

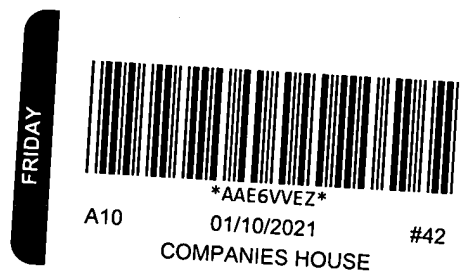
**Lucid Group Communications
Limited**

Annual Report and Financial Statements

Year Ended

31 December 2020

Company Number 09212331



Lucid Group Communications Limited

Company Information

Directors	D O'Brien T M Skelton
Registered number	09212331
Registered office	Jubilee House Third Avenue Globe Park Buckinghamshire England SL7 1EY
Independent auditor	BDO LLP 55 Baker Street London W1U 7EU

Lucid Group Communications Limited

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Lucid Group Communications Limited

Strategic Report For the Year Ended 31 December 2020

The Directors present their Strategic Report together with the audited financial statements for the year ended 31 December 2020.

Principal activity

The company is part of the Lucid Group. The principal activity of the company is that of the intermediary holding company for the wider Lucid Group. With offices in the UK and one in the USA, the Lucid Group of companies is one of largest independent medical communications agencies in Europe.

Business review

The Company continued to perform in line with expectations during the year. The directors do not consider that any provision for impairment is required to the investment value of the shares in its group undertaking.

Going concern

The financial statements have been prepared using the going concern basis of accounting. The directors have reviewed the company's going concern position taking into account its current business activities, access to sufficient funds, the on-going support of the Lucid Group, budgeted performance and factors likely to affect its future performance. Based on the information contained within the accounts and including specific consideration with the risks associated with the COVID-19 situation, the directors have reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future.

As a part of the Lucid Group, The directors have considered the performance of the whole Group.

As at 31 December 2020, the group had cash resources of £2.9m (2019: £1.1m), current assets of £17.7m (2019: £14.3m), net current assets of £4.3m (2019: liabilities of £2.8m) and net liabilities of £5.0m (2019: £2.6m).

In the year to 31 December 2020 the group made an operating loss of £0.3m (2019: £0.4m) and a loss before tax of £1.8m (2019: £1.9m).

In the year to 31 December 2020 trading was ahead of the original budget (which was set in December 2019). This has been due to continued strong demand from Lucid's customers and demonstrates the resilience of the business and the sector during a period of uncertainty caused by COVID-19. This revenue outperformance has been achieved by proactively addressing customer's requirements and switching from physical to virtual events/meetings and the Group has pivoted to adopt agile working practices.

The directors have carried out a forward looking forecast and see very little impact on the business as a result of COVID-19 and are comfortable that a scenario that would result in the business not having sufficient cash reserves is extremely remote.

As is typical for the sector, most purchase orders covering FY21 revenues would not be expected to be received until midway through the year (81% of the FY20 revenue budget was underpinned by booked orders by June 2020), however the FY21 forecast as at August 2021 was 112% of the FY21 revenue budget demonstrating the stronger underpin for FY21 compared to a similar stage for FY20, which is supportive of the delivery of FY21 revenues.

After reviewing the Group's forecast and projections, the Directors consider that the company has access to sufficient funding and support to meet its financial obligations as they fall due. As a result the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

Lucid Group Communications Limited

Strategic Report (continued)
For the Year Ended 31 December 2020

Key performance indicators

As an intermediate holding company of Lucid Group of companies, the Directors do not review the performance in isolation, but together with the results of the group. For the review of the results of the Group and relevant key performance indicators see consolidated accounts of Shoo 802AA Limited, which are available from Companies House.

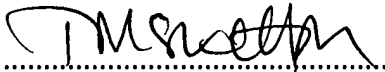
As a holding company, the Company's principal key performance indicator is the profitability of its investments.

