefings from the Chief Executive, so is aware of the impact of COVID-19 on all aspects of the business;

- Preparation of detailed financial forecasts and business plans, which demonstrate that the organisation has sufficient cash and is able to continue to meet its financial obligations. The LGIL group have prepared cash flow forecasts that cover at least 12 months from approval of the financial statements which demonstrates the group has sufficient liquidity to continue to trade over the foreseeable future;

- The group has access to an invoice discount facility of £5.9m and is expected to enter into an RCF facility of £10m, during the current financial year;

- Sensitivity analysis and stress testing analysis has been performed by ForHousing and its subsidiary ForCapital which demonstrates that there are sufficient funds available to meet the uncertainty that COVID-19 brings with it. The management team of Liberty monitor cash, debtors and WIP on a weekly basis and these are reported to Board monthly.

The financial statements have been prepared on a going concern basis which takes account of the support letter received from the ultimate parent company, ForViva Group Limited, which confirm, that, for a period of twelve months from the date the financial statements are signed, that additional funding will be provided, if required, to enable the company to continue to trade.

The Board confirms it has a reasonable expectation that the business has adequate resources to continue in operational existence for the foreseeable future. Accordingly, it continues to adopt the going concern basis in preparing the LGIL financial statements.

**Notes to the Financial Statements for the Year Ended 31st March 2021**

**2. Accounting Policies (Continued)**

**Turnover**
Turnover is measured at the fair value of the consideration received or receivable. The Group generates the following material income streams:

- Construction contracts;
- Maintenance contracts;
- Installation of domestic and commercial gas appliances; and
- Installation and maintenance of renewable energy solutions

Revenue is recognised on completion if the sale of goods and services are short-term in nature. Where this is not the case, revenue is recognised in proportion to the stage of completion at the reporting date. Revenue recognition commences only when the outcome of the goods and services rendered can be reliably measured, by reference to individual terms and conditions within each service contract, and it is probable that the economic benefit associated with the contract will flow to the Group. Otherwise it is recognised to the extent costs are incurred.

**Long Term Contracts**
The amount of profit attributable to the stage of completion of a long-term contract is recognised when the outcome of the contract can be foreseen with reasonable certainty. Turnover for such contracts is stated at cost appropriate to their stage of completion plus attributable profits, less amounts recognised in previous years. A provision is made for any losses which are foreseen. Contract work in progress is stated at costs incurred, less that transferred to the Statement of Comprehensive Income, after deducting foreseeable losses and payments on account not matched with turnover. Amounts recoverable on the contracts are included in debtors and represent turnover recognised in excess of payments on account.

**Operating Leases**
Payments (excluding costs for services and insurance) made under operating leases are recognised in the Statement of Comprehensive Income (SOCI) on a straight-line basis over the term of the lease unless the payments to the lessor are structured to increase in line with expected general inflation; in which case the payments related to the structured increases are recognised as incurred. Lease incentives received are recognised in the SOCI over the term of the lease as an integral part of the total lease expense.

**Finance Lease**
Minimum lease payments are apportioned between the finance charge and the reduction of the outstanding liability using the rate implicit in the lease. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability. Contingent rents are charged as expenses in which they are incurred.

**Interest**
Interest payable and similar charges include interest payable, finance charges and finance leases recognised in profit or loss using the effective interest method which is charged to the SOCI in the year. Any interest receivable is credited to the SOCI in the year.

**Taxation**
Corporation Tax is payable of the profits of Liberty Group Investments Limited.

**Notes to the Financial Statements for the Year Ended 31st March 2021**

**2. Accounting Policies (Continued)**

**Current & Deferred Tax**
The tax expense for the period comprises of current and deferred tax. Tax is recognised in the SOCI, except that a change attributable to an item of income and expense is recognised as other comprehensive income or equity.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the United Kingdom.

Deferred balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; *and*
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; *and*
- Where timing differences relate to interests in subsidiaries, associates, branches and joint ventures and the Group can control their reversal and such reversal is not considered probable in the foreseeable future.

**Current & Deferred Tax**
Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax.

Deferred tax liability is measured using 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.

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.

**Value Added Tax (VAT)**
Liberty Group Limited is part of the ForViva Group Limited VAT Group which is VAT registered. However, a large proportion of the Group's income, rents and service charges, is exempt for VAT purposes thus giving rise to a partial exemption calculation. The balance of VAT payable or recoverable at the year-end is included as a current liability or asset.

**Tangible Fixed Assets**
Tangible fixed assets are stated at cost/deemed-cost less accumulated depreciation and accumulated impairment losses.

**Notes to the Financial Statements for the Year Ended 31st March 2021**

**2. Accounting Policies (Continued)**

Leases in which the entity assumes substantially all the risks and rewards of ownership of the leased asset are classified as finance leases. All other leases are classified as operating leases. Leased assets acquired by the way of finance lease are stated on initial recognition at an amount equal to the lower of their fair value and the present value of the minimum lease payments at inception of the lease. This includes any incremental costs directly attributable to the minimum lease payments including negotiating and arranging fees at the inception of the lease. At initial recognition a finance lease liability is recognised equal to the fair value of the leased asset or, if lower, the present value of the minimum lease payments. The present value of the minimum lease payments is calculated using the interest rate implicit in the lease.

