APS Legal & Associates Limited

Directors' report and Financial Statements

Registered number 05627636

31 December 2022

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Company information

Directors	KE Davy R Ardron (resigned 13 June 2022) NM Stevens SR Musson EL Hancock (resigned 31 May 2022) EH Holding
Registered office	Fintel House St. Andrews Road Huddersfield HD1 6NA
Registered number	05627636 (England and Wales)
Auditor	Ernst & Young LLP 1 Bridgewater Place Leeds England LS11 5QR

Directors' report

The Directors present their report together with the financial statements for the year ended 31 December 2022.

Principal activities and business review

The principal activity of the Company in the year under review was that of providing estate planning, will writing and probate services. The results for the year are summarised on page 9.

Directors

The Directors of the Company during the year and up to the date of signing this report were :

KE Davy
R Ardron (resigned 13 June 2022)
NM Stevens
SR Musson
EL Hancock (resigned 31 May 2022)
EH Holding

Dividends

The Directors do not recommend payment of a dividend (2021: £nil).

Future Developments

The directors do not anticipate any material change in the activities of the Company for the foreseeable future.

Principal risks and uncertainties

The directors review and where possible mitigate known business risks. The principal risks of the Fintel plc group of companies ('the group') are detailed in the financial statements of Fintel plc. The Directors do not believe that there are any principle risks and uncertainties associated with this company.

Going concern

The financial statements have been prepared on a going concern basis which the Directors consider to be appropriate for the following reasons.

The Directors manage the Company alongside the other companies within the group, with group banking facilities in place of £80m until December 2026. The Group directors have prepared cash flow forecasts for the Group for the period to 31 December 2024 which indicate that, taking account of severe but plausible downside scenarios, the Group, including this Company, will have sufficient funds through the Group's combined banking facilities to meet its liabilities as they fall due for that period.

Fintel plc has indicated that it does not intend to seek repayment of the amounts due at the balance sheet date and will make funds available if required for the company to meet its liabilities, for the period covered by the forecasts. As with any company placing reliance on other group entities for financial support, the Directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

Consequently, the Directors are confident that the Company will have sufficient funds to continue to meet its liabilities as they fall due until at least 31 December 2024 and therefore have prepared the financial statements on a going concern basis.

Directors' report *(continued)*

Disclosure of information to auditor

The Directors who held office at the date of this report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditors is unaware and that each director has taken all the steps that he or she ought to have taken as a director to make himself or herself aware of any relevant audit information and to establish that the Company's auditor is ware of that information. This confirmation is given and should be interpreted in accordance with the provisions of section 418 of the Companies Act 2006.

Directors' indemnities

As permitted by the Articles of Association, the Directors have the benefit of a Directors' and officers' liability insurance, which is a qualifying third-party indemnity provision as defined by Section 234 of the Companies Act 2006. This indemnity, purchased by Fintel plc and applicable to the Directors of the Company was in force throughout the last financial year and is currently in force.

Auditor

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and Ernst & Young LLP will therefore continue in office.

By order of the board

NM Stevens
Director

Fintel House
St. Andrews Road
Huddersfield
HD1 6NA

27 September 2023

Statement of Directors' responsibilities in respect of the Directors' report and the financial statements

The Directors are responsible for preparing the annual report and the financial statements in accordance with applicable United Kingdom 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 Financial Reporting Standard 101 Reduced Disclosure Framework ("FRS 101"). 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 the company and of the profit or loss of the group and the company for that period.

In preparing these financial statements the Directors are required to:

- select suitable accounting policies in accordance with IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements in FRS 101 is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the group and company financial position and financial performance;
- state whether applicable UK Accounting Standards, including FRS 101, 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 and group's transactions and disclose with reasonable accuracy at any time the financial position of the company and the group and enable them to ensure that the company and the group financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the group and parent company and group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Independent Auditor's report to the members of APS Legal & Associates Limited

Opinion

We have audited the financial statements of APS Legal & Associates Limited for the year ended 31 December 2022 which contain the Profit and loss account and other comprehensive income, the Balance sheet, the Statement of changes in equity and the related notes 1 to 13, 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 FRS 101 "Reduced Disclosure Framework (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the company's affairs as at 31 December 2022 and of its loss 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 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 company's ability to continue as a going concern for a period until 31 December 2024.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern.

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 this report, we do not express any form of assurance conclusion thereon.

Independent Auditor's report to the members of APS Legal & Associates Limited *(continued)*

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 the other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has 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 company and its environment obtained in the course of the audit, we have not identified material misstatements in 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.
- the directors were not entitled to take advantage of the small companies' exemption in preparing the strategic report.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 4, 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.

