

Annual Report 2022

January to December



Welcome

This Annual Report for 2022 reflects our twenty-first year of providing independent dispute resolution to ensure fair treatment for all.



Foreword from our chair

During 2022 we transitioned from a post-pandemic world to one in which the cost-of-living has increased dramatically. It has been a particularly difficult time for businesses and consumers, and we continue to work to support consumers and suppliers to resolve disputes.

From a strategic perspective, the leadership team has set out a clear direction for the future. We're focusing with renewed vigour on our role to support day to day resolution, identify root causes and provide direction to suppliers to solve systemic issues.

Our colleagues have dealt with situations at times as consumers have struggled with unprecedented increases in their household energy bills. In order to be able to support consumers as quickly as possible we recruited additional case workers from across the UK into the business to help manage increasing case numbers.

Our values represent the way we work and how we aspire to be. Through a focus on balance, openness, empathy and courage, we aim to create a culture which promotes fairness and the pursuit of excellence, while encouraging all colleagues to be human and empathetic.

We look forward to building on the successes and learnings gained as Ombudsman Services, respectively this report represents the last we will publish as Ombudsman Services.

Lord Clement Jones CBE

Chair of the board





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Chief Executive's Overview

Ombudsman Service Limited is a not-for-profit organisation that provides a free and independent dispute resolution between suppliers subscribed to our service (in the energy and communications sectors) and the businesses and consumers that use their services.

Strategy

We've focused on three strategic goals to deliver our purpose and to enhance the quality of our capabilities:

- Extending our **Reach** to all stakeholders.
- Creating a **Reputation** for building, maintaining and restoring trust.
- Expanding the **Role** we play with our existing stakeholders and extending our **Remit** to serve multiple markets.

The Target Operating Model Transition

We've successfully transitioned to our new Operating Model and are on a journey of continuous improvement to enhance the overall consumer experience. We aim to provide a clear and transparent service for consumers and suppliers with one point of contact throughout their case, delivering improved communication, consistency and quality service.

We aim to deepen our understanding of consumer challenges by leveraging data to gain more insight into the issues they face. Alongside this we'll continue to work closely with suppliers and providers to address specific business and/or systemic industry-wide issues.

Structure

During the year, we continued to develop our leadership team to ensure it was aligned to our future ambitions.

This ongoing commitment to develop the team resulted in the creation of a new level of leaders in the Operations function. These new leaders are responsible for delivering the new target operating model and managing each community to deliver a consistent experience for stakeholders.

Challenges

Significant economic pressures along with rising inflation rates, cost of living and energy cost increases have led to growing pressure for consumers and energy suppliers alike. This has had a considerable impact on the volume of energy cases we received in 2022. We were well-placed to respond to this increase through our on-going forecasting and planning programme and by leveraging our flexible resources unit to deal with over 30% more energy cases.

Finances

2022 saw The Ombudsman Service Limited reporting a deficit, after taxation of £1,304,557 for the year. We've maintained reserves in line with our policy of three to six months cover of total costs.

This result was in line with the board's expectations based on the additional challenges relating to volume increases in the energy market. This led to additional costs to recruit and train colleagues to meet demand. We absorbed £204,000 of bad debt for 2022, further supporting the markets we operate in during these difficult periods for both consumers and suppliers.



Matthew Vickers

Chief Executive

Our year in numbers

206,000 Consumer enquiries

88,375 disputes resolved within our terms of reference

24% increase in energy disputes

10% decrease in communications cases

With a focus on:

Resolving

with suppliers and providers

Helping

a better service

Collaborating

industry wide issues

Consumer Experience

Our annual Consumer Action Monitor (CAM) report helps us gain insight into the issues that matter most to consumers. Now in its ninth year, the CAM report is the most comprehensive multi-sector survey of its kind in the UK.

As part of 2022's research process, a quota sampling approach was taken to survey a representative selection of adults in England, Scotland, and Wales, to integrate a wider demographic detail. Acquiring data such as age, ethnicity, marital status, gender, vulnerability, disability, employment, socioeconomic group, and education level, allowed us to deepen our understanding of how these factors could impact consumer attitudes.

The 2022 CAM report reflected some interesting trends in consumer attitudes towards complaining, with the mean number of complaints per person rising to 3.4 in November 2022, compared to 2.7 in June 2021.

60%

of respondents confirmed that they would be willing to take a complaint to a third party if their dispute was not resolved by a supplier

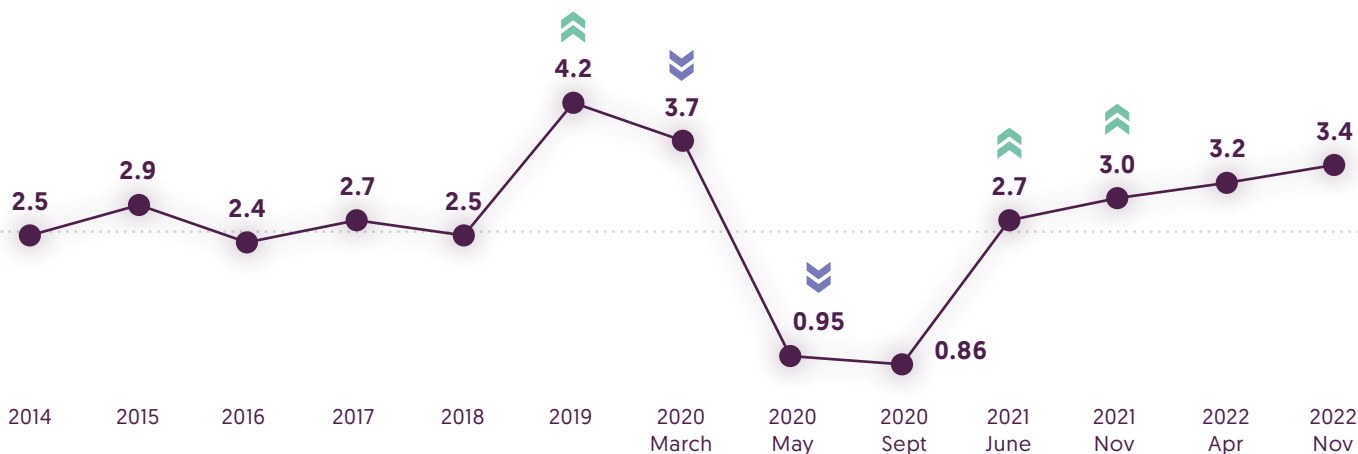
82%

believed a well-handled dispute would increase their loyalty towards a product or service provider

The mean number of complaints per person continues the upward trend

Following a drop in complaints at the height of the pandemic, numbers have steadily risen since June 2021.

Mean number of complaints per person



Our experience scores with consumers (B2C)



Since launching our business to consumer (B2C) surveys in 2020, we've received over 70,000 responses across the energy and communications sectors. These responses detail how consumers feel about our processes and people, and also allow us to gather insight in the end-to-end consumer journey.

Through these surveys, we've had real-time access to consumer feedback, which not only allowed us to identify trends across the business and industries we operate in, but has also helped us take immediate action for consumers who've advised us that they need additional support or help when using our services.

Since the introduction of the new operating model, it is clear from feedback that consumers value having a single point of contact throughout their dispute from beginning to the end, and with it, opportunity for more frequent communication. We've also fed the 2022 results into our Continuous Improvement programme for 2023.

Supplier Experience

Our experience scores with suppliers (B2B)



Responses to our B2B and B2C experience surveys show that, whilst there have been challenges, our service has remained consistent. We've committed to continuous improvement and continually look for ways to enhance the customer experience. Operational changes we've made have been driven by this aim and this will continue to be the case in 2023.

Service complaints

The Customer Relations team handled 993 service complaints in 2022, which is a notable reduction compared to 2020 and 2021. We upheld 82% of consumer complaints received in 2022, which was down from 86% in 2021.



Moving forward

Our customer experience team is now part of the communications department which allows us to work collaboratively on enhancing consumer digital experience. We're taking steps to embed customer experience into our non-customer facing units and help them influence positive change within their areas to benefit the business.

