Registered no: 03562843

OPENWORK SERVICES LIMITED

Directors' Report and Financial Statements

For the year ended 31 December 2020

Contents

Officers and Professional Advisers

Directors
P Howell
R Houghton
M Knowlton
K Morris

Company Secretary
Quayseco Limited

Registered office
Washington House
Lydiard Fields
Swindon
SN5 8UB

Bankers
Lloyds Bank plc
City Office
PO Box 72
Bailey Drive
Gillingham Business Park
Kent
ME8 0LS

Independent Auditors
PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
7 More London Riverside
London
SE1 2RT

Directors' Report

for the year ended 31 December 2020

The directors present their report, strategic report and the audited consolidated financial statements for Openwork Services Limited ("the Company") for the year ended 31 December 2020.

Principal activities

The Company's principal activity is the provision of human resources and administration services to other companies within the Openwork Holdings Limited group ("the Group").

The Company is incorporated as a private company limited by shares and is domiciled and incorporated in the United Kingdom.

Risk management

The Openwork Services Limited approach to risk management is designed to mitigate against the risk of failure to deliver the Strategic aims for the business. The risk management processes also aim to protect the Company's capital, to support good corporate decision making and to safeguard Openwork Services Limited's customers, reputation and brand.

The key function of risk management at Openwork Services Limited is to promptly identify, measure, manage, report and monitor risks that affect the achievement of strategic, operational and financial objectives.

At the heart of the risk management framework is a governance process with clear responsibilities for taking, managing, monitoring and reporting risks. Openwork Services Limited has a clear description of the roles and responsibilities for risk management throughout the Openwork Management Team, from the Board of Directors to the business and functional areas and through into their teams, thus embedding risk management in the business.

To support the governance process, the Company has in place documented policies and guidelines. The Openwork Risk Policy is the main risk governance document for the business; it specifies the Company's risk appetite, risk limits, reporting requirements, and procedures for referring risk issues to Management and the Board of Directors.

Various governance and control functions across the Openwork Group coordinate to help ensure that all aspects of the risk management process are in place, that risks are identified and appropriately managed and internal controls are in place and operating effectively. Risk management is also aligned with the strategic and operational planning process.

Openwork Services Limited operates a "top down" risk management framework and risk policy, including risk appetites and reporting thresholds, set by the holding company Board and cascaded to subsidiary companies and to executive management. The process of risk identification and assessment operates 'top down', beginning with the identification of strategic risks as part of the annual business and capital planning processes, and 'bottom up', by management through implementation of a day to day 'risk aware' culture. Risks outside appetite are subject to mitigating actions overseen by senior management and the relevant statutory boards including, where appropriate, the Group Risk & Compliance Committee ('RCC'). All major projects are subject to detailed risk assessment with mitigations overseen by senior management and the RCC.

Each member of the Openwork Executive Team is required to manage the risks inherent within their particular business function and to ensure appropriate risk mitigation activity is being delivered.

Through these processes, responsibilities and approach, Openwork Services Limited operates a culture of informed risk taking within its business. The Company will continue to take risks for which it expects an adequate return, or which will assist in the delivery of the strategic aims, provided these do not conflict with the best interests of customers. This approach requires sound judgement and an acceptance that certain risks can and will materialise in the future, but that if these are recognised and confronted, they can be managed effectively.

For details of the Company's financial risk factors and approach to managing these see note 23.

Details of the future developments of the Company are included in the Strategic Report on page 7.

Dividends

The directors do not propose the payment of a dividend (2019: £nil).

Donations

No political donations were made during the year (2019: £nil)

Directors' Report (continued)
for the year ended 31 December 2020

Directors

The directors who served during the year and up to the date of signing the statements were:

P Howell – appointed 9 March 2020
R Houghton – appointed 10 July 2020
K Chidwick – resigned 1 February 2020
M Duckworth – resigned 28 February 2020
M Knowlton
K Morris

Qualifying third party indemnity provision

A qualifying indemnity provision provided by a third party covering all directors was in force during the financial year and up to the date of signing the financial statements.

People

Employee involvement

The Company has set policies which are adopted by Group subsidiaries unless in conflict with local laws or regulations or are otherwise inapplicable. The Group involves its people on matters of concern to them and endeavours to achieve a level of employee awareness of the financial and economic factors affecting the performance of the Group. Communication and consultation mechanisms include regular briefing meetings, hosted by directors, where staff have the opportunity to meet and discuss matters of general importance as well as a computer-based news information system.

The Group operated bonus schemes during the year ended 31 December 2020 based on the performance of the Group as well as rewarding individual contribution.

Employee share schemes

The directors recognise the importance of the involvement of employees through share ownership as this both encourages awareness of the Group's financial performance and participation in its success. The Group launched a new long term incentive plan in 2020 for Senior Management, which is a cash based award with the ability to convert into nil cost options in Openwork Holdings Limited. The new scheme replaces the 2018 LTEP which was wound up in December 2020.

To meet its current and future obligations under the above (and any other future plans) 10.0% (31 December 2019: 12.862%) of the ordinary share capital of Openwork Holdings Limited is held by the Openwork Employee Benefit Trust ("EBT").

Employment of disabled staff in the United Kingdom

The Company has committed to equal opportunities for all staff and job applicants. Full and fair consideration is given to both disabled and able-bodied staff where they have the appropriate experience, qualifications and ability to perform the job and to the training, development and promotion of disabled employees. The Company has ensured full compliance with the Disability Discrimination Act. If serving employees become disabled, every effort is made to ensure they remain with the Group through the provision of support, retraining or redeployment, as appropriate.

Policy and practice on payment of creditors

In respect of all its suppliers, it is the Company's policy to:

- settle the terms of payment with suppliers when agreeing the terms of each transaction;
- ensure that suppliers are made aware of the terms of payment; and
- abide by the terms of payment.

The Company's average creditor period, calculated by reference to the ratio of trade creditors and accruals at 31 December 2020 to amounts invoiced by suppliers during the year, was 18 days (31 December 2019: 25 days).

Directors' Report (continued)
for the year ended 31 December 2020

Streamlined energy and carbon reporting

The Company is in scope of the streamlined energy and carbon reporting requirements, which come into force for financial years beginning on or after 1 April 2019. Therefore, the year ended 31 December 2020 is the first year the Company has a legal obligation to comply with these new reporting requirements. However, the guidance of these regulations allows a subsidiary not to make a separate disclosure if they are included in a UK group report. The Company's parent Openwork Holdings Limited will report a group wide disclosure and therefore the Company will not be making a separate disclosure in these financial statements.

Going concern

After making enquiries and considering the projected impact of COVID-19 as part of the 3 year business plan, the directors have a reasonable expectation that the Company has access to adequate resources to continue in operational existence for the foreseeable future. Based on this assessment, the directors have a reasonable expectation that the Company will be able to continue in operation and meet its liabilities as they fall due over the immediate 12-month period from the date of signing this report.

Independent Auditors

The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office and a resolution concerning their re-appointment will be proposed at the Board Meeting.

On behalf of the Board

Philip Howell

Philip Howell
Director

15 September 2021

Strategic Report
for the year ended 31 December 2020

Review of business and future developments

The Company's result for the year ended 31 December 2020 is a profit before taxation of £12,249k (2019: loss before taxation of £12,664k). As at 31 December 2020 the Company is reporting total assets of £109,491k (2019: £80,167k).

The Company acts as a services Company bearing all third party and staff expenses (excluding the payments of commission and fees to advisers). The Company generates a small amount of its own income from charges made to enterprises and third parties along with interest, but this is insufficient to cover the expenses incurred. The Company therefore recharges the majority of its net operating expenses to other Group undertakings.

As the Company recharges the management costs on behalf of the Group, the performance of the Company is not considered separately by management. The key performance indicators for the Group are shown in the Group's Directors' Report and Financial Statements which do not form part of this report.

The Company has performed an impairment review of the carrying value of the intangible assets and right-of-use assets utilised by the business. In 2019, this review compared the discounted anticipated future cash flows of the relevant cash generating units with the carrying value of assets as at 31 December 2019 and concluded that the carrying values were impaired by £12,664k in total. The internally generated software assets generally referred to as ConcertHub were impaired by £11,476k and the right-of-use assets impaired by £1,188k. In 2020 the Company performed more detailed impairment reviews, which now also included assessing fair value less costs of disposal, which resulted in the conclusion that none of the intangible assets or right-of-use asset carrying values as at 31 December 2020 were impaired. Consequently, the 2019 £11,476k impairment loss of the ConcertHub assets and £1,068k of the £1,188k impairment loss of the right-of-use asset was reversed, resulting in a total 2020 impairment loss reversal of £12,544k. At Group level, there is no impairment relating to these assets for the year ended 31 December 2020 (year ended 31 December 2019: no impairment).