The company assesses at each reporting date whether tangible fixed assets (including those leased under a finance lease) are impaired.

Depreciation is provided at rates calculated to write off the cost of valuation of fixed assets, less their estimated residual value, over their expected useful lives on the following:

| Fixed Asset Class | Depreciation Rate | Depreciation Method |
|---|---|---|
| Leasehold land and buildings | 2.5% | Reducing balance |
| Plant and machinery | 15-40% | or straight line over the life of the asset |
| Fixtures and fittings and motor vehicles | 15-25% | |
| Software development | 20% | |
| IT Equipment | 20% | |
| Property improvement | 3.33% | |
| Goodwill | 10% | |
| Contracts on acquisition | 10% | |

Depreciation methods, useful lives and residual value are reviewed if there is an indication of a significant change since the last annual reporting date in the pattern by which the company expects to consume an asset's future economic benefits.

**Business Combinations**
Business combinations, with the exception of certain group reconstructions as set out above, are accounted for using the purchase method as at the acquisition date, which is the date on which control is transferred to the entity.

At the acquisition date, the Group recognises goodwill at the acquisition date as:

- The fair value of the consideration (excluding contingent consideration) transferred; plus
- Estimated amount of contingent consideration; plus
- The fair value of the equity instruments issued; plus
- Directly attributable transaction costs; less
- The net recognised amount (generally fair value) of the identifiable assets and liabilities acquired and contingent liabilities assumed

When the excess is negative, this is recognised and separately disclosed on the face of the Statement of Financial Position (SOFP) as negative goodwill.

**Notes to the Financial Statements for the Year Ended 31st March 2021**

**2. Accounting Policies (Continued)**

**Stock**
Stock is stated at the lower of cost and net realisable value. Cost is based on the weighted average principle and includes expenditure incurred in acquiring the stocks, production or conversion costs and other costs in bringing them to their existing location and condition. In the case of manufactured stocks and work in progress cost includes an appropriate share of overheads based on normal operating capacity.

**Short Term Debtors and Creditors**
Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in the Statement of Comprehensive Income in other operating expenses.

**Provision for Bad & Doubtful Debt**
The company provides against debts to the extent that they are considered to be irrecoverable.

Bad debts will be charged to SOCI in the year in which they are incurred. A provision for bad and doubtful debts will be made on an estimation of those debts that will not be recovered at the SOFP date.

**Cash and Cash Equivalents**
Cash and cash equivalents comprises cash balances and call deposits.

**Defined contribution plans and other long-term employee benefits**
A defined contribution plan is a post-employment benefit plan under which the company pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution plans are recognised as an expense in the SOCI in the periods during which services are rendered by employees.

**Financial Instruments**
Financial instruments which meet the criteria of a basic financial instrument as defined in section 11 of FRS 102 are initially recorded at the transaction price less any transaction costs (historical cost). FRS 102 requires that basic financial instruments are subsequently measured at amortised cost. Loans that are payable within one year are not discounted.

Non-basic financial instruments are recognised at fair value i.e. normally transaction price adjusted for transaction costs except in the initial measurement of financial assets and liabilities that are subsequently measured at fair value through profit or loss. At each year end, the instruments are revalued to fair value and changes are recognised through profit or loss (unless hedge accounting is applied, or a reliable measure of fair value is unavailable).

**Government Grants and Coronavirus Job Retention Scheme**

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

**Notes to the Financial Statements for the Year Ended 31st March 2021**

**Government Grants and Coronavirus Job Retention Scheme (Continued)_**

Government grants received in respect of the Coronavirus job retention scheme are released in the profit and loss account in the period to which they relate and are recorded within other operating income.

## 3. Turnover Analysis

| **Group** | **Year Ended 31st March 2021 £'000** | **Year Ended 31st March 2020 £'000** |
|---|---|---|
| Provision of Energy (ForHousing Tenants) | 556 | 372 |
| Provision of Energy (ForHousing Communal Areas - Inter-Co) | 51 | 69 |
| Repairs and Maintenance (Gas) | 27,675 | 35,097 |
| Installation | 18,734 | 17,185 |
| Construction | 4,717 | 8,311 |
| Repairs and Maintenance (Other) | 3,737 | 4,785 |
| Internal Trading with ForViva Group | 30,130 | 32,749 |
| **Total** | **85,600** | **98,568** |

*All turnover is earned in the UK.*

| **Company** | **Year Ended 31st March 2021 £'000** | **Year Ended 31st March 2020 £'000** |
|---|---|---|
| Management Charges | 1,190 | 652 |
| **Total** | **1,190** | **652** |