Independent Auditor's report to the members of APS Legal & Associates 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.

Explanation as to what extent the audit was considered 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 irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the company and determined that the most significant are those that relate to the reporting frameworks being United Kingdom Accounting Standards, FRS 101 "Reduced Disclosure Framework, the Companies Act 2006, and the relevant tax compliance regulations in the UK.
- We understood how APS Legal & Associates Limited is complying with those frameworks by initially making inquiries of relevant members of management, as well as those charged with governance. We have further understood the entity's compliance with those frameworks through review of minutes of the Board and key committees. Finally, through our detailed audit procedures we have considered whether any other evidence has been identified that indicates non-compliance with the relevant laws and regulations has occurred.
- We assessed the susceptibility of the company's financial statements to material misstatement, including how fraud might occur by understanding the entity's performance against internal key performance indicators used when calculating management's variable remuneration; identifying key judgments and estimates that can materially impact the financial statements; and understanding the controls and processes in place for the prevention and detection of fraudulent financial reporting.
- Based on this understanding we designed our audit procedures to identify noncompliance with such laws and regulations. Our procedures included testing manual journals recorded by the entity, understanding unusual and one-off transactions, and where relevant corroborating the basis of accounting judgements and estimates with employees outside of the finance functions.

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

Independent Auditor's report to the members of APS Legal & Associates 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.

DS
Ernst & Young

Christopher Robson (Senior statutory auditor)
for and on behalf of Ernst & Young LLP,
Statutory Auditor
Newcastle upon Tyne
28 September 2023

Profit and loss account and other comprehensive income
for the year ended 31 December 2022

	Note	31 December 2022	31 December 2021 £
Turnover		**1,373,004**	1,537,585
Administrative expenses		**(1,488,560)**	(1,355,245)
Operating profit	2	**(115,556)**	182,340
Interest receivable and similar income	4	**37,175**	9,609
Profit/(loss) on ordinary activities before taxation		**(78,381)**	191,949
Tax on profit on ordinary activities	5	**283**	(36,995)
Profit/(loss) for the financial year		**(78,098)**	154,954

There are no other items to be included in Other Comprehensive Income in the current or preceding year.

The notes on pages 12 to 20 form part of these financial statements.

Balance sheet
at 31 December 2022

	Note	31 December 2022		31 December 2021	
		£	£	£	£
Fixed assets					
Tangible assets	6		-		-
			-		-
Current assets					
Debtors	7	2,095,787		1,074,501	
Cash and cash equivalents		98,610		965,969	
		2,194,397		2,040,470	
Creditors: amounts falling due within one year	8	(1,904,823)		(1,672,798)	
Net current assets			289,574		367,672
Total assets less current liabilities			289,574		367,672
Net assets			289,574		367,672
Capital and reserves					
Called up share capital	10		16,000		16,000
Share premium			172,981		172,981
Profit and loss account			100,593		178,691
Shareholders' funds			289,574		367,672

The company's financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime

These financial statements were approved by the Board of Directors on 27 September 2023 and were signed on its behalf by:

NM Stevens
Director

Company registered number: 05627636

The notes on pages 12 to 20 form part of these financial statements.

Statement of changes in equity
for the year ended 31 December 2022

	Called up share capital £	Share premium £	Profit and loss account £	Total equity £
Balance at 1 January 2021	16,000	172,981	23,737	212,718
Total comprehensive income for the year				
Profit for the year	-	-	154,954	154,954
Total comprehensive income for the year	-	-	154,954	154,954
Transactions with owners, recorded directly in equity				
Dividends paid	-	-	-	-
Total contributions by and distributions to owners	-	-	-	-
Balance at 31 December 2021	16,000	172,981	178,691	367,672
Balance at 1 January 2022	16,000	172,981	178,691	367,672
Total comprehensive income for the year				
Loss for the year	-	-	(78,098)	(78,098)
Total comprehensive income for the year	-	-	(78,098)	(78,098)
Transactions with owners, recorded directly in equity				
Dividends paid	-	-	-	-
Total contributions by and distributions to owners	-	-	-	-
Balance at 31 December 2022	**16,000**	**172,981**	**100,593**	**289,574**

The notes on pages 12 to 20 form part of these financial statements.

Notes

(forming part of the financial statements)

1 Accounting policies

APS Legal & Associates Limited (the "Company") is a company limited by shares and incorporated and domiciled in England & Wales. The address of its principal place of business is The Worksop Turbine, Shireoaks Triangle Business Park, Coach Close, Worksop, Nottinghamshire, S81 8AP.