Principal risks and uncertainties

The Group and Company has minimum exposure in terms of price risk, credit risk and cashflow risk.

The Group continues to monitor the British exit from the European Union, the effect of this has been minimal on the business, but the Directors consider it prudent to maintain the close monitoring.

This report was approved by the board and signed on its behalf.



Toby Skelton
Director

Date: 29 September 2021

Lucid Group Communications Limited

Directors' Report For the Year Ended 31 December 2020

The directors present their report together with the audited financial statements for the year ended 31 December 2020. The registered address changed to Jubilee House, Third Avenue, Globe Park, Marlow SL7 1EY on 30 March 2021.

Results and dividends

The statement of comprehensive income is set out on page 9 and shows the profit for the year.

The company did not declare any dividends in the year (2019 - £Nil).

Directors

The directors who served during the year and subsequent to year end were:

D O'Brien
J E Steele (resigned 2 June 2021)
T M Skelton (appointed 22 April 2020)

Going concern

For further information on going concern, see note 2.6 of the financial statements.

Directors' responsibilities statement

The directors are responsible for preparing the strategic report, the directors' report and the financial statements in accordance with applicable law and regulations.

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

In preparing these financial statements, the directors are required to:

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

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

Lucid Group Communications Limited

Directors' Report (continued) For the Year Ended 31 December 2020

Disclosure of information to auditor

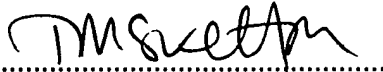
Each of the persons who are directors at the time when this directors' report is approved has confirmed that:

- so far as the directors are aware, there is no relevant audit information of which the company's auditor is unaware; and
- the directors have taken all the steps that ought to have been taken as directors in order to be aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Auditor

The auditor, BDO LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board and signed on its behalf.



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Toby Skelton
Director

Date: 29 September 2021

Lucid Group Communications Limited

Independent Auditor's report to the members of Lucid Group Communications Limited

Opinion on the financial statements

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2020 and of its profit 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.

We have audited the financial statements of Lucid Group Communications Limited ("the company") for the year ended 31 December 2020 which comprise the statement of comprehensive income, the statement of financial position, the statement of changes in equity and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the 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.

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 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.

Lucid Group Communications Limited

Independent Auditor's report to the members of Lucid Group Communications Limited (continued)

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report and financial statements, other than the financial statements and our auditor's report thereon. 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.

Other Companies Act 2006 reporting

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

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

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and 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, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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 company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Lucid Group Communications Limited

Independent Auditor's report to the members of Lucid Group Communications Limited (continued)

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.

Extent to which the audit was capable of detecting irregularities, including fraud

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

We obtained an understanding of the legal and regulatory frameworks that are applicable to the company. We determined that the most significant which are directly relevant to specific assertions in the financial statements are those related to the reporting framework: United Kingdom Generally Accepted Accounting Practice and the Companies Act 2006. We have evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements and determined that the principal risks related to management override of controls, posting journal entries to increase revenue or profits and management bias in accounting estimates. In order to address the identified risks, we have performed the following procedures:

- We gained an understanding of how the company is complying with reporting requirements by making enquiries of management. We corroborated our enquiries through our review of board minutes and review of any regulatory correspondence.
- We have considered the processes and controls that the company has established to address risks identified, or that otherwise prevent, deter and detect fraud and how management monitors that processes and controls.
- We designed our audit procedures to detect irregularities, including fraud. Our procedures included targeted testing of specific journal entries based on identified characteristics the audit team considered could be indicative of fraud, for example credit entries to revenue without a corresponding entry to trade debtor, cash, accrued income or deferred income as well as a focus on large and unusual transactions based on our knowledge of the business.
- We have performed testing on the financial statement disclosures to supporting documentation, performing substantive testing on account balances which were considered to be a greater risk of susceptibility to fraud.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

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.

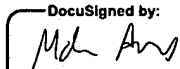
Lucid Group Communications Limited

Independent Auditor's report to the members of Lucid Group Communications Limited (continued)

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.