## 4. Operating Profit

The operating profit/(loss) is arrived at after charging/ (crediting):

| **Group** | **Year Ended 31st March 2021 £'000** | **Year Ended 31st March 2020 £'000** |
|---|---|---|
| Depreciation of Owned Tangible Fixed Assets | 862 | 518 |
| Depreciation of Leased Tangible Fixed Assets | 1,440 | 1,219 |
| Operating Lease Payments: | | |
| Motor Vehicles | 535 | 600 |
| Property Rental | 316 | 332 |
| Other Equipment | 149 | 65 |
| Auditors Remuneration (excluding VAT): | | |
| -Fee Payable to the Auditors for the Audit of the Financial Statements | 45 | 37 |

**Notes to the Financial Statements for the Year Ended 31st March 2021**

**4. Operating Profit (Continued)**

| **Company** | **Year Ended 31st March 2021 £'000** | **Year Ended 31st March 2020 £'000** |
|---|---|---|
| Depreciation of Owned Tangible Fixed Assets | 83 | 106 |
| Depreciation of Leased Tangible Fixed Assets | 110 | 72 |
| Operating Lease Payments: | | |
| Property Rental | 17 | 17 |
| Auditors Remuneration (excluding VAT): | | |
| -Fee Payable to the Auditors for the Audit of the Financial Statements | 5 | 2 |
| -Fee Payable to the Auditors for Other Tax Services | - | - |

**5. Interest Receivable and Other Income**

| **Group and Company** | **Year Ended 31st March 2021 £'000** | **Year Ended 31st March 2020 £'000** |
|---|---|---|
| Interest Receivable and Other Income | - | - |
| | - | - |

**6. Interest Payable and Financing Costs**

| **Group** | **Year Ended 31st March 2021 £'000** | **Year Ended 31st March 2020 £'000** |
|---|---|---|
| Finance Leases and Hire Purchase Contracts | 283 | 295 |
| Bank Charges and Other Fees | 12 | 9 |
| Loans and Bank Overdrafts | 408 | 209 |
| | **703** | **513** |

| **Company** | **Year Ended 31st March 2021 £'000** | **Year Ended 31st March 2020 £'000** |
|---|---|---|
| Finance Leases and Hire Purchase Contracts | 3 | 9 |
| Bank Charges and Other Fees | 7 | 7 |
| Loans and Bank Overdrafts | 290 | 107 |
| | **300** | **123** |

**Notes to the Financial Statements for the Year Ended 31st March 2021**

## 7. Employees

The average number of persons employed by the Group during the year, analysed by category, was as follows:

| | LGIL Company Year Ended 31st March 2021 No. | LGIL Group Year Ended 31st March 2021 No. | LGIL Company Year Ended 31st March 2020 No. | LGIL Group Year Ended 31st March 2020 No. |
|---|---|---|---|---|
| Production | - | 644 | - | 534 |
| Property Management Services | - | 229 | - | 231 |
| Support Services – Inc. Back Office | - | 290 | - | 337 |
| Senior Management Team | 5 | 5 | 5 | 5 |
| | **5** | **1,168** | **5** | **1,107** |

| **Employee Costs:** | LGIL Company Year Ended 31st March 2021 £'000 | LGIL Group Year Ended 31st March 2021 £'000 | LGIL Company Year Ended 31st March 2020 £'000 | LGIL Group Year Ended 31st March 2020 £'000 |
|---|---|---|---|---|
| Wages and Salaries | 470 | 33,203 | 353 | 32,494 |
| Social Security Costs | 57 | 2,786 | 43 | 2,832 |
| Pension Costs | 24 | 1,051 | 22 | 1,052 |
| | **550** | **37,040** | **418** | **36,378** |
| Restructuring Costs | - | 70 | - | 7 |
| **Total Employee Costs** | **550** | **37,110** | **418** | **36,385** |

## 8. Key Management Personnel

With the exception of non-executive Directors, Board remuneration levels are shown in the consolidated ForViva Group Limited accounts, along with a breakdown of each member's role.

The Board (statutory directors as listed at Companies House) received remuneration of £65k (2020: £130k) plus pension costs of £1k (2020: £1k) in relation to their services to Liberty Group Investments Limited.

No loss of office payments were made in the current period.

Key management personnel (including the board members above) received emoluments (excluding pension contributions and including benefits in kind) totalling £274k (2020: £410k).

Pension contributions for the key management personnel totalled £16k (2020: £25k).

The number of board members accruing pensions under defined benefit schemes was 1.

**Notes to the Financial Statements for the Year Ended 31st March 2021**

## 9. Taxation

| Group | Year Ended 31st March 2021 £'000 | Year Ended 31st March 2020 £'000 |
|---|---|---|
| **Current Tax** | | |
| Current Tax on Income for the Period | 58 | - |
| Adjustment In respect of Prior Periods | - | - |
| **Total Current Tax** | **58** | **-** |
| **Deferred Tax (See Note 21)** | | |
| Origination and Reversal of Timing Differences | 103 | 138 |
| Effect of Decreased Tax Rate on Opening Liability | - | 17 |
| Adjustment in Respect of Prior Year | 39 | 12 |
| **Total Deferred Tax** | **142** | **167** |
| **Total Tax Charge/(Credit)** | **200** | **167** |