The results for the year and the financial position of the Company are shown on pages 14 and 15.

The directors expect the Company will continue to be in a position to recover all expenses incurred for the foreseeable future.

COVID-19

The coronavirus (COVID-19) outbreak has caused extensive disruptions to businesses and economic activities globally. The uncertainties over the emergence and spread of COVID-19 caused market volatility on a global scale, which could continue for a considerable amount of time. The Group has seen its business volumes dip as the pandemic initially hit but rebounded well with management action regarding remote sales processes, Government support to the housing market and strong investment volumes. The Group initially utilised the Government furlough scheme but returned 100.0% of the utilised amount once it became clear performance had exceeded expectations. The Group expects to operate remotely before considering a move to flexible working as Government guidance allows.

Principal risks and uncertainties

From the perspective of the Company, the principal risks and uncertainties are integrated with the principal risks of the Group and are not managed separately. Accordingly, the principal risks and uncertainties of the Group, which include those of the Company, are discussed in the risk management section of the Group directors' report and Financial Statements which do not form part of this report.

Section 172(1) statement

As a Board, we have a duty to promote the success of Openwork Services Limited for the benefit of our shareholders, primarily the shareholders of The Openwork Partnership LLP. In doing so, however, we must have regard for the interests of our colleagues, for the success of our relationships with suppliers and customers, for the impact of our operations on the community, and for the desirability of maintaining a reputation for high standards of business conduct. These stakeholder considerations are woven throughout all of our discussions and decisions. Like many businesses, on occasion the interests of one of these groups will conflict with those of others. The Board seeks to ensure that conflicts of interest are avoided wherever possible and that, if these do arise, they are appropriately disclosed and managed. The Company would at all times act fairly across its members.

In discharging our Section 172 Companies Act 2006 duty we have considered, as a Board, who our key stakeholders are and how their interests should be regarded in relation to the decisions we make.

We consider our key stakeholders to be:

(1) The Majority Shareholder (and its partners including the Advisers who make up the Openwork Network);
(2) The Customers of the Advisers;
(3) Our Regulator, the Financial Conduct Authority;
(4) Our Community
(5) Our Suppliers and other advisers; and
(6) Our People

Strategic Report (continued)
for the year ended 31 December 2020

Section 172(1) statement (continued)

The Board also understands that the long-term sustainable success of the Company is dependent on effective engagement with our key stakeholders. We recognise the role that each stakeholder group plays in our success and our responsibilities towards them.

Set out below is a summary of some of the key matters considered by the Board during 2020 and how the Board has had regard to the interests of our stakeholders in those decisions.

KEY STAKEHOLDER: The majority shareholder.

There is regular interaction between the majority shareholder and members of the Board through well-established communication channels. We also seek feedback direct from our Partners in the Network through regular meetings and surveys, including Net Promoter Scores.

In addition, members of the Board will attend meetings of The Shareholder Council and brief them on the performance of the business and other matters as requested by the Council. The Council will also provide feedback to the members of the Board received from the Partners at various Peer Group meetings held throughout the year and across the UK.

The Company adopted the updated Openwork Strategy that was approved by the OHL Board in December 2020 and has been established to grow the market value of the Openwork Network for the benefit of the Shareholders. The OHL Board convened a Strategy Committee to oversee the development of the new Openwork Strategy which included representatives of the Non-Executive Directors, Shareholder Representatives, Executive Directors and Openwork Management. The OHL Strategy Committee met regularly throughout 2020 and considered the draft proposals from management. The recommendations from management were also subject to a consultation programme with members of the majority shareholder, and the Committee considered the feedback received. Through the Board, the Shareholder Council was kept fully briefed on the evolution of the content of the updated Openwork Strategy 2021-2023

KEY STAKEHOLDER: The Customers of our Advisers.

Delivering positive outcomes for clients is an essential strategic objective for Openwork.

- In 2020, the OHL Board approved the refresh of the Openwork brand to create The Openwork Partnership. Our new brand collateral has been developed following extensive consultation with our clients and our Advisers enabling the content to align with their experience, knowledge, and perspective. The new Brand centres on the principle that the client is at the heart of everything Openwork does and highlights that for us, advice is personal.

The Openwork Partnership is committed to meeting the needs of all our clients meaning that we must be able to identify those needs whatever our clients' circumstances and tailor our support and advice to provide the right resolution for them.

- The Board oversaw the development and roll out of a training programme which will enable our colleagues and our Advisers to identify any clients exhibiting signs of vulnerability and understand how they will need to modify their behaviour to ensure we best meet the needs of these clients.

KEY STAKEHOLDER: Our Regulator.

Ensuring compliance with the regulatory system under which we operate is key to the long-term sustainability of the business.

- The Board oversaw a programme of work to ensure that the requirements of the Senior Managers & Certification Regime was embedded as an integral part of its internal governance framework. Internal Auditors were engaged to review and test the extent to which the Senior Managers and Certificate Regime has been embedded.

KEY STAKEHOLDER: Our Community.

We seek to manage our impact on the environment and to support our community where we can.

- The Company has adopted the Corporate Social Responsibility Policy of the wider group to encourage and establish initiatives to reduce its impact on the environment and encourages colleagues to support the group's charitable and

  other activities designed to support the community. The Openwork Foundation is a key part of this policy and supports vulnerable children and adults in the UK and overseas. In 2020, the Foundation awarded grants and supported many local community charities helping thousands of vulnerable people. In addition to raising funds and awarding grants, the Foundation encourages staff to volunteer within local communities, through a community challenge scheme coordinated by the Openwork Foundation.

Strategic Report (continued)
for the year ended 31 December 2020

Section 172(1) statement (continued)

KEY STAKEHOLDER: Our Community (continued)

The establishment of the Openwork Foundation is a key element in the Corporate Social Responsibility of the Group. We seek to support our community through charitable grants where we can.

- The Board continued to support the work of the charitable foundation (the Openwork Foundation) by approving financial support for the Foundation via a donation uplift mechanism (matching 50p in every £1 donation) and pro bono administrative support.

KEY STAKEHOLDER: Our Suppliers and other advisers.

At all levels across the Company, continuous engagement takes place with our suppliers and advisers to consider respective business conditions, our strategy, key performance indicators and the current and future needs of our investors and customers.

- Through a well-structured governance and oversight framework, the Board ensures close and open relationships with its suppliers and other advisers. The Board supported the establishment of a Supplier Management and Procurement team within the Group. This team builds mutually beneficial and lasting relationships with our suppliers. Their engagement with suppliers is typified by regular interactions and formal reviews. Key areas of focus are value for money, quality of service delivery, health & safety and sustainability. The Board recognises that relationships with suppliers are important to the Company's long-term success.

KEY STAKEHOLDER: Our People.

Our people are key to our operations and we want them to be successful individually and as a team. Remuneration throughout the Group is set by reference to independent benchmarks and other market indicators to promote transparency and fairness, this includes our approach to fixed and variable pay.

The Openwork Partnership is committed to the principles of equal opportunities and equal treatment for all employees, regardless of sex, race, religion or belief, age, marriage or civil partnership, pregnancy/maternity, or disability. We have a clear policy of paying employees similarly for the same or equivalent work, regardless of their sex (or any other characteristic set out above). To achieve this we:

- carry out annual pay audits (by checking pay disparities and using our salary progression process to address any issues).
- evaluate job roles using a market leading Industry bench-marking tool to ensure a fair deal.
- Create base pay mechanisms that specifically avoid gender bias and provide more support to our lowest paid people.

There are many ways we engage with and listen to our people including colleague surveys, forums, briefings and newsletters.

We aim to take action based on their feedback to make Openwork Group a great place to work.

- The Company participated in a group-wide survey seeking feedback from colleagues concerning the quality of their workplace, their remuneration package and their wellbeing. The findings have been reviewed and a management action plan has been formulated to respond to the key matters raised such as well-being, career development and fair and transparent remuneration practices.

It is essential that our people have the equipment and support infrastructure, from a wellbeing and an operational perspective to effectively perform their roles remotely and deal with the challenges arising from the COVID-19 pandemic.

- The Board oversaw a programme of work to ensure colleagues were able to work remotely in response to the restrictions resulting from lockdown protocols in place due to the COVID-19 pandemic. Colleagues were supplied with information technology and communications equipment to work effectively from their homes. A comprehensive health and wellbeing programme was also established to support remote working colleagues and those who were caring for others during the pandemic.