DocuSigned by:



Mark Ayres (Senior Statutory Auditor)
For and on behalf of BDO LLP, Statutory Auditor
London
United Kingdom

Date: 29 September 2021

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Lucid Group Communications Limited

Statement of Comprehensive Income For the Year Ended 31 December 2020

	Note	2020 £	2019 £
Administrative expenses		(5,638,047)	(5,057,590)
Other income	5	5,738,864	5,086,609
Operating profit	4	100,817	29,019
Dividend income	8	8,117,083	-
Profit before tax		8,217,900	29,019
Taxation	9	(24,036)	40,297
Profit and total comprehensive income for the financial year		8,193,864	69,316

All amounts relate to continuing activities.

The notes on pages 12 to 25 form part of these financial statements.

Lucid Group Communications Limited
Registered number: 09212331

Statement of Financial Position
As at 31 December 2020

	Note	2020 £	2020 £	2019 £	2019 £
Fixed assets					
Tangible assets	10		688,157		676,906
Investments	11		14,198,538		12,683,098
			<u>14,886,695</u>		<u>13,360,004</u>
Current assets					
Debtors: amounts falling due within one year	12	12,883,024		12,060,590	
Cash at bank and in hand		275,012		21,033	
		<u>13,158,036</u>		<u>12,081,623</u>	
Creditors: amounts falling due within one year	13	(10,114,199)		(15,712,687)	
Net current assets/(liabilities)			<u>3,043,837</u>		<u>(3,631,064)</u>
Total assets less current liabilities			<u>17,930,532</u>		<u>9,728,940</u>
Provisions for liabilities					
Deferred tax	14	(26,924)		(2,888)	
Provisions	15	(48,635)		(64,943)	
Net assets			<u>17,854,973</u>		<u>9,661,109</u>
Capital and reserves					
Called up share capital	16		110		110
Share premium account	17		129,179		129,179
Merger reserve	17		6,099,645		6,099,645
Retained earnings	17		11,626,039		3,432,175
Total equity			<u>17,854,973</u>		<u>9,661,109</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf.



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Toby Skelton
Director

Date: 29 September 2021

The notes on pages 12 to 25 form part of these financial statements.

Lucid Group Communications Limited

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

	Called up share capital	Share premium account	Merger reserve	Retained earnings	Total equity
	£	£	£	£	£
At 1 January 2020	110	129,179	6,099,645	3,432,175	9,661,109
Comprehensive income for the year					
Profit for the year	-	-	-	8,193,864	8,193,864
Total comprehensive income for the year	-	-	-	8,193,864	8,193,864
At 31 December 2020	110	129,179	6,099,645	11,626,039	17,854,973

Statement of Changes in Equity For the Year Ended 31 December 2019

	Called up share capital	Share premium account	Merger reserve	Retained earnings	Total equity
	£	£	£	£	£
At 1 January 2019	110	129,179	6,099,645	3,362,859	9,591,793
Comprehensive income for the year					
Profit for the year	-	-	-	69,316	69,316
Total comprehensive income for the year	-	-	-	69,316	69,316
At 31 December 2019	110	129,179	6,099,645	3,432,175	9,661,109

The notes on pages 12 to 25 form part of these financial statements.

Lucid Group Communications Limited

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

1. General information

Lucid Group Communications Limited is a private company, limited by shares, incorporated in England & Wales under the Companies Act. The address of the registered office is given on the company information page and the nature of the company's operations and its principal activity is set out in the strategic report.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the company's accounting policies (see note 3).

The presentational and functional currency of these financial statements is GBP. Values are rounded to the nearest pound.

The following principal accounting policies have been applied:

2.2 Financial reporting standard 102 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 4 Statement of Financial Position paragraph 4.12(a)(iv);
- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.41(b), 11.41(c), 11.41(e), 11.41(f), 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Shoo 802AA as at 31 December 2020 and these financial statements may be obtained from Companies House.