These financial statements were prepared in accordance with Financial Reporting Standard 101 *Reduced Disclosure Framework* applicable in the UK and Republic of Ireland (*"FRS 101"*). The presentation currency of these financial statements is pound sterling.

The Company's ultimate parent undertaking, Fintel plc includes the Company in its consolidated financial statements. The consolidated financial statements of Fintel plc are available to the public and may be obtained from Fintel House, St. Andrews Road, Huddersfield, HD1 6NA. In these financial statements, the Company is considered to be a qualifying entity (for the purposes of this FRS) and has applied the exemptions available under FRS 101 in respect of the following disclosures:

- Reconciliation of the number of shares outstanding from the beginning to end of the period;
- Cash Flow Statement and related notes;
- Key Management Personnel compensation;
- Disclosures in respect of capital management;
- The effects of new but not yet effective IFRSs;
- Certain disclosures required by IFRS 13 *Fair Value Measurement* and the disclosures required by IFRS 7 *Financial Instrument Disclosures*.
- Related party transactions entered into between two or more members of the group provided that they are wholly owned by the group.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

1.1 Measurement convention

The financial statements are prepared on the historical cost basis.

1.2 Going concern

The financial statements have been prepared on a going concern basis which the Directors consider to be appropriate for the following reasons.

The Directors manage the Company alongside the other companies within the Fintel group of companies ('the Group'), with group banking facilities in place of £80m until December 2026, of which £nil is drawn as of 30 June 2023. The Group directors have prepared cash flow forecasts for the Group for the period to 31 December 2024 which indicate that, taking account of severe but plausible downside scenarios, the Group, including this Company will have sufficient funds, through the Group's combined banking facilities to meet its liabilities as they fall due for that period.

Various sensitivity analyses have been performed to assess the impact of more severe but plausible downside scenarios to future trading including a 33% reduction in revenue linked to the mortgage market affecting both valuations and commissions, a 33% reduction in core membership revenue, and a 50% reduction in Product Provider Agreements all from August 2023 onwards. All scenarios have been modelled separately and combined, on the separate assumptions that management take no action. Under these severe but plausible downside scenarios the Group continues to operate within its available facilities and does not incur any covenant breaches.

Notes *(continued)*

1 Accounting policies *(continued)*

1.2 Going concern (continued)

The position of the Company is dependent on Fintel plc not seeking repayment of the amounts currently due to other entities within the group, which at 31 December 2022 amounted to £1,201,595. Fintel plc has indicated its intention to continue to make available such funds as are needed by the Company, and that it does not intend to seek repayment of the amounts due at the balance sheet date, for the period covered by the forecasts. As with any company placing reliance on other group entities for financial support, the Directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

Consequently, the Directors are confident that the Company will have sufficient funds to continue to meet its liabilities as they fall due until at least December 2024 and therefore have prepared the financial statements on a going concern basis.

1.3 Critical accounting estimates and judgements

The Company makes estimates and assumptions regarding the future. Estimates and judgements are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions.

- Client Money - The Company commonly provides administrative services in respect of a deceased estate which can result in holding client monies. The Company will hold any money forming part of the estate in a client account, which is separate from our trading account. Such assets are excluded from these financial statements, as they are not assets of the Company. These monies do not satisfy the definition of a Company asset as the Company is not beneficially entitled to the money, acts under instruction from the client and the monies are repayable on demand of the client or their executors. At the 31 December 2022 client money held amounted to £25,259,447 (2021: £24,749,572). Management has taken the judgement that interest accrued on balances held in separate client accounts belongs to the Company.
- Probate revenue recognition - Revenue from probate services is recognised over time, in line with set milestones achieved in each case. Milestones used are managements best estimate of the percentage completion of a case.

1.4 Classification of financial instruments issued by the Company

In accordance with FRS 101, financial instruments issued by the Company are treated as equity only to the extent that they meet the following two conditions:

- they include no contractual obligations upon the Company to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the Company; and
- where the instrument will or may be settled in the Company's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the Company's own equity instruments or is a derivative that will be settled by the Company's exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability. Where the instrument so classified takes the legal form of the Company's own shares, the amounts presented in these financial statements for called up share capital and share premium account exclude amounts in relation to those shares.

Notes *(continued)*

1 Accounting policies *(continued)*

1.5 Non-derivative financial instruments

Trade and other receivables
Trade and other receivables are recognised at fair value, minus expected future losses. A provision for impairment of trade receivables is recognised based on lifetime expected losses, but principally comprise balances where objective evidence exists that the amount will not be collectible. Such amounts are written down to their estimated recoverable amounts, with the charge being made to operating expenses.