On behalf of the Board

Philip Howell

Philip Howell
Director

15 September 2021

Statement of Directors' Responsibilities
for the year ended 31 December 2020

Statement of directors' responsibilities

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006.

Under company law, directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable international accounting standards in conformity with the requirements of the Companies Act 2006 have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are also responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006.

Directors' confirmations
In the case of each director in office at the date the directors' report is approved:

- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Independent Auditors' Report
To the members of Openwork Services Limited

Report on the audit of the financial statements

Opinion

In our opinion, Openwork Services Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2020 and of its profit and cash flows for the year then ended;
- have been properly prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Directors' Report and Financial Statements (the "Annual Report"), which comprise: the statement of financial position as at 31 December 2020; the statement of comprehensive income, the statement of cash flows and the statement of changes in equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

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 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.

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.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the company's ability to continue as a going concern.

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

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, 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 audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. 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 based on these responsibilities.

With respect to the Strategic report and Directors' report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

Strategic report and Directors' report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and Directors' report for the year ended 31 December 2020 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic report and Directors' report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of Directors' Responsibilities, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also 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.

In preparing the financial statements, the directors are responsible for assessing the 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 company or to cease operations, or have no realistic alternative but to do so.

Auditors' 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 auditors' 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to the Companies Act 2006, and we considered the extent to which non-compliance might have a material effect on the financial statements. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries that increase revenue or decrease expenses, and management bias in accounting estimates and judgemental areas, such as the valuation of ConcertHub. Audit procedures performed by the engagement team included:

- Review of the whistleblowing and fraud register and consideration of the results of management's investigation of such matters;
- Discussions with management and those involved in the Risk and Compliance functions and the legal function, including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Reviewing relevant meeting minutes;
- Risk based journal testing with a focus on unusual account combinations;
- Procedures relating to the valuation of ConcertHub, including assessing the reasonableness of management's assumptions; and
- Performed audit procedures which incorporate an element of unpredictability in our testing.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

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

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

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

We have no exceptions to report arising from this responsibility.

Andrew Hill (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
17 September 2021

Statement of Comprehensive Income
for the year ended 31 December 2020

	Note	2020 £000	2019 £000
Revenue		**99,001**	93,754
Cost of rendering services		**(97,213)**	(91,686)
Gross profit		**1,788**	2,068
Depreciation of property, plant and equipment	5	**(2,157)**	(1,847)
Amortisation of intangible assets	5	**(424)**	(884)
Impairment reversal / (loss)	5	**12,544**	(12,664)
Other income	5	**926**	935
Operating Profit / (Loss)		**12,677**	(12,392)
Finance costs	4	**(1,624)**	(1,486)
Finance income	4	**1,196**	1,214
Profit / (Loss) before taxation		**12,249**	(12,664)
Taxation (charge) / credit	6	**(1,201)**	1,238
Profit / (Loss) for the year and total comprehensive income / (expense)		**11,048**	(11,426)

The accompanying notes from page 18 onwards are an integral part of these financial statements.

Statement of Financial Position
as at 31 December 2020

	Note	2020 £000	2019 £000
Assets			
Non-current assets			
Intangible assets	7	**26,086**	3,024
Property, plant and equipment	8	**10,998**	10,838
Right-of-use assets	8	**5,453**	5,696
Deferred tax assets	15	**3,100**	3,947
Trade and other receivables	9	**2,568**	3,184
		48,205	26,689
Current assets			
Cash and cash equivalents	10	**-**	-
Trade and other receivables	9	**61,286**	53,478
		61,286	53,478
Total assets		**109,491**	80,167
Liabilities and shareholders' equity			
Current liabilities			
Trade and other payables	11	**92,161**	74,701
Provisions	14	**1,995**	-
		94,156	74,701
Non-current liabilities			
Trade and other payables	12	**4,117**	5,331
Provisions	14	**799**	794
		4,916	6,125
Total liabilities		**99,072**	80,826
Equity			
Ordinary shares	16	**17,300**	17,300
Share option reserve	21	**30**	-
Accumulated losses	17	**(6,911)**	(17,959)
Total equity		**10,419**	(659)
Total liabilities and equity		**109,491**	80,167

The accompanying notes from page 18 onwards are an integral part of these financial statements.

The financial statements on pages 14 to 39 were approved by the Board of Directors on 15 September 2021 and were signed on its behalf by:

Richard Houghton
Director

Statement of Changes in Equity
for the year ended 31 December 2020

	Note	Ordinary shares £000	Share option reserve £000	Accumulated losses £000	Total equity £000
Balance at 1 January 2020		**17,300**	-	**(17,959)**	**(659)**
Share-based payment charge	21	-	**30**	-	**30**
Profit for the year and total comprehensive income	17	-	-	**11,048**	**11,048**
Balance at 31 December 2020		**17,300**	**30**	**(6,911)**	**10,419**

	Note	Ordinary shares £000	Share option reserve £000	Accumulated losses £000	Total equity £000
Balance at 1 January 2019		17,300	-	(6,533)	10,767
Loss for the year and total comprehensive expense	17	-	-	(11,426)	(11,426)
Balance at 31 December 2019		17,300	-	(17,959)	(659)

The accompanying notes from page 18 onwards are an integral part of these financial statements.

Statement of Cash Flows
for the year ended 31 December 2020

	Note	2020 £000	2019 £000
Profit / (Loss) before taxation		**12,249**	(12,664)
Finance income	4	**(1,196)**	(1,214)
Finance costs	4	**1,624**	1,486
Operating Profit / (Loss)		**12,677**	(12,392)
Adjustment for			
Share-based payment charge		**30**	-
Amortisation of intangible assets	5	**424**	884
Depreciation of property, plant and equipment	5	**846**	530
Depreciation of right-of-use assets	5	**1,311**	1,317
Interest receivable	4	**1,196**	1,214
Interest payable	4	**(1,618)**	(1,480)
Impairment (reversal) / loss	5	**(12,544)**	12,664
Decrease / (Increase) in deferred tax asset		**847**	(1,184)
Increase in trade and other receivables	9	**(7,192)**	(9,813)
Increase in trade and other payables	11/12	**16,180**	31,567
Increase in provisions	14	**2,000**	6
Cash generated from operating activities		**14,157**	23,313
Bank charges	4	**(6)**	(6)
Net cash generated from operating activities		**14,151**	23,307
Cash flows from investing activities			
Purchase of intangible assets	7	**(12,010)**	(13,960)
Purchase of tangible assets	8	**(1,006)**	(8,161)
Net cash used in investing activities		**(13,016)**	(22,121)
Cash flows from financing activities			
Finance Lease payments	13	**(1,194)**	(1,179)
Net cash used in financing activities		**(1,194)**	(1,179)
Net increase / (decrease) in cash and cash equivalents		**(59)**	7
Cash and cash equivalents at start of year		**(6)**	(13)
Cash and cash equivalents at year end		**(65)**	(6)

The accompanying notes from page 18 onwards are an integral part of these financial statements.

Notes to the Financial Statements
for the year ended 31 December 2020

1. ACCOUNTING POLICIES

1.1 Basis of preparation

These financial statements for Openwork Services Limited ("the Company") have been prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006. The accounting policies below have been applied consistently to all years in these financial statements.

The financial statements have been prepared under the historical cost convention.

After making enquiries and considering the projected impact of COVID-19 as part of the 3-year business plan, the directors have a reasonable expectation that the Company has access to adequate resources to continue in operational existence for the foreseeable future. Based on this assessment, the directors have a reasonable expectation that the Company will be able to continue in operation and meet its liabilities as they fall due over the immediate 12-month period from the date of signing this report. Therefore, the directors have adopted the going concern basis in preparing these financial statements.

The presentation and functional currency of these financial statements is Pounds Sterling.

1.2 Financial assets

The Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through Other Comprehensive Income or through profit or loss); and
- those to be measured at amortised cost.

The only financial assets are 'trade and other receivables' and also 'cash and cash equivalents' in the Statement of Financial Position. All financial assets are currently classified as and measured at amortised cost.

Trade and other receivables are held for collection of contractual cash flows, with these cash flows solely representing payments of principal and interest. They arise when the Group provides money, goods or services directly to a debtor with no intention of trading the receivable. They are included under current assets, except for maturities greater than 12 months after the Statement of Financial Position date which are classified as non-current assets.

The group assesses, on a forward-looking basis, the expected credit losses associated with its debt instruments carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. For trade receivables and other receivables, the group applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

1.3 Intangible assets other than goodwill

Intangible assets are initially recorded at cost. These assets consist of capitalised computer software development costs. Subsequent to initial recognition these assets are recorded at cost less accumulated amortisation.