2.3 Other income

Other income represents management charges to other group companies received and receivable during the period net of value added tax.

2.4 Investments

Investments in subsidiaries are measured at cost less accumulated impairment.

Lucid Group Communications Limited

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

2. Accounting policies (continued)

2.5 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Leasehold improvements	- 33% on cost
Fixtures, fittings and equipment	- 25% on cost
Computer equipment	- 25% on cost

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

Lucid Group Communications Limited

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

2. Accounting policies (continued)

2.6 Going concern

The financial statements have been prepared using the going concern basis of accounting. The directors have reviewed the company's going concern position taking into account its current business activities, access to sufficient funds, the on-going support of the Lucid Group, budgeted performance and factors likely to affect its future performance. Based on the information contained within the accounts and including specific consideration with the risks associated with the COVID-19 situation, the directors have reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future.

As a part of the Lucid Group, The directors have considered the performance of the whole Group.

As at 31 December 2020, the group had cash resources of £2.9m (2019: £1.1m), current assets of £17.7m (2019: £14.3m), net current assets of £4.3m (2019: liabilities of £2.8m) and net liabilities of £5.0m (2019: £2.6m).

In the year to 31 December 2020 the group made an operating loss of £0.3m (2019: £0.4m) and a loss before tax of £1.8m (2019: £1.9m).

In the year to 31 December 2020 trading was ahead of the original budget (which was set in December 2019). This has been due to continued strong demand from Lucid's customers and demonstrates the resilience of the business and the sector during a period of uncertainty caused by COVID-19. This revenue outperformance has been achieved by proactively addressing customer's requirements and switching from physical to virtual events/meetings and the Group has pivoted to adopt agile working practices.

The directors have carried out a forward looking forecast and see very little impact on the business as a result of COVID-19 and are comfortable that a scenario that would result in the business not having sufficient cash reserves is extremely remote.

As is typical for the sector, most purchase orders covering FY21 revenues would not be expected to be received until midway through the year (81% of the FY20 revenue budget was underpinned by booked orders by June 2020), however the FY21 forecast as at August 2021 was 112% of the FY21 revenue budget demonstrating the stronger underpin for FY21 compared to a similar stage for FY20, which is supportive of the delivery of FY21 revenues.

After reviewing the Group's forecast and projections, the Directors consider that the company has access to sufficient funding and support to meet its financial obligations as they fall due. As a result the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

Lucid Group Communications Limited

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

2. Accounting policies (continued)

2.7 Foreign currency translation

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income.

2.8 Leases

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

2.9 Pension costs and other post-retirement benefits

The company operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the company. The annual contributions payable are charged to the statement of comprehensive income.

Short term employee benefits including holiday pay and annual bonuses are accrued as services become rendered.

2.10 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.11 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.12 Financial instruments

Financial assets and financial liabilities are recognised in the statement of financial position when the company becomes a party to the contractual provisions of the instrument.

Trade and other debtors and creditors are classified as basic financial instruments and measured at initial recognition at transaction price. Debtors and creditors are subsequently measured at amortised cost using the effective interest rate method. A provision is established when there is objective evidence that the company will not be able to collect all amounts due.

Cash and cash equivalents are classified as basic financial instruments and comprise cash in hand and at bank which are an integral part of the company's cash management.

Lucid Group Communications Limited

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

2. Accounting policies (continued)

2.12 Financial instruments (continued)

Financial liabilities and equity instruments issued by the company are classified in accordance with the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities. Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs.

2.13 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.14 Government grants

Grants are accounted under the accruals model as permitted by FRS 102. The company classifies a grant either as a grant relating to revenue or a grant relating to assets. A grant is recognised when there are reasonable assurance that the company will comply with the conditions attaching to the grant and the grants will be received.

Grants of a revenue nature are recognised in the statement of comprehensive income in the same period as the related expenditure.