| Reconciliation of Effective Tax Rates | Year Ended 31st March 2021 £'000 | Year Ended 31st March 2020 £'000 |
|---|---|---|
| Profit for the Period | 493 | 1,061 |
| | **493** | **1,061** |
| Tax Using the UK Corporation Tax Rate of 19% (2019: 19%) | 94 | 202 |
| **Effects of:** | | |
| Expenses that are not deductible in determining taxable profit | 46 | 19 |
| Fixed Asset Differences | 21 | - |
| Adjustments to Tax Charge in Respect of Prior Periods | - | - |
| Adjustments to Tax Charge in Respect of Prior Periods - Deferred Tax | 39 | 12 |
| Adjustment to Closing Deferred Tax to Average Rate of 19% | - | - |
| Adjustment to Opening Deferred Tax to Average Rate of 19% | - | 13 |
| Group Relief (Claimed)/Surrendered | - | (82) |
| Deferred Tax Not Recognised | - | 3 |
| **Tax Charge/(Credit) for the Period** | **200** | **167** |

**Notes to the Financial Statements for the Year Ended 31st March 2021**

**9. Taxation (Continued)**

| **Company** | **Year Ended 31st March 2021 £'000** | **Year Ended 31st March 2020 £'000** |
|---|---|---|
| **Current Tax** | | |
| Current Tax on Income for the Period | 46 | - |
| Adjustments in Respect of Prior Year | - | - |
| **Total Current Tax (Credit)** | **46** | **-** |
| **Deferred Tax** | | |
| Origination and Reversal of Timing Differences | (6) | (14) |
| Change in Tax Rate | - | 9 |
| Adjustments in Respect of Prior Periods | 19 | (4) |
| **Total Deferred Tax Charge/(Credit)** | **13** | **(9)** |
| **Total Tax (Credit)** | **59** | **(9)** |

| **Reconciliation of Effective Tax Rates** | **Year Ended 31st March 2021 £'000** | **Year Ended 31st March 2020 £'000** |
|---|---|---|
| Profit for the Period | 22 | 9 |
| | **22** | **9** |
| Tax Using the UK Corporation Tax Rate of 19% (2019: 19%) | 4 | 2 |
| **Effects of:** | | |
| Group Relief (Claimed) | (7) | (26) |
| Fixed Asset Differences | 1 | 8 |
| Expenses not Deductible for Tax Purposes | 42 | 2 |
| Adjustments to Tax Charge in Respect of Previous Periods | - | - |
| Adjustments to Tax Charge in Respect of Previous Periods - Deferred Tax | 19 | - |
| Adjustment to Closing Deferred Tax to 19% | - | (4) |
| Adjustment to Opening Deferred Tax to 19% | - | 9 |
| **Current Tax for the Period** | **59** | **(9)** |

**Factors affecting future tax charges**

The rate of UK corporation tax is expected to remain at 19% from April 2022.

**Notes to the Financial Statements for the Year Ended 31st March 2021**

**10. Tangible Fixed Assets**

| **Group** | **Land & Buildings £'000** | **Vehicles £'000** | **IT Equipment £'000** | **Plant & Equipment £'000** | **Total £'000** |
|---|---|---|---|---|---|
| **Cost** | | | | | |
| **At 1st April 2020** | **931** | **11,302** | **5,824** | **1,768** | **19,825** |
| Reclassification | - | - | (53) | 53 | - |
| Additions | 350 | 2,662 | 991 | 72 | 4,075 |
| Disposals | - | (2,287) | - | - | (2,287) |
| **At 31st March 2021** | **1,281** | **11,677** | **6,762** | **1,893** | **21,613** |
| **Less: Depreciation** | | | | | |
| **At 1st April 2020** | **20** | **3,575** | **2,358** | **612** | **6,565** |
| Reclassification | - | - | (53) | 53 | - |
| Charge for the Year | 22 | 1,333 | 815 | 135 | 2,305 |
| Disposals | - | (1,922) | - | - | (1,922) |
| **At 31st March 2021** | **42** | **2,986** | **3,121** | **800** | **6,948** |
| **Net Book Value at 31st March 2021** | **1,239** | **8,691** | **3,641** | **1,093** | **14,665** |
| **Net Book Value at 31st March 2020** | **911** | **7,727** | **3,466** | **1,156** | **13,260** |

**Leased plant and machinery**

At 31st March 2021, the net carrying amount of motor vehicles leased under a finance lease was £8,690k (2020: £7,727k). The carrying value of IT equipment under a finance lease was £426k (2020: £392k). The finance lease obligations are disclosed in Note 19.

| **Company** | **Land & Buildings £'000** | **Vehicles £'000** | **IT Equipment £'000** | **Plant & Equipment £'000** | **Total £'000** |
|---|---|---|---|---|---|
| **Cost** | | | | | |
| **At 1st April 2020** | **892** | - | **753** | **454** | **2,099** |
| Additions | - | - | - | - | - |
| Disposals | - | - | - | - | - |
| **At 31st March 2021** | **892** | - | **753** | **454** | **2,099** |
| **Less: Depreciation** | | | | | |
| **At 1st April 2020** | **12** | - | **327** | **367** | **706** |
| Charge for the Year | 5 | - | 124 | 65 | 195 |
| Disposals | - | - | - | - | - |
| **At 31st March 2021** | **17** | - | **451** | **432** | **899** |
| **Net Book Value at 31st March 2021** | **875** | - | **303** | **21** | **1,200** |
| **Net Book Value at 31st March 2020** | **880** | - | **426** | **87** | **1,393** |