Early signs indicate of that the new operating model is being received positively by consumers. The feedback we receive via our surveys will continue to be fed into the business for continuous improvement purposes.





Colleague Experience

Engagement

We continued to work hard on improving colleague engagement and this was reflected in our Great Place to Work survey scores. The 2022 survey was held in November and saw a colleague participation rate of 89 per cent, which is the highest for Ombudsman Services since the survey was introduced in 2018.

We also saw our Trust Index score increase further to 82 per cent, certifying us as a Great Place to Work again. We've been on an incredible journey and continue to strive to improve year on year.

We held focus groups mid-year with colleagues from all areas of the business to hear their views and understand how we could improve as an employer. The feedback was invaluable, and we were able to action three key areas:

- a review of the benefits system
- more focus on training needs in 1-2-1 conversations
- more regular and consistent communications

Development

To support new ways of working and with the aim of further improving our service to consumers, we invested in a dedicated Academy to provide in-house training for colleagues, which included:

- operational training focused on our new ways of working
- mindset module to focus colleagues on working in line with our values and behaviours. The three-day mindset module has also been rolled out across the organisation and received positive feedback.

Work has also started on producing a Leadership Development Programme which will be launched early 2023. All people managers will be invited to attend this programme and all modules will be included in future management induction programmes.

Recognising Colleagues

We encourage all managers to recognise colleagues that perform above expectations.

In October we held our second all-colleague conference in Manchester, where our senior leadership team shared information about our strategy and key business initiatives. This was also a time for recognition as we celebrated our long-serving colleagues and presented the annual People Awards to colleagues who'd gone above and beyond what is expected in their day-to-day roles and who demonstrated a commitment to our values.

The nominations of the awards came from all colleagues who got a chance to nominate their fellow colleagues and leaders alike, with a focus on the company values.

Reward

Our aim has always been to recruit and retain the best people for our business. Therefore it's important to ensure that our colleagues are rewarded fairly for the good work they do and that we are competitive with the markets in which we operate.

In 2022, we started work on an external benchmarking and calibration exercise which meant that we were able to reflect our findings during the salary review process at year-end and adjust salaries where required.





Wellbeing

During the year we introduced a number of measures that continue to improve the wellbeing of colleagues - these included legal and financial advice services, a colleague welfare clinic and free flu jabs.

Mental health continues to be a priority for the business, and we now have eight trained mental health first aiders to support our colleagues.

Colleague health and safety is of paramount importance to us and therefore, ensuring that colleagues have the correct equipment to carry out their roles is key. To this end we carry out DSE assessments as a matter of course on an on-going basis.

We've also continued to provide external specialist training in this area and now have 36 trained first aiders, 28 trained fire marshals, 10 staff trained in the use of on-site defibrillators, and 18 trained in the safe use of evacuation chairs.

We also have an external health and safety partner to provide specialist advice, support, and training along with approved accredited contractors to ensure compliance, and an in-house Facilities team who promote best practice to ensure that all relevant policies and procedures are adhered to.

Workplace Strategy

As the numbers of cases we were managing increased, we recruited more case handlers to ensure that we were able to support consumers and suppliers effectively and efficiently. Whilst some of these colleagues were recruited on home working contracts, we have evolved our workplace strategy in line with the needs of all our stakeholders.

So in 2022, most teams worked in a hybrid fashion which enabled colleagues to have the flexibility to work from home while also benefiting from face-to-face time with their communities.



Independent Assessor's Report

The Independent Assessor investigates complaints raised about our free service using the terms of reference provided by the Board. Each year the Independent Assessor publishes a report into the service complaints that have been concluded.

Summary annual report of the Independent Assessor 2022

Complaints to the Independent Assessor increased from 138 (0.17% of accepted cases) in 2021 to 181 (0.21% of accepted cases) in 2022.

The increase in complaints to the Independent assessor was considered to be mainly due to the sector dynamics, which included a number of companies merging or going into receivership.

Of the 181 complaints, 56% were upheld, 34% justified and 10% not upheld.

The areas of complaint were consistent with the last four years:

- Remedy implementation
- Reasonable adjustments
- Incorrect case closure
- Post decision reviews

Recommendations for our areas to improve included:

- Apologies
- Learnings feedback
- Further explanation of provider case findings

Forward focus

- The Customer Relations team will support the business to continually improve its services and reduce complaints by sharing data and providing guidance.
- The move to a new operating model is expected to have positive impact on the customer experience, which again may reduce the level of complaints from customers.
- The Independent Assessor and the Customer Relations team are working to find ways to collaborate more effectively while maintaining impartiality.

Our priorities for 2023-2024

We have had approval from the Board to move to a Group structure in 2023. The purpose of the group will be to:

To build, maintain and restore trust and confidence between consumers and businesses

We aid consumer understanding & confidence in a society which is more connected, disrupted and focused on sustainability

We support consumers and suppliers independently and fairly without favouritism or discrimination;

- By striving to have a deep understanding of consumer behaviour
- By helping suppliers improve service, change culture & build confidence
- By helping industries resolve systemic industry-wide issues
- By using technology and analysing data to improve services and reduce detriment

We will continue to focus on the three strategic goals to deliver this purpose and enhance the quality of our capabilities.

- Extending our **Reach** to all stakeholders.
- Creating a **Reputation** for building, maintaining and restoring trust.
- Expanding the **Role** we play with our existing stakeholders and extending our **Remit** to serve multiple markets.



TRUST ALLIANCE GROUP LIMITED (PREVIOUSLY THE OMBUDSMAN SERVICE LIMITED)

COMPANY INFORMATION

Directors	Dr M M Amos Lord T F Clement Jones CBE Mr M J Vickers Mr S A Palmer Mrs O Sodeinde Mr P W Hewitt Mrs J S Davenport Mrs G Drakeford	[Appointed 1 April 2022] [Appointed 1 July 2023]
Company number	04351294	
Registered office	3300 Daresbury Park Daresbury Warrington WA4 4HS	
Auditor	MHA Moore and Smalley Richard House 9 Winckley Square Preston PR1 3HP	

TRUST ALLIANCE GROUP LIMITED (PREVIOUSLY THE OMBUDSMAN SERVICE LIMITED)

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TRUST ALLIANCE GROUP LIMITED (PREVIOUSLY THE OMBUDSMAN SERVICE LIMITED)

STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2022

The directors present the strategic report and financial statements for the year ended 31 December 2022.

Review of the Business

The Ombudsman Service Limited is a not-for-distributable-profit company which provides independent dispute resolution nationally for the Energy and Communications sectors. The business also administers the Parking on Private Land Appeals (POPLA) service on behalf of the British Parking Association.

Between January and December 2022, we handled just over 206,000 initial queries from consumers enquiring about our service. Of those cases which came within our terms of reference, we investigated and resolved 88,375 cases. The number of energy cases we received increased by 24% in 2022, while communications cases decreased by 10% from the previous year.

In summary, energy case volumes have been driven by the cost of wholesale prices and the price cap caused by external market conditions. Cost of living, the consumer price index and government support schemes have all contributed to the rising volumes. The Ombudsman Service Limited has continued to maintain its service level requirements to assist consumers by recruiting more people to join our Operations teams and realising quality improvements from the implementation of a new operating model. These strategies incurred additional costs to enable us to support consumers in the best possible way.

The business invested in recruitment and training in H1 to enable increased output in H2 leading to stronger case through put and financial results. This framework is now enabling us to react to the on-going challenges of rising costs in all sectors quickly and efficiently and is part of our on-going commitment to building trust for the future.

Digital Network Responsibility Limited, a wholly owned subsidiary of The Ombudsman Service Limited launched in 2022 trading as the Internet Commission. It is a digital regulation venture to support and develop our IT and online safety. It is currently developing commercial options for the future as we continue to look at initiatives to drive quality, efficiencies, and trust in this marketplace.