Costs associated with developing or maintaining computer equipment are recognised as an expense as incurred. Costs that are directly associated with the production of identifiable and unique software products controlled by the Group, and that are expected to generate economic benefits (exceeding costs) beyond one year, are recognised as intangible assets. Direct costs include software development employee costs and an appropriate portion of relevant overheads.

Computer software development costs associated with an internally generated intangible asset, are capitalised from the point the directors determine all of the below conditions are met.

- Probable future economic benefits
- Intention to complete and use/sell the asset
- Resources adequate and available
- Ability to use or sell the asset
- Technical feasibility
- Expenditure reliably measurable

Prior to this, research and development computer software costs are expensed as incurred.

Amortisation is calculated on a straight-line basis at rates which, in the opinion of the directors, reduces the assets to their residual values over their estimated useful lives, based on cost rather than fair value.

The estimated useful life and period of amortisation applied from the date computer software is available for use is between the range of 3 to 8 years.

Notes to the Financial Statements (continued)
for the year ended 31 December 2020

1. ACCOUNTING POLICIES (continued)

1.4 Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation. Depreciation is provided on a straight-line basis to write off the cost, less estimated residual value of each asset, over its expected useful life. The period of depreciation applied from the date of acquisition are:

Right-of-use assets	Over the lease term
Leasehold improvements	5 years
Freehold improvements	10 years
Fixtures and fittings	5 years
Computer equipment	3 to 5 years
Land & Buildings: Freehold property	30 years

1.5 Impairment testing of intangible assets

The Company reviews its intangible assets on an annual basis to determine whether events or changes in circumstances indicate that their carrying amounts are recoverable. An impairment loss is recognised for the amount by which the asset's carrying value exceeds the recoverable amount as a charge in the Statement of Comprehensive Income.

Future cash flows are derived from the Group's approved budgets and strategic plans. The discount rate is based on a long-term risk-free market interest rate and a risk premium to take into account variations in the amount or timing of cash flows, uncertainty inherent in the asset and other factors such as illiquidity.

Estimated future cash flows used in the impairment calculations represent management's best view of likely future market conditions and current decisions on the use of each asset or asset group. Actual future cash flows may differ significantly from these estimates due to the effect of changes in market conditions or to subsequent decisions on the use of assets. These differences may have a material impact of the asset values, impairment and amortisation expense reported in future periods.

1.6 Trade and other receivables

Trade and other receivables are recognised initially at cost and subsequently measured at cost less provision for impairment. The amount of the impairment is the amount of expected credit loss on the balance calculated in accordance with IFRS 9. Subsequent reversals of impairment are credited against amounts previously provided for in the Statement of Comprehensive Income.

Trade receivables and contract assets do not contain a significant financing component in accordance with IFRS 15 and therefore the simplified approach has been adopted under IFRS 9 with lifetime expected credit losses (ECLs) recognised. The impairment of trade receivables under IFRS 9 has been performed using a provision matrix.

1.7 Trade and other payables

Trade and other payables are recognised initially at cost and subsequently measured at amortised cost.

1.8 Leases

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

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which the dilapidation is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

Notes to the Financial Statements (continued)
for the year ended 31 December 2020

1. ACCOUNTING POLICIES (continued)

1.8 Leases (continued)

The Company has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

1.9 Provisions

The Company has recognised provisions for future costs that it expects to incur as a result of transactions, actions or commitments that had taken place at the Statement of Financial Position date.

1.10 Capitalisation of borrowing costs and interests

The Company does not capitalise borrowing and other finance costs, these are expensed as incurred.

1.11 Loans and advances

Loans are made to enterprises to support their business activities and are repayable either on demand or over a predefined term. Loans and advances are initially recognised when cash is advanced to the borrowers at cost inclusive of transaction costs. Loans and advances are de-recognised when the rights to receive cash flows from the enterprises has expired or where the Group has transferred substantially all risks and rewards of ownership. As part of the adoption of IFRS 9 all financial assets are subject to an annual impairment test.

1.12 Revenue from contracts with customers

For Openwork Services Limited revenue represents the recharge of service costs to Group companies and sundry income arising from fees and charges levied on advisers, recognised on a time-apportionment basis.

1.13 Cost of rendering services

For Openwork Services Limited cost of sales includes expenses payable that are necessary for the provision of services to the Group, including staff related costs, recognised on an accruals basis.

1.14 Other income

Other income is recognised on an accruals basis. Other income comprises tax credits on Research & Development expenditure.

1.15 Interest income

Interest income and interest receivable on balances with fellow subsidiary undertakings are recognised on an accruals basis and recorded as finance income.

1.16 Finance costs

Bank charges and interest payable on balances with fellow subsidiary undertakings are expensed as incurred on an accruals basis and recorded as Finance costs.

1.17 Employee benefit costs

The Company provides employees with access to a defined contribution pension scheme. All employees, including new hires are entitled to join a defined contribution scheme operated by the Company.

The costs of these pension schemes are expensed to the Statement of Comprehensive Income as incurred.

1.18 Share capital

Ordinary shares are classified as equity.

Notes to the Financial Statements (continued)
for the year ended 31 December 2020

1. ACCOUNTING POLICIES (continued)

1.19 Income taxes

Current income taxes are calculated on the basis of the tax laws enacted in the UK or substantively enacted at the Statement of Financial Position date.

Deferred taxation is recognised on timing differences that have originated but not reversed at the Statement of Financial Position date where transactions or events have occurred that will result in an obligation to pay more, or a right to pay less, taxation in the future. Resultant deferred tax assets are recognised only to the extent that it is considered probable that there will be sufficient future taxable profits in the Group from which the underlying tax losses and timing differences can be deducted, or where there are deferred tax liabilities against which the assets can be recovered.

Deferred tax balances are measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted in the UK at the Statement of Financial Position date.

Deferred tax is recognised in the Statement of Income for the period, except to the extent that it relates to items that are recognised directly in the Statement of Changes in Equity, in which case it is recognised in equity.

1.20 Cash and cash equivalents

Cash and cash equivalents include cash at bank and in hand.

1.21 Fair value estimation

The carrying value less impairment provision of short-term deposits, enterprise and employee loans and trade and other receivables are assumed to approximate to their fair values, as stated in the specific accounting policies above.

2. IMPACT OF NEW ACCOUNTING STANDARDS

This note details i) new standards, amendments and improvements to IFRS effective for the first time for periods beginning on or after 1 January 2020; and ii) forthcoming new standards or amendments issued and effective for periods beginning on or after 1 January 2021.

i) New standards, amendments and improvements to IFRS applicable from 1 January 2020.

There are no new accounting standards, amendments, or IFRS ICs effective from 1 January 2020 that are expected to have an impact on the financial statements.

ii) New standards, amendments and improvements to IFRS applicable from 1 January 2021.

There are no new accounting standards, amendments, or IFRS ICs effective from 1 January 2021 that are expected to have an impact on the financial statements.

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS IN APPLYING ACCOUNTING POLICIES

The preparation of financial statements in conformity with IFRSs may require the use of estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on management's best knowledge of the amount, event or actions, actual results ultimately may differ from those estimates.

3.1 Key assumptions, estimates and judgements

The Company makes assumptions, estimates and judgements concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. These are continually evaluated and based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The assumptions and estimates that have a significant risk of causing material adjustment to the Company's earnings and carrying value are the impairment of internally generated software and right-of-use assets.

3.2 Impairment of internally generated software and right-of-use assets

The internally generated software referred to as the ConcertHub assets (see note 7) and the right-of-use (see note 8) assets are capitalised in the Company. However, due to different entities within the Group using these assets to generate benefit, the amortisation and the depreciation are recharged to each other entity within the Group as appropriate to ensure benefit is being matched with associated cost.

The recharges generate revenue in the Company and therefore these assets are considered cash generating assets. The ability of the Company to make these recharges is not dependant on any other asset and therefore the Concert software and right-of-use assets, have been treated as individual cash-generating units for IAS 36 value in use impairment purposes. The cash flows used for impairment are the future recharges over the life of each asset, with the Concert software asset also including a best estimate of costs of completion. Future cash flows have been discounted at a rate of 11.4%.

Impairment review of these assets also considers fair value less costs of disposal. As part of this impairment review, assumptions and estimates regarding market conditions, technological changes and resourcing requirements are made to ultimately determine a reliable replacement cost.