**Notes to the Financial Statements for the Year Ended 31st March 2021**

**11. Intangible Fixed Assets**

| Group | Goodwill £'000 | Contracts on Acquisition £'000 | Total Intangible Fixed Assets £'000 |
|---|---|---|---|
| **Cost** | | | |
| **At 1st April 2020** | 69 | 866 | 935 |
| **Additions** | - | - | - |
| **At 31st March 2021** | **69** | **866** | **935** |
| | | | |
| **Less: Amortisation** | | | |
| **At 1st April 2020** | 3 | 36 | 39 |
| Charge for the Year | 7 | 86 | 93 |
| **At 31st March 2021** | **10** | **122** | **132** |
| | | | |
| **Net Book Value at 31st March 2021** | **59** | **744** | **803** |
| | | | |
| **Net Book Value at 31st March 2020** | **66** | **830** | **896** |

All intangible assets have been generated on acquisition of the assets of Warmer Energy Services. Both the goodwill and the value of the contracts acquired are amortised over a 10 year period.

**Notes to the Financial Statements for the Year Ended 31st March 2021**

## 12. Disposal of Fixed Assets

| Group | Year Ended 31st March 2021 £'000 | Year Ended 31st March 2020 £'000 |
|---|---|---|
| Vehicle Sales Proceeds | 814 | 361 |
| ICT Equipment Sales | - | 78 |
| Less: NBV of Vehicle Sold | (365) | (75) |
| | **449** | **364** |

## 13. Long Term Investments

| Company | Year Ended 31st March 2021 £'000 | Year Ended 31st March 2020 £'000 |
|---|---|---|
| Investments in Subsidiaries | 52 | 52 |
| **Total Investments** | **52** | **52** |

**Company: Holdings of more than 20%**

| Company | Country of registration or Incorporation | Class | Shares Held as a % |
|---|---|---|---|
| Liberty Energy Limited | England and Wales | Ordinary | 100 |
| Liberty M& E Services Limited | England and Wales | Ordinary | 100 |
| Liberty Gas Group Limited | England and Wales | Ordinary | 100 |
| City West Works Limited | England and Wales | Ordinary | 100 |
| Liberate Training & Apprenticeships Academy Limited | England and Wales | Ordinary | 100 |
| Liberty gas Services Limited | England and Wales | Ordinary | 100 |
| Liberty R & M Limited | England and Wales | Ordinary | 100 |
| Booth Securities Limited | England and Wales | Ordinary | 100 |
| Booth Mechanical Limited | England and Wales | Ordinary | 100 |

The Group has no long-term investments to report in the year 31st March 2021.

## 14. Stock

| Group | Year Ended 31st March 2021 £'000 | Year Ended 31st March 2020 £'000 |
|---|---|---|
| Raw Materials and Consumables | 631 | 537 |
| | **631** | **537** |

The Company Liberty Group Investments Limited had no stock to report in the year to 31st March 2021 (2020: £nil).

## Notes to the Financial Statements for the Year Ended 31st March 2021

### 15. Debtors

| | LGIL Company Year Ended 31st March 2021 £'000 | LGIL Group Year Ended 31st March 2021 £'000 | LGIL Company Year Ended 31st March 2020 £'000 | LGIL Group Year Ended 31st March 2020 £'000 |
|---|---|---|---|---|
| **Amounts Due Within One Year:** | | | | |
| Trade Debtors | - | 8,257 | - | 7,895 |
| Other Debtors | 82 | 824 | 85 | 3,293 |
| Prepayment & Accrued Income | 18 | 10,660 | 174 | 10,988 |
| Deferred Tax Asset | - | - | - | - |
| Amounts Owed from Group | 10,554 | 4,340 | 13,975 | 4,087 |
| VAT Debtor | 2,144 | - | 2,070 | - |
| Corporation Tax Debtor | - | - | - | - |
| **Total Debtors** | **12,797** | **24,081** | **16,304** | **26,263** |

### 16. Cash and Cash Equivalents

| Group | Year Ended 31st March 2021 £'000 | Year Ended 31st March 2020 £'000 |
|---|---|---|
| Cash at Bank and In Hand | 2,764 | 4,023 |
| Invoice Discount Facility | - | (3,941) |
| | **2,764** | **82** |

| Company | Year Ended 31st March 2021 £'000 | Year Ended 31st March 2020 £'000 |
|---|---|---|
| Cash at Bank and In Hand | 707 | 932 |
| | **707** | **932** |