In recognition of the on-going challenges faced by suppliers, we've liaised closely with Ofgem and Ofcom and agreed new ways of working to help suppliers bolster their own front-line operations and focus their resources on helping their consumers. We support both Ofgem's and Ofcom's continued work within their core regulatory functions, and building on this, aim to work with them make the retail markets fit for the future.

Within the energy sector we've had to consider the primary impacts in the market, including rising costs and preparing for issues around affordability and supporting government schemes around energy and heat networks.

As the market evolves, it's imperative that we keep our remit up to date to deliver net zero; protect consumers, particularly those in vulnerable situations; and provide them with a safe, reliable source of energy. We're also supporting Ofgem's work with the Department for Energy Security and Net-Zero looking into EV energy flexibility and setting out a vision for EV smart charging. In order to build consumer trust and confidence in adopting new technologies and adjusting to future energy changes, we think it is important to lay the groundwork now.

Within the communications market we've worked with Ofcom on online safety, and we were pleased to agree a new working relationship with O2 and Virgin Media. Within the parking sector, we've improved case management through our Lumin Technology in preparation for a single appeals scheme.

The cost-of-living crisis has also been a testing time for our colleagues; we've worked hard to support our people throughout 2022, implementing several colleague engagement and wellbeing initiatives. The Board is pleased to report that The Ombudsman Service Limited has received formal accreditation as a 'Great Place to Work' based on its 2022 employee survey and has been included in the Top 50 of the UK's Best Workplaces for large companies.

TRUST ALLIANCE GROUP LIMITED (PREVIOUSLY THE OMBUDSMAN SERVICE LIMITED)

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

Principal activities and business review (Continued)

We continued to develop our operating model throughout 2022 as part of our continuous improvement initiative aimed at enhancing the consumer journey. This included establishing an internal training academy to support colleague development. The Board is pleased that the investment made in additional colleague training and development has been reflected in our improved customer satisfaction scores.

Throughout 2022, we continued to implement our strategic options for the future. The Board had approved three areas of strategic focus around Alternative Dispute Resolution (ADR) consolidation, diversification and broadening the energy remit. As the market moves from being commodity to service-based, and with technological developments such as electric vehicles, we believe there's more need than ever for consumer protection to keep pace with these advances.

Despite the challenges of increased volumes, we've maintained momentum in our strategic planning as well as focusing on our people and supporting our customers throughout 2022.

Results

The Ombudsman Service Limited recorded a loss, after taxation, of £1,304,557 for the year. This was in line with the Board's expectations of achieving a result that is between break-even and a deficit based on the additional challenges relating to volumes increases in the energy market. This led to additional costs to recruit and train colleagues to support the continuing rise in energy cases.

£204,000 of bad debt incurred was in 2022. £202,000 (99%) of this related to Together Energy Ltd and UK Energy Incubator Hub Ltd, which both went into administration in 2022. The business was able to absorb this bad debt for the third year running, and supporting the energy market with reducing operating costs where we could despite our loss position, the business had no need to mutualise these across the energy sector. The Directors continue to focus on cash collection and reducing aged debt to minimise this risk. The Ombudsman Service Limited has absorbed the impacts of supplier failure for the past 3 years totaling over £1m of written off debt as we continue to support the energy sector through these difficult periods.

The business has been able to maintain a level of reserves in line with the reserves policy set by the Board. The policy aims to cover a range of three to six months total costs to enable the business to deal with sudden increases or decreases in case volumes, and to invest to sustain a quality service to all sectors.

TRUST ALLIANCE GROUP LIMITED (PREVIOUSLY THE OMBUDSMAN SERVICE LIMITED)

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

Risk

Risk Management forms part of the Board's system of governance, contributing to and protecting the performance of the business. The Ombudsman Service Limited recognises that risk management is an important tool and therefore has a robust framework in place to facilitate controlled risk-taking. This includes regular risk reviews by senior management, with the most significant corporate risks considered by the Audit and Risk Committee and Board as appropriate.

A key risk to the business is the variability in case volumes driven by factors which are outside its control, such as the volume of cases in the energy market caused by pricing issues. This risk is mitigated by on-going forecasting and planning to ensure the business remains financially sound and can provide an effective service to all its stakeholders. Additional resource has been put in place to manage increased volumes and assist with maintaining key performance indicators.

Given the significant investment in implementation, the operational change risks will also be a continued focus for the Committee in the coming year.

Internal audit

The Board recognises the need for independent assurance as part of the third line of defence, ensuring that first line management controls and the second line Risk and Compliance functions are operating effectively.

To ensure a continued robust system of internal audit, an in-house internal auditor continues to provide independent assurance to the Audit and Risk Committee. Reports provided to the Board include risk management, governance, and internal control processes across the business.

The Board, through the Audit and Risk Committee, have agreed a risk-based audit programme for 2023 and will continue to monitor assurance needs and identify areas for focused review during the year.

Our people

The Board recognises the need for independent assurance as part of the third line of defence, ensuring that first line management controls and the second line Risk and Compliance functions are operating effectively.

To ensure a continued robust system of internal audit, an in-house internal auditor continues to provide independent assurance to the Audit and Risk Committee. Reports provided to the Board include risk management, governance, and internal control processes across the business.

The Board, through the Audit and Risk Committee, have agreed a risk-based audit programme for 2023 and will continue to monitor assurance needs and identify areas for focused review during the year.

TRUST ALLIANCE GROUP LIMITED (PREVIOUSLY THE OMBUDSMAN SERVICE LIMITED)

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

Key performance indicators

Diversity, Inclusion & Additional Support

We continue to make progress towards ensuring our services are accessible to everyone whilst taking steps to our strategic goal of broadening our Reach will be critical as we move forward.

Our aim is to become a legitimate, trustworthy organisation through our Reach and Access work, all the time ensuring all our stakeholders are central to our plans. We work closely with the Board, SLT and across the organisation to deliver the necessary change.

We have made significant developments to help to build trust in 2022 by bolstering our Legitimacy team with three new colleagues each with responsibility for:

- Reach and Access;
- Wellbeing; and
- Community and Environment

To ensure our decisions are data-led, we have continued to gather consumer and colleague data to ensure we know the profiles of both groups. Due to delays in census 2021 data being released we have been unable to complete comparison against national profiles. This will be a priority in 2023. However, we have made improvements in our data gathering for consumers by ensuring our CMS systems enables timely data-gathering at the point of case submission.

Our Academy Team has delivered foundation Inclusion and Additional Support training to all colleagues as part of the Mindset and Operating Model changes. We have created an Intermediate Additional Support training package for all colleagues in operations to advance their learning and confidence. This package includes introducing Working Together principles, identification and classification of Additional Support needs, responding to consumer support requirements and personal wellbeing.

We continue to mark key events in our cultural calendar to celebrate and educate. In 2022, we marked International Women's Day, Pride, Black History Month and International Men's Day with colleague participation, speaker sessions, colleague content and community support initiatives.

We know how important our colleagues are to the work we do and their wellbeing is key to this. As such we support them to be their best at work and home. To help colleagues with life's challenges we have created a suite of welfare provisions including legal, financial and circumstantial support.

The Board takes a close interest in ensuring that the business has the right talent in the right roles, regardless of background and The Ombudsman Service Limited continues to meet gender pay reporting requirements.

TRUST ALLIANCE GROUP LIMITED (PREVIOUSLY THE OMBUDSMAN SERVICE LIMITED)

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

Environmental Responsibility

The Board takes its environmental responsibilities seriously and is committed to reducing the impact the business has on the environment.

We continue to work with a waste service company to enable us to ensure that none of our physical waste goes to landfill. 45% is recycled, 21% goes to be anaerobically digested to create energy (food waste) and 34% is processed at a waste to energy facility.

Through our ongoing relationship with energy and carbon consultants, Envantage, we've laid out our approach to establishing our Net Zero strategy and reduce our impact on the environment. In 2022, we completed extensive Green House Gas reporting which established that commuting and working from home are the main contributors to our emissions- 100% of which are Scope 3. This data gives us a solid baseline with which to build our commitments around moving forward.