Notes to the Financial Statements (continued)
for the year ended 31 December 2020

4. FINANCE COSTS AND FINANCE INCOME

	2020 £000	2019 £000
Finance costs		
Interest payable and similar charges	**6**	6
Interest payable on amounts due to fellow subsidiary	**1,256**	1,068
Interest payable on finance lease liabilities	**362**	412
Total finance costs	**1,624**	1,486

	2020 £000	2019 £000
Finance income		
Interest receivable on loans to enterprises	**228**	146
Interest receivable on amounts owed by fellow subsidiary undertakings	**966**	1,068
Other Interest receivable	**2**	-
Total finance income	**1,196**	1,214

5. OPERATING LOSS

The following items have been included in arriving at operating loss:

	2020 £000	2019 £000
Staff costs (note 18)	**40,418**	38,170
Depreciation charge of right-of-use asset (note 8)	**1,311**	1,317
Depreciation of property, plant and equipment (note 8)	**846**	530
Impairment (reversal) / loss of intangibles (note 7)	**(11,476)**	11,476
Impairment (reversal) / loss of right-of-use asset (note 8)	**(1,068)**	1,188
Amortisation of intangibles (note 7)	**424**	884
Payments receivable from leasing right-of-use assets	**(745)**	(866)
Research & Development tax credit	**(926)**	(910)
Restructuring costs	**389**	194

The total cash outflows for leases in the financial year was £1,550k (2019: £1,596k).

The Research & Development tax credit is shown within the other income line of the Statement of Comprehensive Income.

Services provided by the Group's auditors

During the year, the Company obtained the following services from the Group's auditors at costs detailed below:

	2020 £000	2019 £000
Fees payable to the Company's auditors for the audit of the Company's financial statements	**59**	25

During 2020 and 2019 the Company settled all costs relating to auditors' remuneration in respect of services provided to the Group. These amounts were then recharged to the relevant subsidiary Company via the recharge of service costs (note 22).

Notes to the Financial Statements (continued)
for the year ended 31 December 2020

6. TAXATION

Analysis of tax charge / (credit) in the year	2020 £000	2019 £000
Current tax:		
- Corporation tax payable	354	-
- Prior year adjustment	-	(54)
Deferred tax:		
- Current year charge / (credit)	1,615	(1,184)
- Prior year adjustment	(768)	-
Taxation charge / (credit) in the year	**1,201**	(1,238)

All taxation relates to continuing operations.

Factors affecting the tax charge / (credit) in the year

The tax assessed for the year on the Company is lower (2019: higher) than the effective rate of corporation tax in the UK of 19.0% (2019: effective rate of 19.0%). The differences are:

	2020 £000	2019 £000
Profit / (Loss) on ordinary activities before tax	12,249	(12,664)
Loss on ordinary activities at effective rate of corporation tax in the UK of 19.0% (2019: 19.0%)	2,327	(2,406)
Fixed asset differences	44	36
Expenses not deductible for tax purposes	153	238
Income not taxable for tax purposes	(176)	(178)
Research & Development expenditure credits	176	173
Difference between current and deferred rates of tax	(555)	330
Prior year adjustment	(768)	(54)
Deferred tax not recognised	-	623
Taxation charge / (credit) in the year	**1,201**	(1,238)

Notes to the Financial Statements (continued)
for the year ended 31 December 2020

7. INTANGIBLE ASSETS

Acquired and internally generated intangible assets	Capitalised software £000
Cost	
At 1 January 2020	**35,480**
Additions acquired	**-**
Additions internally generated	**12,010**
Disposals	**-**
At 31 December 2020	**47,490**
Accumulated amortisation and impairment	
At 1 January 2020	**32,456**
Charge for the year	**424**
Disposals	**-**
Impairment reversal	**(11,476)**
At 31 December 2020	**21,404**
Net book amount at 31 December 2020	**26,086**
Net book amount at 31 December 2019	3,024

Acquired and internally generated intangible assets	Capitalised software £000
Cost	
At 1 January 2019	21,520
Additions acquired	-
Additions internally generated	13,960
Disposals	-
At 31 December 2019	35,480
Accumulated amortisation and impairment	
At 1 January 2019	20,096
Charge for the year	884
Disposals	-
Impairment loss	11,476
At 31 December 2019	32,456
Net book amount at 31 December 2019	3,024
Net book amount at 31 December 2018	1,424

Notes to the Financial Statements (continued)
for the year ended 31 December 2020

7. INTANGIBLE ASSETS (continued)

The acquired and internally generated computer software capitalised relates to the development of systems covering the following:

- Point of sale (OWS – Openwork Solution)
- Sales administration (Swift)
- Management information

Capitalised software – addition of internally generated ConcertHub software

The Openwork Group board held a meeting on 13 December 2018, approving the investment case to develop the ConcertHub software. The ConcertHub software is the development of internally generated intangible assets that replaces existing legacy software systems; for the purposes of providing better and more efficient business submission, customer relationship management and advice capability across the Openwork network. Development costs have been capitalised from 01 January 2019, the point when all the internally generated intangible asset capitalisation criteria were met.

The ConcertHub software internally generated intangible assets have been assessed to have an estimated finite useful life of 8 years. Amortisation shall begin when the assets are available for use, which is when it is in the location and condition necessary for it to be capable of operating in the manner intended by management. The ConcertHub software assets shall be amortised on a straight-line basis over the estimated 8 year useful life from this available for use point. There has been no amortisation recognised during 2020 (2019: no amortisation recognised)

During 2020 £14,958k (2019: £14,597k) was spent in developing the ConcertHub software assets, of which £11,557k (2019: £13,960k) was assessed to be directly attributable to create, produce and prepare the asset to be capable of operating in the manner intended by management and therefore capitalised. The remaining expenditure, whilst related to ConcertHub, was assessed to not be specific and directly attributable to ConcertHub alone. This expenditure has been initially recognised as an expense and shall not be recognised as part of the cost of an intangible asset at a later date. The split of cumulative capitalised values for each ConcertHub software internally generated intangible asset is shown below:

	2020 **£000**	2019 £000
As at 1 January	**13,960**	-
Additions in year: Wealth	**9,641**	13,360
Additions in year: Mortgage and Protection	**1,570**	600
Additions in year: Owl	**346**	-
As at 31 December	**25,517**	13,960

Capitalised software – addition of internally generated Platform Strategy Project software

Following a strategic review the Openwork board decided to launch an Openwork Platform with Openwork Wealth Services Limited acting as Platform Service Provider (PSP) in order to increase propositional control and enable the delivery of improved customer outcomes. Development costs have been capitalised from 20 March 2020, the point when all the internally generated intangible asset capitalisation criteria were met.

The PSP intangible asset has been assessed to have an estimated finite useful life of 5 years. Amortisation shall begin when the asset is available for use, which is when it is in the location and condition necessary for it to be capable of operating in the manner intended by management. It shall be amortised on a straight-line basis over the estimated 5-year useful life from this available for use point. There has been no amortisation recognised during 2020 (2019: no amortisation recognised).

During 2020 £571k (2019: nil) was spent in developing the PSP, of which £453k (2019: nil) was assessed to be directly attributable to create, produce and prepare the asset to be capable of operating in the manner intended by management and therefore capitalised. The remaining expenditure, whilst related to the PSP, was assessed to not be specific and directly attributable to the PSP alone. This expenditure has been initially recognised as an expense and shall not be recognised as part of the cost of an intangible asset at a later date.

Intangible asset impairment

Management have performed an impairment review on the carrying value as at 31 December 2020 of the ConcertHub software internally generated intangible assets. This review has determined that no impairment loss was required and the impairment loss of £11,476k recognised as at 31 December 2019, could be reversed in full.

Notes to the Financial Statements (continued)

for the year ended 31 December 2020

8. PLANT, PROPERTY AND EQUIPMENT

	Right-of-use assets (all property) £000	Land & Buildings £000	Leasehold improve-ments £000	Freehold improve-ments £000	Computer Equipment £000	Fixtures and fittings £000	Total £000
Cost							
At 1 January 2020	**9,326**	**8,074**	**1,550**	**1,322**	**1,000**	**4,336**	**25,608**
Additions	**-**	**-**	**-**	**400**	**354**	**252**	**1,006**
Disposals	**-**	**-**	**-**	**-**	**-**	**-**	**-**
At 31 December 2020	**9,326**	**8,074**	**1,550**	**1,722**	**1,354**	**4,588**	**26,614**
Accumulated depreciation							
At 1 January 2020	**3,630**	**102**	**1,495**	**-**	**962**	**2,885**	**9,074**
Charge for the year	**1,311**	**175**	**55**	**158**	**86**	**372**	**2,157**
Impairment reversal	**(1,068)**	**-**	**-**	**-**	**-**	**-**	**(1,068)**
Disposals	**-**	**-**	**-**	**-**	**-**	**-**	**-**
At 31 December 2020	**3,873**	**277**	**1,550**	**158**	**1,048**	**3,257**	**10,163**
Net book amount at 31 December 2020	**5,453**	**7,797**	**-**	**1,564**	**306**	**1,331**	**16,451**
Net book amount at 31 December 2019	5,696	7,972	55	1,322	38	1,451	16,534