2.15 Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the statement of comprehensive income, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the statement of financial position date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the statement of financial position date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Lucid Group Communications Limited

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

3. Judgements in applying accounting policies and key sources of estimation uncertainty

The preparation of financial statements in conformity with generally accepted accounting practice requires management to make estimates and judgements that affect the reported amounts of assets and liabilities as well as the disclosure of contingent assets and liabilities at the statement of financial position date and the reported amounts of revenues and expenses during the reporting period.

In preparing these financial statements, the directors have had to make the following judgments:

- Determine whether there are indicators of impairment of the company's investments. Factors taken into consideration in reaching such a decision include the economic viability, and expected future financial performance of the asset and where it is a component of a larger cash-generating unit, the viability and expected future performance of that unit.
- Determining whether provisions are required against amounts owed by group undertakings based on the ability of the fellow subsidiary to generate profits and cash.

4. Operating profit

The operating profit is stated after charging/(crediting):

	2020 £	2019 £
Operating lease charges	539,430	385,026
Depreciation	352,848	149,137
Auditor's remuneration in respect of:		
- Audit	82,360	99,775
- Taxation services	33,000	14,965
Exchange differences	(64,465)	49,983
Management charges	<u>5,724,469</u>	<u>5,086,609</u>

5. Other income

	2020 £	2019 £
Government grants	14,395	-
Management Charges	<u>5,724,469</u>	<u>5,086,609</u>

The Company has taken advantage of the Coronavirus Job Retention Scheme during the year in the UK. Total grant income recognised by the Company amounted to £56,457, out of which £42,062 has been recharged to subsidiaries based on the employees working on subsidiary activities. This income is recognised in the period to which the furloughed staff costs relate to and only when it is reasonably likely for the conditions are to be met. The payroll liability has been incurred by the Company and therefore has met the conditions to claim for the payroll period. All other conditions have been satisfied.

Lucid Group Communications Limited

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

6. Employees

Staff costs were as follows:

	2020 £	2019 £
Wages and salaries	8,026,359	3,936,721
Social security costs	897,396	440,423
Cost of defined contribution scheme	299,676	166,560
	<u>9,223,431</u>	<u>4,543,704</u>
Recharged to subsidiaries	(7,539,894)	(3,411,372)
Recharged from parent company	50,666	-
	<u><u>1,734,203</u></u>	<u><u>1,132,332</u></u>

The average monthly number of employees, including the directors, during the year was as follows:

	2020 No.	2019 No.
Front office	116	83
Back office	32	23
	<u>148</u>	<u>106</u>

7. Directors emoluments

The directors' remuneration is borne by a parent company.

8. Income from investments

	2020 £	2019 £
Dividend income	<u><u>8,117,083</u></u>	<u><u>-</u></u>

Lucid Group Communications Limited

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

9. Taxation

	2020 £	2019 £
Corporation tax		
Adjustments in respect of previous periods	-	(19,160)
Total current tax	<u>-</u>	<u>(19,160)</u>
Deferred tax		
Origination and reversal of timing differences	(5,348)	1,303
Adjustments in respect of previous periods	25,987	(22,440)
Effect of tax rate change on opening balance	3,397	-
Total deferred tax	<u>24,036</u>	<u>(21,137)</u>
Taxation on profit on ordinary activities	<u><u>24,036</u></u>	<u><u>(40,297)</u></u>

Factors affecting tax charge/(credit) for the year

The tax assessed for the year is higher than (2019 - higher than) the standard rate of corporation tax in the UK of 19% (2019 - 19%). The differences are explained below:

	2020 £	2019 £
Profit on ordinary activities before tax	<u>8,217,900</u>	<u>29,019</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19%	1,561,401	5,514
Effects of:		
Fixed asset differences	27,031	18,921
Expenses not deductible for tax purposes	139,054	66,749
Group relief claimed	(190,588)	(89,728)
Adjustments to tax charge in respect of previous periods	-	(19,160)
Adjustments to tax charge in respect of previous periods - deferred tax	25,987	(22,440)
Remeasurement of deferred tax for change in rates	3,397	(153)
Income not taxable for tax purposes	(1,542,246)	-
Total tax charge/(credit) for the year	<u><u>24,036</u></u>	<u><u>(40,297)</u></u>

Lucid Group Communications Limited

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

9. Taxation (continued)

Factors that may affect future tax charges

There are no factors that may affect future tax charges.