Corporate social responsibility

The Board supports the community work the organisation undertakes. In 2022 we delivered a refreshed approach to make a difference in our local areas of Halton and Warrington and contribution to:

- Inclusion;
- Reducing Hardship;
- Environment; and
- Local School Kids

We welcomed 3 new local charities: 'Camp Project Wales', 'Halton Women's Centre' and 'Mersey Forest'. We started a new relationship with 'The Cares Family' to make a difference at a more regional level. We are delighted to continue our long-term relationship with 'Warrington Foodbank' who have been a charitable partner for several years. The work we have done with these charities had the following impact in 2022:

- we raised over £43,000 to our charities,
- volunteered 1,375 hours of colleague time,
- directly benefitted 657 older people and 286 children plus their families.

In December we welcomed 250 Reception and Year 1 children from seven local primary schools for a Christmas experience. The children had a great time meeting Santa Claus, receiving presents, snacks and enjoyed other festive activities. Our colleagues made the day memorable by donning fancy dress. We received some fantastic feedback from the schools clearly showing their gratitude for the event we put on. We're already planning to repeat this experience in 2023.

We will be reviewing our community work in 2023 to deliver further impact locally and regionally, and to ensure we embed this work throughout our business structure.

Other information and explanations

Future developments

In the longer-term the Group's strategic planning process has identified some new possibilities and strategic options for the future. Central to these will be the core values of the Group and the role the Ombudsman plays in society - and ensuring this remains relevant in an ever-changing world.

TRUST ALLIANCE GROUP LIMITED (PREVIOUSLY THE OMBUDSMAN SERVICE LIMITED)

STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022

On behalf of the board



Lord T F Clement Jones CBE
Director

26 September 2023

TRUST ALLIANCE GROUP LIMITED (PREVIOUSLY THE OMBUDSMAN SERVICE LIMITED)

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2022

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and company, and of the surplus or deficit of the group for that period. In preparing these financial statements, the directors are required to:

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

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group's and company's transactions and disclose with reasonable accuracy at any time the financial position of the group and company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the group and company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

TRUST ALLIANCE GROUP LIMITED (PREVIOUSLY THE OMBUDSMAN SERVICE LIMITED)

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2022

The directors present their annual report and financial statements for the year ended 31 December 2022.

Principal activities

The principal activity of the company and group continued to be that of independent dispute resolution.

Results and dividends

The results for the year are set out on page 13.

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

Dr M M Amos	
Lord T F Clement Jones CBE	
Mrs M L Ibbs	[Resigned 1 April 2022]
Mr B J Landers	[Resigned 1 August 2023]
Sir L W Lewis KCB	[Resigned 1 April 2022]
Miss L Tennant	[Resigned 1 April 2022]
Mr M J Vickers	
Mr S A Palmer	
Mrs O Sodeinde	
Mr P W Hewitt	
Mrs J S Davenport	[Appointed 1 April 2022]
Mrs G Drakeford	[Appointed 1 July 2023]

Disabled persons

Applications for employment by disabled persons are always fully considered, bearing in mind the aptitudes of the applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment within the group continues and that the appropriate training is arranged. It is the policy of the group that the training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees.

Employee involvement

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

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

Auditor

The auditor, MHA Moore and Smalley, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the auditor of the company is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the auditor of the company is aware of that information.

TRUST ALLIANCE GROUP LIMITED (PREVIOUSLY THE OMBUDSMAN SERVICE LIMITED)

DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022

On behalf of the board



Lord T F Clement Jones CBE
Director

26 September 2023

TRUST ALLIANCE GROUP LIMITED (PREVIOUSLY THE OMBUDSMAN SERVICE LIMITED)

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF TRUST ALLIANCE GROUP LIMITED (PREVIOUSLY THE OMBUDSMAN SERVICE LIMITED)

Opinion

We have audited the financial statements of The Ombudsman Service Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2021 which comprise the group statement of comprehensive income, the group balance sheet, the company balance sheet, the group statement of changes in equity, the company statement of changes in equity, the group statement of cash flows, the company statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent company's affairs as at 31 December 2022 and of the group's deficit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

TRUST ALLIANCE GROUP LIMITED (PREVIOUSLY THE OMBUDSMAN SERVICE LIMITED)

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF TRUST ALLIANCE GROUP LIMITED (PREVIOUSLY THE OMBUDSMAN SERVICE LIMITED)

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the directors are responsible for assessing the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the parent company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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 specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud, is detailed below.

- Enquiries with management about any known or suspected instances of non-compliance with laws and regulations and fraud;
- Challenging assumptions and judgements made by management in their significant accounting estimates, in particular in relation to provisions and future performance in light of the impact of Covid 19;
- Auditing the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness; and

TRUST ALLIANCE GROUP LIMITED (PREVIOUSLY THE OMBUDSMAN SERVICE LIMITED)

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF TRUST ALLIANCE GROUP LIMITED (PREVIOUSLY THE OMBUDSMAN SERVICE LIMITED)

- Reviewing board minutes and resolutions

Because of the field in which the client operates, we identified the following areas as those most likely to have a material impact on the financial statements: Health and Safety; employment law, compliance with regulator KPI's and compliance with the UK Companies Act.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

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

Nicola Mason

Nicola Mason (Senior Statutory Auditor)
For and on behalf of MHA Moore and Smalley
Chartered Accountants
Statutory Auditor

Richard House
9 Winckley Square
Preston
PR1 3HP

26 September 2023

TRUST ALLIANCE GROUP LIMITED (PREVIOUSLY THE OMBUDSMAN SERVICE LIMITED)

GROUP STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2022

	Notes	2022 £	2021 £
Turnover	3	36,418,752	32,255,408
Administrative expenses		[37,305,424]	[31,900,048]
Operating (loss)/surplus	6	[886,672]	355,360
Interest receivable and similar income	8	46,030	-
Change in value of investments	9	[349,011]	252,145
(Loss)/surplus before taxation		[1,189,653]	607,505
Tax on (loss)/surplus	10	[114,904]	[80,801]
(Loss)/surplus for the financial year		[1,304,557]	526,704

Total comprehensive income for the year is all attributable to the parent company.

TRUST ALLIANCE GROUP LIMITED (PREVIOUSLY THE OMBUDSMAN SERVICE LIMITED)

GROUP AND COMPANY BALANCE SHEETS

AS AT 31 DECEMBER 2022

	Notes	Group 2022 £	2021 £	Company 2022 £	2021 £
Fixed assets					
Intangible assets	11	2,593,636	1,331,204	2,593,636	1,331,204
Tangible assets	12	2,857,476	2,509,352	2,779,547	2,443,800
Investments	13	3,420,900	3,795,915	3,421,000	3,796,015
		<u>8,872,012</u>	<u>7,636,471</u>	<u>8,794,183</u>	<u>7,571,019</u>
Current assets					
Debtors	15	7,684,156	4,707,306	12,894,000	4,994,546
Cash at bank and in hand		3,566,946	5,888,927	3,048,934	5,698,690
		<u>11,251,102</u>	<u>10,596,233</u>	<u>15,942,934</u>	<u>10,693,236</u>
Creditors: amounts falling due within one year	16	<u>[6,961,911]</u>	<u>[3,887,160]</u>	<u>[11,538,714]</u>	<u>[4,069,931]</u>
Net current assets		<u>4,289,191</u>	<u>6,709,073</u>	<u>4,404,220</u>	<u>6,623,305</u>
Total assets less current liabilities		<u>13,161,203</u>	<u>14,345,544</u>	<u>13,198,403</u>	<u>14,194,324</u>
Creditors: amounts falling due after more than one year	17	<u>[1,454,975]</u>	<u>[1,323,652]</u>	<u>[1,454,975]</u>	<u>[1,323,652]</u>
Provisions for liabilities					
Provisions	19	[845,058]	[892,883]	[845,058]	[892,883]
Deferred tax liability	20	[165,901]	[129,183]	[148,191]	[111,946]
		<u>[1,010,959]</u>	<u>[1,022,066]</u>	<u>[993,249]</u>	<u>[1,004,829]</u>
Net assets		<u>10,695,269</u>	<u>11,999,826</u>	<u>10,750,179</u>	<u>11,865,843</u>
Capital and reserves					
Income and Expenditure account		<u>10,695,269</u>	<u>11,999,826</u>	<u>10,750,179</u>	<u>11,865,843</u>

As permitted by s408 Companies Act 2006, the company has not presented its own income and expenditure account and related notes. The company's deficit for the year was £1,115,663 [2021 - £427,221 surplus].