## Notes to the Financial Statements for the Year Ended 31st March 2021

### 17. Creditors Due Within One Year

| | LGIL Company Year Ended 31st March 2021 £'000 | LGIL Group Year Ended 31st March 2021 £'000 | LGIL Company Year Ended 31st March 2020 £'000 | LGIL Group Year Ended 31st March 2020 £'000 |
|---|---|---|---|---|
| **Amounts Falling Due Within One Year:** | | | | |
| Bank Loans | 327 | 327 | 327 | 327 |
| Overdrafts (Note 16) | - | - | - | 3,941 |
| Obligations Under Finance Leases (Note 19) | 103 | 2,167 | 110 | 1,719 |
| VAT Creditor | - | 3,901 | - | 2,494 |
| Other Taxation & Social Security | 22 | 1,032 | 11 | 935 |
| Other Creditors | 17 | 117 | 1 | 408 |
| Accruals & Deferred Income | 1,108 | 7,280 | 163 | 4,383 |
| Trade Creditors | 781 | 7,885 | 951 | 9,353 |
| Amounts Owed to Group | 4,593 | 260 | 8,922 | 2,116 |
| Retentions | - | 53 | - | 147 |
| Corporation Tax Creditor | 47 | 59 | - | - |
| **Total Creditors** | **6,998** | **23,081** | **10,485** | **25,823** |

### 18. Creditors: Amounts Falling Due After More Than One Year

| | LGIL Company Year Ended 31st March 2021 £'000 | LGIL Group Year Ended 31st March 2021 £'000 | LGIL Company Year Ended 31st March 2020 £'000 | LGIL Group Year Ended 31st March 2020 £'000 |
|---|---|---|---|---|
| **Amounts Falling Due After More Than One Year:** | | | | |
| Long Term Loans | 597 | 597 | 900 | 900 |
| Obligations Under Finance Leases (Note 19) | 154 | 7,484 | 262 | 6,909 |
| Amounts owed to Group – Loan | 5,000 | 5,000 | 5,000 | 5,000 |
| **Total Creditors** | **5,751** | **13,082** | **6,162** | **12,809** |

**Notes to the Financial Statements for the Year Ended 31st March 2021**

**19. Debt Analysis**

| **Group** | **Year Ended 31st March 2021 £'000** | **Year Ended 31st March 2020 £'000** |
|---|---|---|
| **Due Within One Year:** | | |
| Invoice Discount Facility | - | 3,941 |
| Bank Loans | 327 | 327 |
| Finance Lease Liabilities | 2,167 | 1,719 |
| **Total Creditors** | **2,495** | **5,986** |

| | **Year Ended 31st March 2021 £'000** | **Year Ended 31st March 2020 £'000** |
|---|---|---|
| **Due More Than One year:** | | |
| Bank Loans | 597 | 900 |
| Finance Lease Liabilities | 7,484 | 6,909 |
| Intercompany Loans | 5,000 | 5,000 |
| **Total Creditors** | **13,082** | **12,809** |

| **Obligations Under Loans** | **Year Ended 31st March 2021 £'000** | **Year Ended 31st March 2020 £'000** |
|---|---|---|
| Within One Year or on Demand | 327 | 327 |
| Between One and Five Years | 597 | 900 |
| Five Years or More | 5,000 | 5,000 |
| | **5,925** | **6,227** |

| **Obligations Under Finance Leases** | **Year Ended 31st March 2021 £'000** | **Year Ended 31st March 2020 £'000** |
|---|---|---|
| Within One Year or on Demand | 2,167 | 1,719 |
| Between One and Five Years | 7,484 | 6,909 |
| | **9,651** | **8,628** |

Charge on the property to which the mortgage relates. The Invoice Discounting Facility has a fixed and floating charge over all property and assets"

## Notes to the Financial Statements for the Year Ended 31st March 2021

### 19. Debt Analysis (Continued)

| Company | Year Ended 31st March 2021 £'000 | Year Ended 31st March 2020 £'000 |
|---|---|---|
| **Due Within One Year:** | | |
| Invoice Discount Facility | - | - |
| Bank Loans | 327 | 327 |
| Finance Lease Liabilities | 103 | 110 |
| **Total Creditors** | **430** | **437** |

| | Year Ended 31st March 2021 £'000 | Year Ended 31st March 2020 £'000 |
|---|---|---|
| **Due More Than One Year:** | | |
| Bank Loans | 597 | 900 |
| Other Loans | 5,000 | 5,000 |
| Finance Lease Liabilities | 154 | 263 |
| **Total Creditors** | **5,751** | **6,163** |

| Obligations Under Bank Loans | Year Ended 31st March 2021 £'000 | Year Ended 31st March 2020 £'000 |
|---|---|---|
| Within One Year or on Demand | 924 | 327 |
| Between One and Five Years | - | 900 |
| Five years or more | 5,000 | 5,000 |
| | **5,924** | **6,227** |

Included under loans due five years or more is £5,000,000 of group loans. The interest rate is charged at 5.4% and repayable within 5 years.

| Obligations Under Finance Leases | Year Ended 31st March 2021 £'000 | Year Ended 31st March 2020 £'000 |
|---|---|---|
| Within One Year or on Demand | 103 | 110 |
| Between One and Five Years | 154 | 263 |
| | **257** | **373** |

The finance lease has been secured against the capitalised assets, included within Note 10, under motor leases and IT Equipment. The interest rate is charged at 2.91% and repayable over a period of 5 years.