10. Tangible fixed assets

	Leasehold improvements £	Fixtures, fittings and equipment £	Computer equipment £	Total £
Cost				
At 1 January 2020	609,480	68,767	482,838	1,161,085
Additions	147,886	-	214,831	362,717
Disposals	(79,935)	-	(148,089)	(228,024)
At 31 December 2020	<u>677,431</u>	<u>68,767</u>	<u>549,580</u>	<u>1,295,778</u>
Depreciation				
At 1 January 2020	109,049	42,874	332,256	484,179
Charge for the year	216,020	12,433	123,013	351,466
Disposals	(79,935)	-	(148,089)	(228,024)
At 31 December 2020	<u>245,134</u>	<u>55,307</u>	<u>307,180</u>	<u>607,621</u>
Net book value				
At 31 December 2020	<u>432,297</u>	<u>13,460</u>	<u>242,400</u>	<u>688,157</u>
At 31 December 2019	<u>500,431</u>	<u>25,893</u>	<u>150,582</u>	<u>676,906</u>

Lucid Group Communications Limited

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

11. Fixed asset investments

	Shares in group undertakings £
Cost and net book value	
At 1 January 2020	12,683,098
Additions	1,515,440
At 31 December 2020	<u>14,198,538</u>

The additions are due to the revision of the amount to be paid as a contingent consideration upon the acquisition of subsidiaries in prior period. For full details of the acquisitions see the financial statements of Shoo 802AA Limited.

In the opinion of the directors, the recoverable amount of the company's investment in subsidiary undertakings is not less than the amount included in the statement of financial position.

Subsidiary undertakings

The following were subsidiary undertakings of the company:

Name	Class of share held	Holding	Principal activity
Lucid Partners Limited	Ordinary	100%	Consultancy services
Leading Edge Medical Education Limited	Ordinary	100%	Consultancy services
Leading Edge Medical Education LLC	Ordinary	100%	Consultancy services
Vivid Medcomms Limited	Ordinary	100%	Consultancy services
Lucid Group Communication, Inc.	Ordinary	100%	Consultancy services
Lighthouse Medical Communications US LLC	Ordinary	100%	Consultancy services
Leading Edge US LLC	Ordinary	100%	Consultancy services
Blue Dog Design Limited	Ordinary	100%	Consultancy services
Blue Dog Holdings Limited	Ordinary	100%	Holding company

Lucid Group Communications Limited

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

11. Fixed asset investments (continued)

Subsidiary undertaking (continued)

Name	Class of share held	Holding	Principal activity
Healthcare 21 Communications Limited	Ordinary	100%	Consultancy services
Healthcare 21 (Holdings) Limited	Ordinary	100%	Holding company
Bank Source Limited	Ordinary	100%	Dormant
Healthcare 21 Communications Singapore Private Limited	Ordinary	100%	Consultancy services
Hexagon Communications 21 Limited	Ordinary	100%	Dormant
Medical Education Grants Limited	Ordinary	100%	Dormant

The registered office of Lighthouse Medical Communications US LLC and Lucid Group Communication, Inc is 1740 Broadway, 3rd Floor, New York, NY 10019. The registered office of Leading Edge US LLC and Leading Edge Medical Education LLC is 11 Park Place, 3rd Floor, New York, NY 10007. The registered office of Healthcare 21 Communications Singapore Private Limited is 50 Raffles Place, #32-01, Singapore Land Tower, Singapore. The registered office of the remaining subsidiary undertakings is Jubilee House Third Avenue, Globe Park, Buckinghamshire, England, SL7 1EY.