Trade and other payables
Trade and other payables are recognised at fair value.

Cash and cash equivalents
Cash and cash equivalents comprise cash balances and call deposits.

Amounts owed by / to Group Undertakings (Company only)
Amounts owed to group undertakings are classified as current liabilities unless specific payment terms are in place. Amounts owed by group undertakings are classified as non-current assets unless management expect to call upon the balance within one year, in which case they are classified as current assets.

1.6 Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses.

Where parts of an item of tangible fixed assets have different useful lives, they are accounted for as separate items of tangible fixed assets, for example land is treated separately from buildings.

The Company assesses at each reporting date whether tangible fixed assets are impaired.

Depreciation is charged to the profit and loss account on a straight-line basis over the estimated useful lives of each part of an item of tangible fixed assets. Leased assets are depreciated over the shorter of the lease term and their useful lives. Land is not depreciated. The estimated useful lives are as follows:

- Fixtures and Fittings: 3 years

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

1.7 Leases

At the inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Notes *(continued)*

1 Accounting policies *(continued)*

1.7 Leases (continued)

As a lessee

At commencement or on modification of a contract that contains a lease component, along with one or more other lease or non-lease components, the Company accounts for each lease component separately from the non-lease components. However, for the leases of class of underlying asset, the Company has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component. The Company allocates the consideration in the contract to each lease component on the basis of its relative stand-alone price and the aggregate stand-alone price of the non-lease components.

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Company by the end of the lease term or the cost of the right-of-use asset reflects that the Company will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

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

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee;
- the exercise price under a purchase option that the Company is reasonably certain to exercise;
- lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option; and
- penalties for early termination of a lease unless the Company is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, if the Company changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, to the extent that the right-of-use asset is reduced to nil, with any further adjustment required from the remeasurement being recorded in profit or loss.

The Company presents right-of-use assets that do not meet the definition of investment property in 'property, plant and equipment' and lease liabilities in 'loans and borrowings' in the statement of financial position.

Short-term leases and leases of low-value assets

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

Notes *(continued)*

1 Accounting policies *(continued)*

1.8 Provisions

A provision is recognised in the balance sheet when the Company has a present legal or constructive obligation as a result of a past event, that can be reliably measured and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are recognised at the best estimate of the amount required to settle the obligation at the reporting date.

Where the Company enters into financial guarantee contracts to guarantee the indebtedness of other companies within its group, the Company treats the guarantee contract as a contingent liability until such time as it becomes probable that the Company will be required to make a payment under the guarantee.

1.9 Revenue recognition

Revenue is recognised by reference to the five-step model set out in IFRS 15. Revenue is recognised when an entity transfers goods or services to a customer, measured at the amount to which the entity expects to be entitled. Depending on whether certain criteria are met, revenue is recognised:

- over time, in a manner that depicts the entity's performance; or
- at a point in time, when control of the good or service is transferred to the customer.

Probate services
Revenue from probate services is recognised over time, in line with set milestones achieved in each case (output method). Milestones used are managements estimate of the percentage completion of a case. The period of time over which revenue is recognised and the milestones used have been revised to reflect a more accurate representation of the entity's performance.

Will writing
Revenue from will writing is recognised at a point in time at which the service is delivered based on the value agreed with the customer.

1.10 Expenses

Interest receivable and Interest payable

Interest payable and similar charges include interest payable, finance charges on shares classified as liabilities and finance leases recognised in profit or loss using the effective interest method, unwinding of the discount on provisions, and net foreign exchange losses that are recognised in the profit and loss account (see foreign currency accounting policy).

Other interest receivable and similar income include interest receivable on funds invested and net foreign exchange gains.

Interest income and interest payable are recognised in profit or loss as they accrue, using the effective interest method.

1.11 Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on timing differences which arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements. Deferred tax is not recognised on permanent differences arising because certain types of income or expense are non-taxable or are disallowable for tax or because certain tax charges or allowances are greater or smaller than the corresponding income or expense.

Notes *(continued)*

1 Accounting policies *(continued)*

1.11 Taxation (continued)

Deferred tax is measured at the tax rate that is expected to apply to the reversal of the related difference, using tax rates enacted or substantively enacted at the balance sheet date. Deferred tax balances are not discounted.

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

2 Profit and loss account information

The Company's activities consist solely of the Company's principal activity in the UK.

The operating profit is stated after charging:

	31 December 2022 £	31 December 2021 £
Short-term lease expense	**13,717**	42,409

Auditors remuneration of £15,000 (2021: £8,000) is borne by a fellow group company.