**Notes to the Financial Statements for the Year Ended 31st March 2021**

## 20. Financial Instruments

Financial Instruments which meet the criteria of a basic financial instrument as define in section 11 of FRS 102 are initially recorded at the transaction price less any transaction costs (historical cost). FRS 102 requires that basic financial instruments are subsequently measured at amortised cost. Loans that are payable within one year are not discounted.

Non-basic financial instruments are recognised at fair value i.e. normally transaction price adjusted for transaction costs except in the initial measurement of financial assets and liabilities that are subsequently measured at fair value through profit or loss. At each year end, the instruments are revalued to fair value and changes are recognised through the Statement of Comprehensive Income (unless hedge accounting is applied, or a reliable measure of fair value is unavailable).

Financial Instruments are analysed as follows:

| **Group** | **Year Ended 31st March 2021 £'000** | **Year Ended 31st March 2020 £'000** |
|---|---|---|
| **Financial Assets** | | |
| **Assets Measured at Transaction Price Adjusted for Transaction Costs (Historic Cost):** | | |
| Trade Receivables (Note 15) | 8,257 | 11,306 |
| Other Receivables (Note 15) | 11,485 | 14,281 |
| Cash and Cash Equivalents (Note 16) | 2,764 | 4,023 |
| **Total Financial Assets** | **22,506** | **29,610** |
| | | |
| **Financial Liabilities** | | |
| **Liabilities Measured at Transaction Price Adjusted for Transaction Costs (Historic Cost):** | | |
| Loans Payable (Note 18) | 5,925 | 6,227 |
| Trade Creditors (Note 17) | 7,885 | 11,189 |
| Other Creditors (Note 17) | 12,702 | 12,588 |
| Finance Leases (Note 18) | 9,651 | 8,628 |
| **Total Financial Liabilities** | **36,163** | **38,632** |

**Notes to the Financial Statements for the Year Ended 31st March 2021**

**20. Financial Instruments (Continued)**

| **Company** | **Year Ended 31st March 2021 £'000** | **Year Ended 31st March 2020 £'000** |
|---|---|---|
| **Financial Assets** | | |
| **Assets Measured at Transaction Price Adjusted for Transaction Costs (Historic Cost):** | | |
| Other Receivables (Note 15) | 12,797 | 16,304 |
| Cash and Cash Equivalents (Note 16) | 707 | 932 |
| **Total Financial Assets** | **13,504** | **17,236** |
| **Financial Liabilities** | | |
| **Liabilities Measured at Transaction Price Adjusted for Transaction Costs (Historic Cost):** | | |
| Loans Payable (Note 18) | 5,925 | 6,227 |
| Trade Creditors (Note 17) | 781 | 952 |
| Other Creditors (Note 17) | 5,786 | 9,096 |
| Finance Leases (Note 18) | 257 | 373 |
| **Total Financial Liabilities** | **12,749** | **16,648** |

**Financial Liabilities – Interest Rate Risk Profile**

The Group's financial liabilities are sterling denominated. The interest rate profile of the Group's financial liabilities (loans and finance leases) at March was:

| **Group** | **Year Ended 31st March 2021 £'000** | **Year Ended 31st March 2020 £'000** |
|---|---|---|
| Fixed Rate | 15,576 | 14,854 |
| **Total (Note 19)** | **15,576** | **14,854** |

| **Company** | **Year Ended 31st March 2021 £'000** | **Year Ended 31st March 2020 £'000** |
|---|---|---|
| Fixed Rate | 6,181 | 6,600 |
| **Total (Note 19)** | **6,181** | **6,600** |

**Notes to the Financial Statements for the Year Ended 31st March 2021**

**21. Deferred Tax**

Deferred tax assets and liabilities are attributable to the following:

| **Group** | **Year Ended 31st March 2021** | | | **Year Ended 31st March 2020** | | |
|---|---|---|---|---|---|---|
| | **Assets £'000** | **Liabilities £'000** | **Net £'000** | **Assets £'000** | **Liabilities £'000** | **Net £'000** |
| Accelerated Capital Allowances | - | 520 | 520 | (73) | 191 | 118 |
| Short Term Timing Differences | - | (10) | (10) | - | 167 | 167 |
| Unused Tax Losses | (81) | - | (81) | 73 | (73) | - |
| **Net Tax (Assets) / Liabilities** | **(81)** | **510** | **429** | **-** | **285** | **285** |

| **Company** | **Year Ended 31st March 2021** | | | **Year Ended 31st March 2020** | | |
|---|---|---|---|---|---|---|
| | **Assets £'000** | **Liabilities £'000** | **Net £'000** | **Assets £'000** | **Liabilities £'000** | **Net £'000** |
| Fixed Asset Timing Differences | - | 75 | 75 | - | 67 | 67 |
| Short Term Timing Differences | (1) | - | (1) | (6) | .- | (6) |
| **Net Tax Liabilities** | **(1)** | **75** | **74** | **(6)** | **67** | **61** |