12. Debtors: amounts falling due within one year

	2020 £	2019 £
Amounts owed by group undertakings	12,386,313	11,728,289
Other debtors	214,372	313,141
Prepayments	282,339	-
Corporation tax	-	19,160
	<u>12,883,024</u>	<u>12,060,590</u>

Amounts owed by group undertakings are interest free and repayable on demand.

Lucid Group Communications Limited

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

13. Creditors: amounts falling due within one year

	2020 £	2019 £
Trade creditors	754,149	662,639
Amounts owed to group undertakings	5,564,887	12,386,712
Other taxation and social security	316,701	83,168
Other creditors	69,500	-
Accruals	1,051,009	955,818
Deferred consideration	2,357,953	1,624,350
	<u>10,114,199</u>	<u>15,712,687</u>

Amounts owed to group undertakings are interest free and repayable on demand.

The deferred consideration relates to the acquisition of Blue Dog Holdings Limited and Healthcare 21 (Holdings) Limited in 2019.

14. Deferred taxation

	2020 £
Balance at start of year	2,888
Charged to profit or loss during the year	24,036
Balance at end of year	<u><u>26,924</u></u>

The provision for deferred taxation is made up as follows:

	2020 £	2019 £
Fixed asset timing differences	2,888	2,888
Short term timing differences	24,036	-
	<u>26,924</u>	<u>2,888</u>

Lucid Group Communications Limited

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

15. Provisions

	Dilapidations provision £
At 1 January 2020	64,943
Credited to profit or loss	(16,308)
At 31 December 2020	48,635

16. Share capital

	2020 £	2019 £
Allotted, called up and fully paid		
100,000 'A' ordinary shares of £0.001 each	100	100
10,344 'B' ordinary shares of £0.001 each	10	10
	<u>110</u>	<u>110</u>

The A ordinary shares carry full voting rights, are entitled to participate in dividends, are entitled to participate in a distribution of capital (including on winding up) and carry no rights of redemption.

The B ordinary shares do not carry full voting rights, are entitled to participate in dividends subject to the consent of shareholders, are entitled to participate in a distribution of capital (including on winding up) and carry no rights of redemption.

17. Reserves

The company's capital and reserves are as follows:

Called up share capital

Called up share capital represents the nominal value of the shares issued.

Share premium account

The share premium account includes the premium on issue of equity shares, net of any issue costs.

Merger Reserve

Merger reserve arose on a past business combination that was accounted for as a merger in accordance with UK GAAP as applied at that time.

Retained earnings

Retained earnings represents cumulative profits or losses net of dividends paid and other adjustments.

Lucid Group Communications Limited

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

18. Pension commitments

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £299,676 (2019 - £166,560). There were no contributions outstanding at the reporting date.

19. Commitments under operating leases

At 31 December 2020 the company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2020 £	2019 £
Not later than 1 year	628,000	578,223
Later than 1 year and not later than 5 years	2,008,500	2,229,816
	<u>2,636,500</u>	<u>2,808,039</u>

20. Related party transactions

The company has taken advantage of the exemption conferred by Financial Reporting Standard 102 Section 33 "Related Party Disclosures" paragraph 33.1A not to disclose transactions with certain Group companies on the grounds that 100% of the voting rights in the company are controlled by Shoo 802AA Limited.

21. Ultimate parent and controlling party

At the year end the directors are of the opinion that there is no one ultimate controlling party.

The largest and smallest group of undertakings for which group accounts have been drawn up is that headed by Shoo 802AA Limited. Copies of the group accounts can be obtained from Companies House.

On 5 March 2021 the control of the Group changed and a new ownership structure was implemented. The immediate parent company of the Group became Laser Bidco Limited and the ultimate parent company is Laser Topco Limited. The ultimate controlling party as at 5 March 2021 is ICG Europe Mid Market Fund SF No1 SCSp.