The financial statements were approved by the board of directors and authorised for issue on 26 September 2023 and are signed on its behalf by:

The notes on pages 18 to 35 are an integral part of these financial statements.



Lord T F Clement Jones CBE
Director

TRUST ALLIANCE GROUP LIMITED (PREVIOUSLY THE OMBUDSMAN SERVICE LIMITED)

GROUP AND COMPANY BALANCE SHEETS (CONTINUED)

AS AT 31 DECEMBER 2022

Company Registration No. 04351294

TRUST ALLIANCE GROUP LIMITED (PREVIOUSLY THE OMBUDSMAN SERVICE LIMITED)

GROUP STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2022

	Income and Expenditure £
Balance at 1 January 2021	11,473,122
Year ended 31 December 2021: Surplus and total comprehensive income for the year	526,704
Balance at 31 December 2021	11,999,826
Year ended 31 December 2022: Loss and total comprehensive income for the year	(1,304,557)
Balance at 31 December 2022	10,695,269

TRUST ALLIANCE GROUP LIMITED (PREVIOUSLY THE OMBUDSMAN SERVICE LIMITED)

COMPANY STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2022

	Income and Expenditure £
Balance at 1 January 2021	11,438,622
Year ended 31 December 2021: Surplus and total comprehensive income for the year	427,221
Balance at 31 December 2021	11,865,843
Year ended 31 December 2022: Deficit and total comprehensive income for the year	(1,115,664)
Balance at 31 December 2022	10,750,179

TRUST ALLIANCE GROUP LIMITED (PREVIOUSLY THE OMBUDSMAN SERVICE LIMITED)

GROUP STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2022

	Notes	2022		2021	
		£	£	£	£
Cash flows from operating activities					
Cash generated from operations	25		477,495		479,325
Income taxes paid			[1,003]		[5,627]
Net cash inflow from operating activities			<u>476,492</u>		<u>473,698</u>
Investing activities					
Purchase of intangible assets		(2,597,881)		(1,077,835)	
Proceeds on disposal of intangibles		-		[151,427]	
Purchase of tangible fixed assets		(1,059,290)		(1,647,025)	
Proceeds on disposal of tangible fixed assets		-		[89,577]	
Valuation changes in investments		375,015		(218,932)	
Receipts arising from loans made		[349,011]		252,145	
Interest received		46,030		-	
Net cash used in investing activities			<u>(3,585,137)</u>		<u>(2,932,651)</u>
Financing activities					
Proceeds of a new finance lease		1,300,000		508,717	
Repayment of finance lease		[513,336]		-	
Net cash generated from financing activities			<u>786,664</u>		<u>508,717</u>
Net decrease in cash and cash equivalents			<u>(2,321,981)</u>		<u>(1,950,236)</u>
Cash and cash equivalents at beginning of year			<u>5,888,927</u>		<u>7,839,163</u>
Cash and cash equivalents at end of year			<u><u>3,566,946</u></u>		<u><u>5,888,927</u></u>

TRUST ALLIANCE GROUP LIMITED (PREVIOUSLY THE OMBUDSMAN SERVICE LIMITED)

COMPANY STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2022

	Notes	2022		2021	
		£	£	£	£
Cash flows from operating activities					
Cash generated from operations	26		116,554		239,932
Income taxes paid			[19,915]		[5,627]
Net cash inflow from operating activities			<u>96,639</u>		<u>234,305</u>
Investing activities					
Purchase of intangible assets		(2,597,881)		(1,077,835)	
Proceeds on disposal of intangibles		-		[151,427]	
Purchase of tangible fixed assets		(1,007,205)		(1,595,090)	
Proceeds on disposal of tangible fixed assets		-		[89,577]	
Purchase of investments		375,015		(218,932)	
Receipts arising from loans made		[349,011]		252,145	
Interest received		46,018		-	
Net cash used in investing activities			<u>(3,533,064)</u>		<u>(2,880,716)</u>
Financing activities					
Repayment of borrowings		[513,331]		-	
Proceeds of a new finance lease		1,300,000		508,717	
Net cash generated from financing activities			<u>786,669</u>		<u>508,717</u>
Net decrease in cash and cash equivalents			<u>(2,649,756)</u>		<u>(2,137,694)</u>
Cash and cash equivalents at beginning of year			<u>5,698,690</u>		<u>7,836,384</u>
Cash and cash equivalents at end of year			<u><u>3,048,934</u></u>		<u><u>5,698,690</u></u>

TRUST ALLIANCE GROUP LIMITED (PREVIOUSLY THE OMBUDSMAN SERVICE LIMITED)

NOTES TO THE GROUP FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

Company information

The Ombudsman Service Limited (“the company”) is a private limited company domiciled and incorporated in England and Wales. The registered office is 3300 Daresbury Park, Daresbury, Warrington, WA4 4HS.

The group consists of The Ombudsman Service Limited and all of its subsidiaries.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 “The Financial Reporting Standard applicable in the UK and Republic of Ireland” (“FRS 102”) and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Business combinations

In the parent company financial statements, the cost of a business combination is the fair value at the acquisition date of the assets given, equity instruments issued and liabilities incurred or assumed, plus costs directly attributable to the business combination. The excess of the cost of a business combination over the fair value of the identifiable assets, liabilities and contingent liabilities acquired is recognised as goodwill. The cost of the combination includes the estimated amount of contingent consideration that is probable and can be measured reliably, and is adjusted for changes in contingent consideration after the acquisition date. Provisional fair values recognised for business combinations in previous periods are adjusted retrospectively for final fair values determined in the 12 months following the acquisition date. Investments in subsidiaries, joint ventures and associates are accounted for at cost less impairment.

Deferred tax is recognised on differences between the value of assets (other than goodwill) and liabilities recognised in a business combination accounted for using the purchase method and the amounts that can be deducted or assessed for tax, considering the manner in which the carrying amount of the asset or liability is expected to be recovered or settled. The deferred tax recognised is adjusted against goodwill or negative goodwill.

1.3 Basis of consolidation

The consolidated group financial statements consist of the financial statements of the parent company The Ombudsman Service Limited together with all entities controlled by the parent company (its subsidiaries).

All financial statements are made up to 31 December 2022. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the group.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Subsidiaries are consolidated in the group’s financial statements from the date that control commences until the date that control ceases.

TRUST ALLIANCE GROUP LIMITED (PREVIOUSLY THE OMBUDSMAN SERVICE LIMITED)

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies (Continued)

Entities in which the group holds an interest and which are jointly controlled by the group and one or more other venturers under a contractual arrangement are treated as joint ventures. Entities other than subsidiary undertakings or joint ventures, in which the group has a participating interest and over whose operating and financial policies the group exercises a significant influence, are treated as associates.

1.4 Going concern

The financial statements have been prepared on the going concern basis of accounting.

The Directors continue to assess the impact of supplier failures on all aspects of the business and measures have been taken to ensure the Group remains financially sound, whilst also providing the most appropriate service to consumers and participating companies in the current circumstances.

Specifically, the Group has been able to support hybrid working and focus on the wellbeing of colleagues, together with ensuring the continued availability of the Group's services to all stakeholders, with a particular focus on the more vulnerable consumers.

The Directors have reasonable expectation that the Group has adequate resources to continue to operational existence for the foreseeable future. This, the Directors continue to adopt the going concern basis of accounting in preparing the financial statements.