3 Staff numbers and costs

There were no employees during the year other than Directors. All staff costs, including Directors' costs, are paid by the parent company and recharged to the Company via management charges. The Company was recharged £102,137 with respect to Directors' costs (2021: £81,969). This is considered to be equivalent to the amount attributable to the services provided by the Directors to the Company.

4 Interest receivable and similar income

	31 December 2022 £	31 December 2021 £
Bank interest received	**37,175**	9,609

Notes *(continued)*

5 Taxation

Total tax charge recognised in the profit and loss account

	31 December 2022 £	31 December 2021 £
Current tax		
Current tax on income for the period	-	36,995
Adjustments in respect of prior periods	(283)	-
Total current tax	(283)	36,995
Deferred tax		
Origination and reversal of timing differences	-	-
Total deferred tax (see note 9)	-	-
Total tax (Credit)/Charge	(283)	36,995

Reconciliation of effective tax rate

	31 December 2022 £	31 December 2021 £
(Loss)/profit for the year	(78,098)	154,954
Total tax (credit)/charge	(283)	36,995
Profit before taxation	(78,381)	191,949
Tax using the UK corporation tax rate of 19% *(2021: 19%)*	(14,892)	36,470
Effects of:		
Expenses not deductible for tax purposes	9,357	605
Group relief surrendered	5,535	-
Adjustments in respect of prior periods	(283)	-
Capital allowances	-	(80)
Total tax charge included in the profit or loss	(283)	36,995

Changes affecting the future tax charge

In the Spring Budget 2021, the UK Government announced that from 1 April 2023 the corporation tax rate would increase to 25% (rather than remaining at 19%, as previously enacted). This new law was substantively enacted on 24 May 2021. Deferred taxes at the balance sheet date have been measured using these enacted tax rates and reflected in the financial statements.

Notes *(continued)*

6 Tangible fixed assets

	Fixtures and Fittings £
Cost	
At 31 December 2022 and 31 December 2021	9,707
Depreciation	
At 31 December 2022 and 31 December 2021	9,707
Net book value	
At 31 December 2022 and 31 December 2021	-

7 Debtors

	31 December 2022 £	31 December 2021 £
Trade debtors	**42,999**	7,593
Prepayments	**107,089**	94,047
Other debtors	-	16,361
Accrued income	**340,250**	356,852
Amounts owed by group undertakings	**1,605,449**	599,648
	2,095,787	1,074,501

Amounts owed by group undertakings are receivable on demand and do not attract interest.

8 Creditors: amounts falling due within one year

	31 December 2022 £	31 December 2021 £
Trade creditors	**54,990**	32,908
Amounts owed to group undertakings	**1,201,594**	954,411
Social security and other taxes	**44,144**	61,749
Deferred income	**226,053**	253,251
Accruals	**378,042**	333,484
Corporation tax	-	36,995
	1,904,823	1,672,798

Amounts owed to group undertakings are repayable on demand and do not attract interest.

Notes *(continued)*

9 Defered tax, assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

	Assets		Liabilities		Net	
	31 December 2022	31 December 2021	**31 December 2022**	31 December 2021	**31 December 2022**	31 December 2021
	£	£	**£**	£	**£**	£
Accelerated capital allowances	**391**	362	**-**	-	**391**	362
Tax assets / (liabilities)	**391**	362	**-**	-	**391**	362

Of the above deferred tax assets £391 (2021: £362) has not been recognised due to uncertainty over future recovery.

10 Called up share capital

Allotted, issued and fully paid:

Number	**Class:**	**Nominal value:**	**31 December 2022 £**	31 December 2021 £
15,999	Ordinary A	£1	**15,999**	15,999
1	Ordinary B	£1	**1**	1
			16,000	16,000

Both class of share carry voting rights. There are no restrictions on the distribution of dividends or the repayment of capital on either class of share.

11 Contingencies

The Company has provided a guarantee against the bank loans of Fintel plc, the ultimate parent company. The total amount outstanding at 31 December 2022 amounted to £nil (2021: £7,000,000).

12 Related party disclosures

The Company has taken advantage of the exemption within FRS 101 and therefore not disclosed details of transactions with fellow companies within the group headed by Fintel plc.

13 Ultimate parent company

The Company's immediate parent undertaking is Simply Biz Limited.

The Company's ultimate parent undertaking is Fintel plc. These are the only consolidated set of financial statements which include the results of the Company and are available from the Company's registered office.

In the opinion of the Directors, the ultimate controlling party is Fintel plc.