**22. Provisions**

| **Group** | **Year Ended 31st March 2021** | | |
|---|---|---|---|
| | **Deferred Taxation £'000** | **Vehicle Provision £'000** | **Total £'000** |
| **Opening at 1st April 2020** | 285 | 7 | 292 |
| Movement in provision | 144 | - | 144 |
| Disposals | - | - | - |
| **Closing at 31st March 2021** | **429** | **7** | **436** |

The vehicle provision is for end of life vehicle repairs at the point, when the vehicle lease has ended and has to be returned to the leasing provider.

| **Company** | **Year Ended 31st March 2021** | |
|---|---|---|
| | **Deferred Taxation £'000** | **Total £'000** |
| **Opening at 1st April 2020** | 61 | 61 |
| Movement in Deferred Tax | 13 | 13 |
| **Closing at 31st March 2021** | **74** | **74** |

For a further breakdown of deferred taxes please see Note 21.

## Notes to the Financial Statements for the Year Ended 31st March 2021

### 23. Share Capital

| | Year Ended 31st March 2021 £ | Year Ended 31st March 2020 £ |
|---|---|---|
| **Class A Shares** | | |
| Allotted, Called Up and Fully Paid | | |
| 9,459,200 Ordinary A Shares of £0.01 Each | 94,592 | 94,592 |
| 591,200 Issued in Prior Years | - | - |
| | **94,592** | **94,592** |
| **Class B Shares** | | |
| Allotted, Called Up and Fully Paid | | |
| 2,364800 Class B Shares of £0.01 Each, | 23,648 | 23,648 |
| Surrendered in Year | (2,549) | - |
| | **115,591** | **118,240** |
| **At End of Year** | **115,591** | **118,240** |

**Notes to the Financial Statements for the Year Ended 31st March 2021**

## 24. Leasing Commitments

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

| Group | Year Ended 31st March 2021 £'000 | Year Ended 31st March 2020 £'000 |
|---|---|---|
| Within One Year or On Demand | 503 | 411 |
| Between One and Five Years | 442 | 463 |
| | 945 | 874 |

During the year £1,000k was recognised as an expense in the profit and loss account in respect of operating leases (2020: £997k).

| Company | Year Ended 31st March 2021 £'000 | Year Ended 31st March 2020 £'000 |
|---|---|---|
| Within One Year or on Demand | 11 | 11 |
| Between One and Five Years | - | - |
| | 11 | 11 |

During the year £11k was recognised as an expense in the profit and loss account in respect of operating leases (2020: £17k).

## 25. Capital Commitments

There are no capital commitments in the periods 2020/21 and 2019/20 (Group and Company).

## 26. Related Parties

Paul Kennedy's services as a board member were provided through Grace Partnership LLP. Purchases from Grace Partnership LLP in the year totalled £10K (2020: £nil).

The Group incurred costs of £40k in the year with Inprova Limited for procurement services (2020: £36K). Paul Kennedy is the ultimate controlling party of Inprova Limited. At the year end the total outstanding was £9K (2020: £43K).

Transactions with Inprova Group Limited and Grace Partnership LLP are related parties due to common directorships.

Mike Parkin is a board member at The Sovini Group. In the year the Group purchased £1.9m (2020: £2.4m) of building supplies and products from Sovini Trade Supplies, a commercial business owned by The Sovini Group.

Bernie Spence is a director of BWS Mangement Limited. During the year the Group incurred costs of £1k (2020: £nil) and a total of £1K (2020: £nil) was outstanding at the year end.

## Notes to the Financial Statements for the Year Ended 31st March 2021

### 27. Net Cash Generated from Operating Activities

| | Year Ended 31st March 2021 £'000 | Year Ended 31st March 2020 £'000 |
|---|---|---|
| **Cash Flow Generated from Operating Activities** | | |
| Operating Profit on Continuing Operations | 1,195 | 1,574 |
| Depreciation & Amortisation | 2,398 | 1,776 |
| (Increase)/decrease in Trade and Other Debtors | 2,182 | (4,468) |
| Increase in Trade and Other Creditors | 695 | 7,347 |
| (Increase)/decrease in Stock | (94) | 85 |
| Increase in Provisions | - | 8 |
| Net (Gain) on Sale of Fixed Assets | (449) | (364) |
| **Cash Generated from Operations** | **5,927** | **5,958** |
| Interest Paid | (702) | (513) |
| Taxation | - | (27) |
| **Net Cash Generated from Operating Activities** | **5,225** | **5,418** |

### 28. Ultimate Parent Company and Parent Company of Larger Group

The company's immediate parent company and ultimate controlling party is ForViva Group Limited, a Community Benefit Society. This is the smallest and largest group of undertakings for which consolidated financial statements are prepared. Copies of the consolidated financial statements can be obtained from its registered office: 52 Regent Street, Eccles, M30 0BP.