1.5 Turnover

Turnover represents subscription and case fee income of the service and any costs recovered in setting up new ombudsman services.

Case fee income is recognised dependent on the progress of the case and the stage of completion at the period end.

Subscriptions are included in the financial statements as they become receivable or due.

1.6 Research and development expenditure

Research expenditure is written off against profits in the year in which it is incurred. Identifiable development expenditure is capitalised to the extent that the technical, commercial and financial feasibility can be demonstrated.

1.7 Intangible fixed assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Intangible assets acquired on business combinations are recognised separately from goodwill at the acquisition date where it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the fair value of the asset can be measured reliably; the intangible asset arises from contractual or other legal rights; and the intangible asset is separable from the entity.

Amortisation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Software	33% - 50% straight line
Assets under construction	No amortisation charged

TRUST ALLIANCE GROUP LIMITED (PREVIOUSLY THE OMBUDSMAN SERVICE LIMITED)

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies (Continued)

1.8 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Leasehold improvements	Over the period of the lease
Fixtures and fittings	20% - 50% straight line
Computers	33% straight line or over life of lease

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the income and expenditure account.

1.9 Fixed asset investments

Equity investments are measured at fair value through surplus or deficit.

In the parent company financial statements, investments in subsidiaries are initially measured at cost and subsequently measured at cost less any accumulated impairment losses.

A subsidiary is an entity controlled by the group. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

1.10 Impairment of fixed assets

At each reporting period end date, the group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised immediately in surplus or deficit, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease to the extent it reverses a previous upwards revaluation.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in surplus or deficit, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

TRUST ALLIANCE GROUP LIMITED (PREVIOUSLY THE OMBUDSMAN SERVICE LIMITED)

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies (Continued)

1.11 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.12 Financial instruments

The group has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the group's balance sheet when the group becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in surplus or deficit, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Impairment of financial assets

Financial assets, other than those held at fair value through surplus and deficit, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in surplus or deficit.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in surplus or deficit.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the group transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

TRUST ALLIANCE GROUP LIMITED (PREVIOUSLY THE OMBUDSMAN SERVICE LIMITED)

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies (Continued)

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the group after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Other financial liabilities

There are no other financial liabilities held by the Group.

Derecognition of financial liabilities

Financial liabilities are derecognised when the group's contractual obligations expire or are discharged or cancelled.

1.13 Equity instruments

Equity instruments issued by the group are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the group.

1.14 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

The Ombudsman Service Limited is only liable to taxation on its investment activities. Deferred tax is provided for on unrealised gains on the valuation of investments.

TRUST ALLIANCE GROUP LIMITED (PREVIOUSLY THE OMBUDSMAN SERVICE LIMITED)

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies (Continued)

1.15 Provisions

Provisions are recognised when the group has a legal or constructive present obligation as a result of a past event, it is probable that the group will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting end date, taking into account the risks and uncertainties surrounding the obligation. Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value. When a provision is measured at present value, the unwinding of the discount is recognised as a finance cost in surplus or deficit in the period in which it arises.

1.16 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.17 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.18 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to profit or loss so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Rentals payable under operating leases, including any lease incentives received, are charged to surplus or deficit on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

1.19 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in profit or loss.

TRUST ALLIANCE GROUP LIMITED (PREVIOUSLY THE OMBUDSMAN SERVICE LIMITED)

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

2 Judgements and key sources of estimation uncertainty

In the application of the group's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Critical judgements

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

Fixed asset valuation

Fixed assets are initially recorded at cost and depreciated over their useful economic life. See accounting policy 1.8.

Useful economic life is based on the anticipated time that the asset will be in use by the company. This is based on historic experience and asset replacement policies.

Dilapidations provision

The dilapidations provision is based on an average cost per square metre for the property leased to provide an estimate of likely costs. This is based on historic experience of likely costs but the eventual cost may differ.

Onerous contract

There is a detailed plan in place to switch contract providers in relation to the case management system. The current contract is an onerous contract and as this will not be fully utilised in the future periods, a provision has been created that is based on the cost of the subscription, the minimum users tied into the contract and the length of the contract.

Bad debt provision

The bad debt provision is based on an estimate of how much is ultimately recoverable from debtors.

3 Turnover and other revenue

	2022	2021
	£	£
Turnover	36,418,752	32,255,408
	<u> </u>	<u> </u>
	2022	2021
	£	£
Other significant revenue		
Interest income	46,030	-
	<u> </u>	<u> </u>

The total turnover of the group for the year has been derived from its principal activity wholly undertaken in the UK.

TRUST ALLIANCE GROUP LIMITED (PREVIOUSLY THE OMBUDSMAN SERVICE LIMITED)

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

4 Auditor's remuneration

	2022	2021
	£	£
Fees payable to the company's auditor and associates:		
For audit services		
Audit of the financial statements of the group and company	27,135	17,250
For other services		
Taxation compliance services	2,500	1,010
All other non-audit services	3,500	2,500
	<u>6,000</u>	<u>3,510</u>

5 Employees

The average monthly number of persons (including directors) employed by the group and company during the year was:

	Group 2022 Number	2021 Number	Company 2022 Number	2021 Number
Management and administration	598	487	565	471

Their aggregate remuneration comprised:

	Group 2022 £	2021 £	Company 2022 £	2021 £
Wages and salaries	17,940,249	16,688,721	12,485,586	15,472,329
Social security costs	1,749,721	1,588,179	1,190,880	1,448,950
Pension costs	668,970	591,681	474,978	557,480
	<u>20,358,940</u>	<u>18,868,581</u>	<u>14,151,444</u>	<u>17,478,759</u>
Redundancy payments made or committed	462,851	708,997	270,764	708,997

TRUST ALLIANCE GROUP LIMITED (PREVIOUSLY THE OMBUDSMAN SERVICE LIMITED)

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

6 Operating (loss)/profit	2022	2021
	£	£
Operating (loss)/profit for the year is stated after charging/(crediting):		
Exchange losses	81	27
Research and development costs	126,422	-
Depreciation of owned tangible fixed assets	711,166	438,399
Depreciation of tangible fixed assets held under finance leases	-	26,976
Amortisation of intangible assets	1,335,449	256,335
Release of negative goodwill	(38,746)	-
Operating lease charges	676,354	677,554
	<u>676,354</u>	<u>677,554</u>

7 Directors' remuneration	2022	2021
	£	£
Remuneration for qualifying services	513,463	588,162
Company pension contributions to defined contribution schemes	33,506	40,469
	<u>546,969</u>	<u>628,631</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 6 (2021 - 5).

Remuneration disclosed above includes the following amounts paid to the highest paid director:

	2022	2021
	£	£
Remuneration for qualifying services	180,600	224,394
Company pension contributions to defined contribution schemes	16,447	20,885
	<u>197,047</u>	<u>245,279</u>

8 Interest receivable and similar income	2022	2021
	£	£
Interest income		
Interest on bank deposits	46,030	-
	<u>46,030</u>	<u>-</u>

9 Change in value of investments	2022	2021
	£	£
Fair value gains/(losses) on financial instruments		
Change in value of investments	(349,011)	252,145
	<u>(349,011)</u>	<u>252,145</u>

TRUST ALLIANCE GROUP LIMITED (PREVIOUSLY THE OMBUDSMAN SERVICE LIMITED)

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

10 Taxation	2022 £	2021 £
Current tax		
UK corporation tax on profits for the current period	33,580	774
Adjustments in respect of prior periods	[4,550]	-
Total current tax	<u>29,030</u>	<u>774</u>
Deferred tax		
Origination and reversal of timing differences	85,874	75,890
Changes in tax rates	-	4,137
Total deferred tax	<u>85,874</u>	<u>80,027</u>
Total tax charge	<u>114,904</u>	<u>80,801</u>

The actual charge for the year can be reconciled to the expected (credit)/charge for the year based on the surplus or deficit and the standard rate of tax as follows:

	2022 £	2021 £
(Loss)/profit before taxation	<u>[1,189,653]</u>	<u>607,505</u>
Expected tax (credit)/charge based on the standard rate of corporation tax in the UK of 19.00% (2021: 19.00%)	[226,034]	115,426
Tax effect of expenses that are not deductible in determining taxable profit	[1]	-
Tax effect of income not taxable in determining taxable profit	[2,969]	-
Adjustments in respect of prior years	115	-
Exempt activity	343,793	[34,625]
Taxation charge	<u>114,904</u>	<u>80,801</u>

Ombudsman Services Limited is liable to corporation tax on its investment income but is exempt from corporation tax on Alternative Dispute Resolution activities, which are not considered to be trading activities for the purposes of taxation.