	Right-of-use assets (all property) £000	Land & Buildings £000	Leasehold improve-ments £000	Freehold improve-ments £000	Computer Equipment £000	Fixtures and fittings £000	Total £000
Cost							
At 1 January 2019	9,140	-	1,894	-	997	3,660	15,691
Additions	186	8,074	-	1,322	29	751	10,362
Disposals	-	-	(344)	-	(26)	(75)	(445)
At 31 December 2019	9,326	8,074	1,550	1,322	1,000	4,336	25,608
Accumulated depreciation							
At 1 January 2019	1,125	-	1,751	-	887	2,721	6,484
Charge for the year	1,317	102	88	-	101	239	1,847
Impairment loss	1,188	-	-	-	-	-	1,188
Disposals	-	-	(344)	-	(26)	(75)	(445)
At 31 December 2019	3,630	102	1,495	-	962	2,885	9,074
Net book amount at 31 December 2019	5,696	7,972	55	1,322	38	1,451	16,534
Net book amount at 31 December 2018	8,015	-	143	-	110	939	9,207

Openwork Holdings Limited has legal title to the land and buildings purchased year. The asset is recognised in Openwork Services Limited, with Openwork Holdings Limited receiving the full cash payment from Openwork Services Limited, representing a fully paid up finance lease with Openwork Services Limited.

Right-of-use asset impairment

Management have performed an impairment review on the carrying value as at 31 December 2020 of the right-of-use assets. This review has determined that no impairment loss was required and £1,068k of the total £1,188k 2019 impairment loss, could be reversed in full.

Notes to the Financial Statements (continued)
for the year ended 31 December 2020

9. TRADE AND OTHER RECEIVABLES

	2020 £000	2019 £000
Amounts falling due within one year:		
Trade debtors – third parties	**113**	73
Total trade debtors	**113**	73
Amounts owed by group undertakings (note 22)	**52,278**	45,955
Other debtors (see below)	**2,487**	2,213
Prepayments and accrued income	**6,408**	5,237
	61,286	53,478

	2020 £000	2019 £000
Amounts falling due after one year:		
Other debtors (see below)	**2,568**	3,184
	2,568	3,184

All non-current receivables are due within five years of the Statement of Financial Position date.

A breakdown of Other debtors for amounts due within one year and falling due after one year are as follows:

Other Debtors

	2020 £000	2019 £000
Amounts falling due within one year:		
Receivables from Franchisees	**1,561**	1,272
Receivables from Employees	**17**	32
Research and Development tax credit	**909**	909
	2,487	2,213

Other Debtors

	2020 £000	2019 £000
Amounts falling due after one year:		
Receivables from Franchisees	**2,568**	3,184
	2,568	3,184

10. CASH AND CASH EQUIVALENTS

	2020 £000	2019 £000
Cash and cash equivalents		
Cash at bank and in hand	**-**	-

Notes to the Financial Statements (continued)
for the year ended 31 December 2020

11. TRADE AND OTHER PAYABLES - CURRENT

	2020 £000	2019 £000
Trade payables	**50**	(122)
Amounts owed to group undertakings (note 22)	**66,091**	43,687
Other tax and social security payable	**1,433**	1,110
Other creditors	**369**	321
Accruals	**22,458**	27,891
Lease liabilities (note 13)	**1,215**	1,194
Deferred income	**545**	620
	92,161	74,701

12. TRADE AND OTHER PAYABLES - NON-CURRENT

	2020 £000	2019 £000
Lease liabilities (note 13)	**4,117**	5,331
	4,117	5,331

13. LEASES

The Company leases leasehold properties and vending machines. Information about the leases for which the Group is a lessee is presented below.

Right-of-use assets

	2020 £000	2019 £000
At 1 January	**5,696**	8,015
Additions	**-**	186
Depreciation charge for the year	**(1,311)**	(1,317)
Impairment reversal / (loss)	**1,068**	(1,188)
At 31 December	**5,453**	5,696

See section 3.3 for further impairment details.

Lease liabilities maturity analysis – contractual undiscounted cash flows

	2020 £000	2019 £000
Less than one year	**1,501**	1,549
One to five years	**3,458**	4,490
More than five years	**1,292**	1,762
Total undiscounted lease liabilities at 31 December	**6,251**	7,801

Notes to the Financial Statements (continued)
for the year ended 31 December 2020

13. LEASES (continued)

Lease liabilities included in the Statement of Financial Position

	2020 £000	2019 £000
Current	**1,215**	1,194
Non-current	**4,117**	5,331
Total lease liabilities at 31 December	**5,332**	6,525

Amounts recognised in the Statement of Comprehensive Income

	2020 £000	2019 £000
Interest on lease liabilities	**362**	412
	362	412

Amounts recognised in the Statement of cash flows

	2020 £000	2019 £000
Finance Lease: Capital payment	**1,194**	1,179
Finance lease: Interest payment	**356**	417
Total cash outflow for leases	**1,550**	1,596

14. PROVISIONS

	Restructuring £000	Dilapidations £000	Total £000
At 1 January 2020	-	**794**	**794**
Charged to statement of comprehensive income	**2,384**	**5**	**2,389**
Released to income statement	-	-	-
Utilised in year	**(389)**	-	**(389)**
At 31 December 2020	**1,995**	**799**	**2,794**

	Restructuring £000	Dilapidations £000	Total £000
At 1 January 2019	-	788	788
Charged to statement of comprehensive income	-	6	6
Released to income statement	-	-	-
Utilised in year	-	-	-
At 31 December 2019	-	794	794

Notes to the Financial Statements (continued)
for the year ended 31 December 2020

14. PROVISIONS (continued)

Provisions have been analysed between current and non-current as follows:

	2020 £000	2019 £000
Current	**1,995**	-
Non-current	**799**	794
	2,794	794

Restructuring provisions mainly comprise employee termination payments and are recognised in the period in which the Company becomes legally or constructively committed to payment. Costs related to the ongoing activities of the Company are not provided for.

Provision is made for dilapidations where the leases of the Company's offices require the reinstatement of the premises to their original state. The provision is calculated on a cost per square foot based on industry experience.

15. DEFERRED TAX ASSETS

The Company has a deferred tax asset relating to Capital Allowances. The asset has been assessed against forecasted taxable profits to confirm recoverability (see note 1.19).

	2020 £000	2019 £000
At 1 January	**3,947**	2,763
Statement of comprehensive income current year (charge) / credit (note 6)	**(1,615)**	1,184
Prior year adjustment (note 6)	**768**	-
At 31 December	**3,100**	3,947

The movements in deferred tax assets and liabilities (prior to the offsetting of balances within the same jurisdiction as permitted by IAS 12) during the year are shown below. Deferred tax assets and liabilities are only offset where there is a legally enforceable right of offset, and there is an intention to settle the balances net.

	Accelerated tax depreciation £000	Short term timing differences £000	Total £000
At 1 January 2020	**2,532**	**1,415**	**3,947**
Statement of comprehensive income current year (charge) (note 6)	**(1,358)**	**(257)**	**(1,615)**
Prior year adjustment (note 6)	**768**	**-**	**768**
At 31 December 2020	**1,942**	**1,158**	**3,100**
At 1 January 2019	2,532	231	2,763
Statement of comprehensive income current year credit	-	1,184	1,184
At 31 December 2019	2,532	1,415	3,947

In the Spring Budget 2021, the Government announced that from 1 April 2023 the corporation tax rate will increase to 25%. As the proposal to increase the rate to 25% had not been substantively enacted at the statement of financial position date, its effects are not included in these financial statements.

Notes to the Financial Statements (continued)
for the year ended 31 December 2020

16. CALLED UP SHARE CAPITAL

	2020 £000	2019 £000
Authorised		
20,000,000 ordinary shares of £1 each	**20,000**	20,000

	2020 £000	2019 £000
Allotted, issued and fully paid		
17,300,002 ordinary shares of £1 each	**17,300**	17,300

Dividends and voting rights in respect of ordinary shareholders are allocated pro rata to holdings. The ordinary shares entitle the holders to receive notice of and to attend and/or speak and vote at general meetings of the Company, and to receive any dividends out of the profits of the Company available for distribution and resolved to be distributed.

Upon the winding up of the Company the ordinary shareholders shall be entitled to receive the amount paid up on their shareholding, including any premium, and to participate in any surplus so arising.