TRUST ALLIANCE GROUP LIMITED (PREVIOUSLY THE OMBUDSMAN SERVICE LIMITED)

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

11 Intangible fixed assets

Group	Software £	Assets under construction £	Total £
Cost			
At 1 January 2022	3,397,191	1,229,262	4,626,453
Additions	203,756	2,394,125	2,597,881
Disposals	(3,527,752)	-	(3,527,752)
Transfers	2,549,674	(2,549,674)	-
At 31 December 2022	2,622,869	1,073,713	3,696,582
Amortisation and impairment			
At 1 January 2022	3,295,249	-	3,295,249
Amortisation charged for the year	1,335,449	-	1,335,449
Disposals	(3,527,752)	-	(3,527,752)
At 31 December 2022	1,102,946	-	1,102,946
Carrying amount			
At 31 December 2022	1,519,923	1,073,713	2,593,636
At 31 December 2021	101,942	1,229,262	1,331,204
Company			
Cost			
At 1 January 2022	3,397,191	1,229,262	4,626,453
Additions	203,756	2,394,125	2,597,881
Disposals	(3,527,752)	-	(3,527,752)
Transfers	2,549,674	(2,549,674)	-
At 31 December 2022	2,622,869	1,073,713	3,696,582
Amortisation and impairment			
At 1 January 2022	3,295,249	-	3,295,249
Amortisation charged for the year	1,335,449	-	1,335,449
Disposals	(3,527,752)	-	(3,527,752)
At 31 December 2022	1,102,946	-	1,102,946
Carrying amount			
At 31 December 2022	1,519,923	1,073,713	2,593,636
At 31 December 2021	101,942	1,229,262	1,331,204

TRUST ALLIANCE GROUP LIMITED (PREVIOUSLY THE OMBUDSMAN SERVICE LIMITED)

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

12 Tangible fixed assets

Group	Leasehold improvements £	Assets under construction £	Fixtures and fittings £	Computers £	Total £
Cost					
At 1 January 2022	1,807,658	395,668	3,612,684	2,420,082	8,236,092
Additions	11,760	904,128	55,904	87,498	1,059,290
Disposals	[332]	-	[2,261,552]	[1,735,034]	[3,996,918]
Transfers	698,412	[1,299,796]	420,415	180,969	-
At 31 December 2022	2,517,498	-	1,827,451	953,515	5,298,464
Depreciation and impairment					
At 1 January 2022	310,255	-	3,163,905	2,252,580	5,726,740
Depreciation charged in the year	377,774	-	206,911	126,481	711,166
Eliminated in respect of disposals	[332]	-	[2,261,552]	[1,735,034]	[3,996,918]
At 31 December 2022	687,697	-	1,109,264	644,027	2,440,988
Carrying amount					
At 31 December 2022	1,829,801	-	718,187	309,488	2,857,476
At 31 December 2021	1,497,403	395,668	448,779	167,502	2,509,352
Company					
	Leasehold improvements £	Assets under construction £	Fixtures and fittings £	Computers £	Total £
Cost					
At 1 January 2022	1,807,658	395,668	3,612,684	2,323,327	8,139,337
Additions	11,760	904,128	55,904	35,413	1,007,205
Disposals	[332]	-	[2,261,552]	[1,735,034]	[3,996,918]
Transfers	698,412	[1,299,796]	420,415	180,969	-
At 31 December 2022	2,517,498	-	1,827,451	804,675	5,149,624
Depreciation and impairment					
At 1 January 2022	310,255	-	3,163,905	2,221,377	5,695,537
Depreciation charged in the year	377,774	-	206,911	86,773	671,458
Eliminated in respect of disposals	[332]	-	[2,261,552]	[1,735,034]	[3,996,918]
At 31 December 2022	687,697	-	1,109,264	573,116	2,370,077
Carrying amount					
At 31 December 2022	1,829,801	-	718,187	231,559	2,779,547
At 31 December 2021	1,497,403	395,668	448,779	101,950	2,443,800

TRUST ALLIANCE GROUP LIMITED (PREVIOUSLY THE OMBUDSMAN SERVICE LIMITED)

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

12 Tangible fixed assets (Continued)

The net carrying value of tangible fixed assets includes the following in respect of assets held under finance leases or hire purchase contracts.

	Group 2022 £	2021 £	Company 2022 £	2021 £
Leasehold Improvements	1,593,841	539,523	1,593,841	539,523

13 Fixed asset investments

	Notes	Group 2022 £	2021 £	Company 2022 £	2021 £
Investments in subsidiaries	14	-	-	100	100
Listed investments		3,420,900	3,795,915	3,420,900	3,795,915
		<u>3,420,900</u>	<u>3,795,915</u>	<u>3,421,000</u>	<u>3,796,015</u>

Movements in fixed asset investments

Group	Investments £
Cost or valuation	
At 1 January 2022	3,795,915
Valuation changes	(375,015)
At 31 December 2022	<u>3,420,900</u>
Carrying amount	
At 31 December 2022	<u>3,420,900</u>
At 31 December 2021	<u>3,795,915</u>

TRUST ALLIANCE GROUP LIMITED (PREVIOUSLY THE OMBUDSMAN SERVICE LIMITED)

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

13 Fixed asset investments		(Continued)		
Movements in fixed asset investments				
Company	Shares in subsidiaries	Other investments	Total	
	£	£	£	
Cost or valuation				
At 1 January 2022	100	3,795,915	3,796,015	
Valuation changes	-	(375,015)	(375,015)	
At 31 December 2022	100	3,420,900	3,421,000	
Carrying amount				
At 31 December 2022	100	3,420,900	3,421,000	
At 31 December 2021	100	3,795,915	3,796,015	

14 Subsidiaries

Details of the company's subsidiaries at 31 December 2022 are as follows:

Name of undertaking	Registered office	Class of shares held	% Held Direct
Lumin Tech Limited	England and Wales	Ordinary	100.00
Digital Responsibility Network Limited	England and Wales	Ordinary	100.00
Tag Support Services Limited	England and Wales	Ordinary	100.00
Energy Ombudsman Limited	England and Wales	Ordinary	100.00
Flexible Resolution Services Limited	England and Wales	Ordinary	100.00
Communication Ombudsman Limited	England and Wales	Ordinary	100.00

15 Debtors

	Group 2022	2021	Company 2022	2021
Amounts falling due within one year:	£	£	£	£
Trade debtors	6,548,169	3,623,276	6,546,859	3,623,276
Other debtors	33,526	-	5,279,659	316,452
Prepayments and accrued income	1,102,461	1,084,030	1,067,482	1,054,818
	7,684,156	4,707,306	12,894,000	4,994,546

TRUST ALLIANCE GROUP LIMITED (PREVIOUSLY THE OMBUDSMAN SERVICE LIMITED)

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

16 Creditors: amounts falling due within one year

	Notes	Group 2022 £	2021 £	Company 2022 £	2021 £
Obligations under finance leases	18	579,068	169,950	579,068	169,950
Trade creditors		1,727,088	1,553,032	1,596,997	1,532,360
Corporation tax payable		62,824	20,991	-	4,550
Other taxation and social security		1,618,553	1,102,981	1,023,198	880,142
Other creditors		193,187	122,897	5,617,132	114,905
Accruals and deferred income		2,781,191	917,309	2,722,319	1,368,024
		<u>6,961,911</u>	<u>3,887,160</u>	<u>11,538,714</u>	<u>4,069,931</u>

17 Creditors: amounts falling due after more than one year

	Notes	Group 2022 £	2021 £	Company 2022 £	2021 £
Obligations under finance leases	18	716,315	338,767	716,315	338,767
Accruals and deferred income		738,660	984,885	738,660	984,885
		<u>1,454,975</u>	<u>1,323,652</u>	<u>1,454,975</u>	<u>1,323,652</u>

Accruals and deferred income due after more than one year relates to the receipt of a lease premium which is being spread over the life of the lease.

18 Finance lease obligations

	Group 2022 £	2021 £	Company 2022 £	2021 £
Future minimum lease payments due under finance leases:				
Within one year	579,068	169,950	579,068	169,950
In two to five years	716,315	338,767	716,315	338,767
	<u>1,295,383</u>	<u>508,717</u>	<u>1,295,383</u>	<u>508,717</u>

Finance lease payments represent rentals payable by the company or group for certain items of leasehold improvements. Leases include purchase options at the end of the lease period, and no restrictions are placed on the use of the assets. The average lease term is 3 years. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

TRUST ALLIANCE GROUP LIMITED (PREVIOUSLY THE OMBUDSMAN SERVICE LIMITED)

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

19 Provisions for liabilities

	Group 2022 £	2021 £	Company 2022 £	2021 £
Onerous contract provision	-	90,004	-	90,004
Dilapidations provision	780,579	749,379	780,579	749,379
Other provisions	64,479	53,500	64,479	53,500
	<u>845,058</u>	<u>892,883</u>	<u>845,058</u>	<u>892,883</u>

Movements on provisions:

	Onerous contract provision £	Dilapidations provision £	Other provisions £	Total £
Group				
At 1 January 2022	90,004	749,379	53,500	892,883
Additional provisions in the year	-	31,200	10,979	42,179
Reversal of provision	(90,004)	-	-	(90,004)
	<u>-</u>	<u>780,579</u>	<u>64,479</u>	<u>845,058</u>
At 31 December 2022	<u>-</u>	<u>780,579</u>	<u>64,479</u>	<u>845,058</u>
Company	Onerous contract provision £	Dilapidations provision £	Other provisions £	Total £
At 1 January 2022	90,004	749,379	53,500	892,883
Additional provisions in the year	-	31,200	10,979	42,179
Reversal of provision	(90,004)	-	-	(90,004)
	<u>-</u>	<u>780,579</u>	<u>64,479</u>	<u>845,058</u>
At 31 December 2022	<u>-</u>	<u>780,579</u>	<u>64,479</u>	<u>845,058</u>

TRUST ALLIANCE GROUP LIMITED (PREVIOUSLY THE OMBUDSMAN SERVICE LIMITED)

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

20 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the group and company, and movements thereon:

	Liabilities 2022 £	Liabilities 2021 £
Group		
Accelerated capital allowances	17,710	17,237
Investments	148,191	111,946
	<u>165,901</u>	<u>129,183</u>
	Liabilities 2022 £	Liabilities 2021 £
Company		
Investments	148,191	111,946
	<u>148,191</u>	<u>111,946</u>
	Group 2022 £	Company 2022 £
Movements in the year:		
Liability at 1 January 2022	129,183	111,946
Charge to profit or loss	36,718	36,245
	<u>165,901</u>	<u>148,191</u>
Liability at 31 December 2022	<u>165,901</u>	<u>148,191</u>

21 Retirement benefit schemes

	2022 £	2021 £
Defined contribution schemes		
Charge to surplus or deficit in respect of defined contribution schemes	668,970	591,681
	<u>668,970</u>	<u>591,681</u>

A defined contribution pension scheme is operated for all qualifying employees. The assets of the scheme are held separately from those of the group in an independently administered fund.

TRUST ALLIANCE GROUP LIMITED (PREVIOUSLY THE OMBUDSMAN SERVICE LIMITED)

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

22 Operating lease commitments

Lessee

At the reporting end date the group had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	Group 2022 £	2021 £	Company 2022 £	2021 £
Within one year	944,275	860,000	944,275	860,000
Between two and five years	2,720,459	3,440,000	2,720,459	3,440,000
	<u>3,664,734</u>	<u>4,300,000</u>	<u>3,664,734</u>	<u>4,300,000</u>

23 Related party transactions

Remuneration of key management personnel

The remuneration of key management personnel is as follows.

	2022 £	2021 £
Aggregate compensation	<u>1,141,062</u>	<u>1,464,300</u>

The remuneration of key management personnel is set by the Remuneration Committee and is benchmarked against remuneration of similar sized companies according to data provided by Towers Watson.

There is no overall controlling party of the company.

TRUST ALLIANCE GROUP LIMITED (PREVIOUSLY THE OMBUDSMAN SERVICE LIMITED)

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

24 Contingent liability

The Alternative Dispute Resolution (ADR) Services provided by The Ombudsman Service Limited have been treated as a non-trading activity and therefore not subject to corporation tax. This is on the basis that:-

- There is a statutory duty on certain companies to give their customers access to appropriate ADR.
- A statutory authority has given approval to The Ombudsman Service Limited to provide the ADR service
- The Ombudsman Service Limited governance, independence and structure require approval by Of tel and Of gem.
- The Ombudsman Service charges for its services on the basis of covering costs.

HMRC has challenged the status of the activities for tax purposes and has raised additional tax assessments. HMRC have completed an review of their position and upheld the assessments. Independent advice has been obtained by Trust Alliance Group Limited in support of the original treatment of the income as not subject to tax. The case will now go to tribunal. If HMRC's position were upheld, the liability to HMRC would be approximately £2.2million comprising tax of £1.6m and interest and penalties of £0.6m. As the assessments are disputed by the company, this potential liability has not been recognised in the financial statements.

25 Cash generated from group operations

	2022	2021
	£	£
(Loss)/profit for the year after tax	(1,304,557)	526,704
Adjustments for:		
Taxation charged	79,556	80,801
Investment income	(46,030)	-
Amortisation and impairment of intangible assets	1,335,449	256,335
Depreciation and impairment of tangible fixed assets	711,166	465,375
Change in value of investments	349,011	[252,145]
(Decrease)/increase in provisions	[47,825]	51,004
Movements in working capital:		
(Increase)/decrease in debtors	(2,976,850)	185,290
Increase/(decrease) in creditors	2,377,575	[834,039]
Cash generated from operations	<u>477,495</u>	<u>479,325</u>

TRUST ALLIANCE GROUP LIMITED (PREVIOUSLY THE OMBUDSMAN SERVICE LIMITED)

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

26 Cash generated from operations - company

	2022	2021
	£	£
(Loss)/profit for the year after tax	(1,115,664)	427,221
Adjustments for:		
Taxation charged	51,607	47,123
Investment income	[46,018]	-
Amortisation and impairment of intangible assets	1,335,449	256,335
Depreciation and impairment of tangible fixed assets	671,458	437,569
Change in value of investments	349,011	[252,145]
(Decrease)/increase in provisions	[47,825]	51,004
Movements in working capital:		
Increase in debtors	[7,899,454]	[12,617]
Increase/(decrease) in creditors	6,817,990	[714,558]
Cash generated from operations	<u>116,554</u>	<u>239,932</u>

27 Analysis of changes in net funds - group

	1 January 2022	Cash flows	31 December 2022
	£	£	£
Cash at bank and in hand	5,888,927	[2,321,981]	3,566,946
Obligations under finance leases	[508,717]	[786,666]	[1,295,383]
	<u>5,380,210</u>	<u>[3,108,647]</u>	<u>2,271,563</u>

28 Analysis of changes in net funds - company

	1 January 2022	Cash flows	31 December 2022
	£	£	£
Cash at bank and in hand	5,698,690	[2,649,756]	3,048,934
Obligations under finance leases	[508,717]	[786,666]	[1,295,383]
	<u>5,189,973</u>	<u>[3,436,422]</u>	<u>1,753,551</u>



Ombudsman Services

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