17. ACCUMULATED LOSSES

	2020 £000	2019 £000
At 1 January	**(17,959)**	(6,533)
Profit / (Loss) for the year and total comprehensive income / (expense)	**11,048**	(11,426)
As at 31 December	**(6,911)**	(17,959)

18. EMPLOYEES AND DIRECTORS

Staff costs for the Group during the year	2020 £000	2019 £000
Wages and salaries	**34,506**	32,688
Social security costs	**3,864**	3,864
Other pensions costs (note 19)	**2,048**	1,618
	40,418	38,170

Included within staff costs is a charge of £4,007k (2019: £nil) relating to departure of previous senior management and a release of £1,455k (2019: charge of £5,483k) relating to long term incentive schemes. The 2020 release includes adjustments and cancellation of previous scheme as well as a charge relating to a new scheme for incoming executives (see note 21).

The average monthly number of employees (including executive directors) was:

	2020 number	2019 number
Corporate and support functions	**501**	449
Wealth	**59**	52
Mortgage	**15**	15
OWL	**27**	26
Total	**602**	542

All employees of the Company provide services to the Company and/or other companies within the Group

Directors' emoluments for the Company for the year	2020 £000	2019 £000
Aggregate emoluments in respect of qualifying services	**325**	207
Company contributions to money purchase pension schemes	**7**	7
	332	214

18. EMPLOYEES AND DIRECTORS (continued)

Directors' emoluments for the Company for the year (continued)

The directors' emoluments shown above were for services provided to the Company and include performance related pay, benefits, bonuses and redundancy. There are no key management personnel who are not directors of the Company.

One (2019: one) director who served during the year had retirement benefits accruing under Group money purchase pension schemes.

Highest paid director for the Company for the year	**2020 £000**	2019 £000
Aggregate emoluments in respect of qualifying services	**199**	122
Company contributions to money purchase pension schemes	**7**	7
	206	129

The highest paid director did not exercise share options during the year (2019: did not exercise) and did not receive shares under long-term incentive schemes (2019: no shares were received).

19. PENSION COMMITMENTS

The Company provides pension benefits by way of two defined contribution schemes and previously via a funded defined benefit scheme. The assets of these schemes are held separately from those of the Company in independently administered funds. In addition, the Company matches contributions made by employees to the defined contribution scheme.

Defined contribution scheme

All employees are eligible to join the defined contribution scheme. Contributions made by the Company to this scheme are charged to the Statement of Comprehensive Income in the year in which they are incurred, and amounted to £2,048k (2019: £1,609k). This included £1,416k (2019: £1,030k) where the Company has matched employee contributions. Outstanding contributions at 31 December 2020 were £303k (2019: £234k).

20. CAPITAL COMMITMENTS

The Company has no capital commitments at 31 December 2020 (31 December 2019: £nil).

21. SHARE BASED PAYMENTS

During 2020 the Group put in place a new incentive scheme for executives and senior management, these being the 'New Long-term incentive plan' (LTIP). A description of the share-based payment arrangement and general terms and conditions is set out below.

New Long-term incentive plan 'LTIP'

The New LTIP plan was launched in December 2020 and open to executive directors only. In 2021 the plan will be open for Openwork senior management. Following a performance year, participants are entitled to select a cash bonus award equal to an agreed percentage of their annual salary or to waive all or part of their cash bonus award and receive an option to acquire ordinary shares in Openwork. Cash award value is subject to achievement of performance measurement categories proposed for the performance year which can vary for different employees. Performance measurement categories set for the year ended 31 December 2020 for executive directors are revenue (20.0%), growth in Group value (20.0%), operating margin (15.0%) and various strategic non-financial measures (45.0%). Value of the ordinary shares is equal to the waived cash award plus an uplift, 'equity kicker'.

Both cash bonus award and share options vest after two years from the performance year end date with options exercised at nil cost. The right to exercise an option is subject to continued employment with no performance targets set over the remaining 2-years period. When an option is exercised, the participants are also entitled to receive a dividend equivalent payment in cash equal to the aggregate dividends declared on shares between grant and exercise dates of the option.

In December 2020 the Group cancelled awards issued under the long-term equity plan ('LTEP') granted in October 2018. As of the cancellation date the previously accrued amount of £4,350k was released to the Statement of Comprehensive Income. Some of the cancelled awards were replaced with awards issued under new LTIP. Replacement awards are not subject to performance targets and were exchanged for a cash award which could be converted to equity. Expense relating to the replacement awards will be incurred in future periods.

Notes to the Financial Statements (continued)
for the year ended 31 December 2020

21. SHARE BASED PAYMENTS (continued)

New Long-term incentive plan 'LTIP' (continued)

The assessed fair value at the grant date of the options granted to executive directors in the year ended 31 December 2020 was £2,835k which represents a valuation of the equity component of the plan awards issued with a choice of settlement provided to the participants. The number of the shares will be determined after the performance year ended 31 December 2020. Conversion of the monetary award into share options will be made at the internal market price derived from an independent valuation, or at the discretion of the remuneration committee.

A business valuation was prepared by a qualified independent consultancy. The basis used was a Standalone Enterprise Value (SEV) as if Openwork was listed on a public market today, in line with relevant peer group trading and transactions. The methodology used valued both the whole business as one and on a sum of the parts basis using a blended valuation, applying trading and precedent transaction multiples of Wealth and Mortgage companies - all multiples were applied to Openwork's 2021 and 2022 Gross Margin and EBITDA forecasts. Comparable trading multiples were selected to reflect size, business model, and liquidity using professional judgement.

In combination with the comparable multiples valuation approach, a discounted cash flow ("DCF") methodology was prepared based on cash flows from the company's current business plan. The DCF analysis is sensitive to the perpetual growth and discount rate assumptions used, and the accuracy of management's forecasts.

All the methodologies were brought together to estimate the SEV. To reflect the relative lack of liquidity in the shares, a discount rate was applied to the SEV informed by independent data points and adding free cash to the valuation after regulatory and operational risk capital requirements.

The valuation used for the scheme is ultimately determined at the discretion of the Remuneration Committee, informed by the methodology outlined above.

All-staff long-term incentive plan 'all-staff LTIP'

The all-staff LTIP plan was launched in October 2018 and open to all Openwork employees, allowing them to share in the growth in Openwork's value and receive a cash bonus award if the below conditions are satisfied:

- Openwork's value reaches at least £322,000k (the 'hurdle') from the original independent valuation of £280,000k on an exit (sale or Initial public offering) or specified long-stop date (31 December 2022,2023 and 2024.)

There is no upper limit of the 15.0% hurdle increase and therefore, the greater the value of Openwork, the greater the value of the cash bonus.

During 2020 the decision was taken to close the scheme to new entrants and grant no further awards to current participants, due to a change in strategy. The value of the awards previously granted was underpinned at a minimum value of £1 per unit, to be paid out at the first long-stop date of 31 December 2022. Should an exit event take place, or the valuation hurdle is met, before any of the long-stop dates, the awards will pay-out under the original terms of the scheme, less any amounts already paid on 31 December 2022.

Long term equity plan 'LTEP'

The LTEP plan was cancelled in December 2020 due to a change in strategy to explicitly not pursue an exit event, that being a prime driver behind the scheme. The scheme remained in place during 2020 before the cancellation date.

The LTEP plan was launched in October 2018 and open to executives and senior management, awarding them with the choice of growth shares or nil-cost option shares:

Set out below are summaries of nil-cost options movements under the LTEP plan:

	2020 Number of options	2019 Number of options
As at 1 January	**13,768**	13,768
Cancelled	**(13,768)**	-
As at 31 December	**-**	13,768

Notes to the Financial Statements (continued)
for the year ended 31 December 2020

21. SHARE BASED PAYMENTS (continued)

Long term equity plan 'LTEP' (continued)

The following table shows the deferred growth shares movements and outstanding at the beginning and end of the reporting period:

	2020 Number of shares	2019 Number of shares
As at 1 January	**145,079**	154,613
Forfeited during the year	**-**	(9,534)
Cancelled during the year	**(145,079)**	-
As at 31 December	**-**	145,079

Expense arising from share-based payment transactions

The total cost accrued for the new scheme in the year was £30k. In 2019 £5,483k was accrued under the previous scheme. In 2020 the scheme was cancelled, with a consequential release of £4,350k in the year for the LTEP awards cancellation.

22. RELATED PARTY TRANSACTIONS

(a) Provision of services by the Company

Service costs, net of sundry income, are recharged to other companies in the Group.

	2020 £000	2019 £000
Openwork Limited	**71,746**	57,897
Openwork Holdings Limited	**124**	2,937
Openwork Market Solutions Limited	**-**	206
Omnis Investments Limited	**28,143**	24,350
Openwork Wealth Services Limited	**910**	841
	100,923	86,231

(b) Finance income

	2020 £000	2019 £000
Openwork Holdings Limited	**966**	1,065
Openwork Market Solutions Limited	**-**	3
	966	1,068

(c) Finance Expenses

	2020 £000	2019 £000
Openwork Limited	**1,151**	955
Openwork Access Limited	**52**	47
Omnis Investments Limited	**53**	66
	1,256	1,068

Notes to the Financial Statements (continued)
for the year ended 31 December 2020

22. RELATED PARTY TRANSACTIONS (continued)

(d) Year-end balances arising from related party transactions

	2020 £000	2019 £000
Receivables from related parties (note 9):		
Openwork Holdings Limited	**48,263**	42,178
Openwork Wealth Services Limited	**78**	67
Omnis Investments Limited	**2,626**	2,399
2Plan Wealth Management Limited	**1,306**	1,306
2Plan Limited	**5**	5
	52,278	45,955
Payables to related parties (note 11):		
Openwork Holdings Limited	**563**	-
Openwork Limited	**60,473**	39,421
Openwork Access Limited	**2,680**	1,900
Omnis Investments Limited	**2,409**	2,400
Figure Out Limited	**(19)**	(19)
2Plan Group Limited	**(15)**	(15)
	66,091	43,687

Openwork Limited, Openwork Market Solutions Limited, Omnis Investments Limited, Openwork Wealth Services Limited, Openwork Access Limited, 2Plan Wealth Management Limited, 2Plan Limited, Figure Out Limited and 2Plan Group Limited are fellow subsidiary undertakings of Openwork Holdings Limited which is the Company's immediate parent Company.

23. FINANCIAL RISK MANAGEMENT

Financial Risk Factors

The Company's operations expose it to financial risks: market risk (including interest rate risk, equity risk and currency risk), credit risk and liquidity risk. The Company's risk management program focuses on counterparty credit and liquidity requirements as discussed below. The directors maintain the responsibility of monitoring financial risk management and day-to-day activity is undertaken by the Company's finance department.

Market Risk

Market risk is the potential adverse change in the Company's income or the value of the Company's net worth resulting from movements in interest rates or other market prices and arises from the structure of the Statement of Financial Position.

(a) Interest rate risk

The Company's interest-bearing assets are its cash balances and enterprise loans.

The cash balances earn interest at a floating rate. The effective interest rate during the year on cash balances was 0.07% (2019: 1.28%). The Company is not dependent on income from cash balances and therefore has limited risk.

Given the size of balances, the cost of managing exposure to interest rate risk using financial instruments exceeds any potential benefits, and so the Company has decided not to hedge this risk. The directors will revisit the appropriateness of this policy if the Company's operations change in size or nature.

With regards to the enterprise loans, the Group and Company consider there to be limited exposure to interest rate risk since the majority are at a fixed interest rate.

(b) Equity risk

The Company does not hold debt or equity market investments and therefore is not exposed to any price risk.

Notes to the Financial Statements (continued)
for the year ended 31 December 2020

23. FINANCIAL RISK MANAGEMENT (continued)

Market risk (continued)

(c) Foreign exchange risk

The Company has a small number of transactions denominated in foreign currencies, however these are settled in Pounds Sterling and the Company considers the cost of managing exposure to this risk to exceed any potential benefits. The directors will revisit the appropriateness of this policy as the Company's operations change in size or nature.

The Company currently does not have any operations based outside of the United Kingdom, nor are any of its investments denominated in a currency other than Pounds Sterling.

Credit risk

Credit risk reflects the risk that a counterparty will be unable to meet its contractual obligations to the Company thereby causing the Company to incur a loss.

All financial assets are disclosed at amortised cost.

(a) Receivables

The Company manages its trade debtor and other debtors credit risk by only offering credit to reputable institutions and by operating strict credit control procedures. The vast majority of the receivables balances consist of amounts due from other Group companies and none of this debt is past due.

The maximum exposure to credit risk at the reporting date is the carrying value of each class of receivables (Note 9).

	2020 **£000**	2019 £000
Trade debtors – third parties	**113**	74
Other debtors – third parties	**4,145**	4,487
Other debtors – other group undertakings (note 22)	**52,278**	45,955
Accrued income	**792**	638
	57,328	51,154

Trade and other receivables are recognised initially at cost and subsequently measured at cost less provision for impairment. The amount of the impairment is the amount of expected credit loss on the balance calculated in accordance with IFRS 9. Subsequent reversals of impairment are credited against amounts previously provided for in the Statement of Comprehensive Income

Trade receivables and contract assets do not contain a significant financing component in accordance with IFRS 15 and therefore the simplified approach has been adopted under IFRS 9 with lifetime expected credit losses (ECLs) recognised. The impairment of trade receivables under IFRS 9 has been performed using a provision matrix.

In regard to loans and advances to enterprises some of this risk is being mitigated against future commission costs due to enterprises. However, this is not quantifiable since it is dependent on future sales volumes.

The tables below set out the impairment information and internal ageing in respect of financial assets with credit risk. There were no significant concentrations of credit risk at the Statement of Financial Position date.

Notes to the Financial Statements (continued)
for the year ended 31 December 2020

23. FINANCIAL RISK MANAGEMENT (continued)

Credit risk (continued)

(a) Receivables (continued)

	2020 £000	2019 £000
Not impaired:		
Neither past due nor impaired	**57,223**	50,679
Past due 0 to 3 months	-	-
Past due 3 to 12 months	-	146
Past due 1 to 5 years	-	245
Impaired:		
Past due 0 to 3 months	**82**	71
Past due 3 to 12 months	**30**	20
Past due 1 to 5 years	**102**	117
	57,437	51,278

The credit quality of the financial assets that are neither past due nor impaired is considered to be good. At the balance sheet date, an impairment of nil (2019: £nil) had been recognised.

(b) Cash and cash equivalents

Financial instrument counterparties are subject to pre-approval by the Group Chief Financial Officer and such approval is limited to financial institutions with a BBB+ rating or better and approved enterprises.

The table below shows the balance of the major counterparties at the Statement of Financial Position date. An unrestricted amount may be deposited with Lloyds Bank plc.

	Rating	2020 £000	2019 £000
Lloyds Bank plc	A+	**(65)**	(6)

No credit limits were exceeded during the reporting year, and management does not expect any losses from non-performance by these counterparties.

Liquidity risk

The Company maintains its investments in short-term vehicles that allow same day access to funds to ensure the Company has sufficient available funds for operations.

The table below analyses the Company's financial liabilities into relevant maturity groupings based on the remaining years from the date of the Statement of Financial Position to the contractual maturity date.

Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

At 31 December 2020	**£000 Less than 1 yr**	**£000 1 – 2 yrs**	**£000 2 – 5 yrs**	**£000 Over 5 yrs**
Trade payable – third parties	**50**	**-**	**-**	**-**
Amounts owed to group undertaking	**66,091**	**-**	**-**	**-**
Other creditors	**369**	**-**	**-**	**-**
Lease liabilities	**1,215**	**1,288**	**1,636**	**1,193**
Accruals	**22,458**	**-**	**-**	**-**
	90,183	**1,288**	**1,636**	**1,193**

Notes to the Financial Statements (continued)

for the year ended 31 December 2020

23. FINANCIAL RISK MANAGEMENT (continued)

Liquidity risk (continued)

At 31 December 2019	£000 Less than 1 yr	£000 1 – 2 yrs	£000 2 – 5 yrs	£000 Over 5 yrs
Trade payable – third parties	(122)	-	-	-
Amounts owed to group undertaking	43,687	-	-	-
Other creditors	321	-	-	-
Lease liabilities	1,194	1,214	3,336	781
Accruals	27,891	-	-	-
	72,971	1,214	3,336	781

Capital risk management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders.

The Company's capital is represented by the Company's equity shareholders' funds as set out in the following table:

	2020 **£000**	2019 £000
Called up share capital (note 16)	**17,300**	17,300
Share option reserve (note 21)	**30**	-
Accumulated losses (note 17)	**(6,911)**	(17,959)
Total Capital resources	**10,419**	(659)

24. ULTIMATE PARENT COMPANY

The immediate parent undertaking is Openwork Holdings Limited. The ultimate parent undertaking is The Openwork Partnership LLP.

Openwork Holdings Limited is the parent company and smallest undertaking to consolidate these financial statements. The Openwork Partnership LLP is the largest undertaking to consolidate these financial statements. The consolidated financial statements of Openwork Holdings Limited can be obtained from The Secretary, Openwork Holdings Limited, Washington House, Lydiard Fields, Swindon, SN5 8UB.