

**OBELISK LEGAL SUPPORT SOLUTIONS LIMITED**

**FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2021**

**OBELISK LEGAL SUPPORT SOLUTIONS LIMITED**

**COMPANY INFORMATION**

<b>Directors</b>	D. Denis-Smith M. S. Humphries W. J. Stephens D. J. Tembo
<b>Company secretary</b>	D. Denis-Smith
<b>Registered number</b>	07312074
<b>Registered office</b>	44 Southampton Buildings London WC2A 1AP
<b>Independent auditors</b>	Wilder Coe Ltd Chartered Accountants & Statutory Auditors 1st Floor Sackville House 143-149 Fenchurch Street London EC3M 6BL

**OBELISK LEGAL SUPPORT SOLUTIONS LIMITED**

**CONTENTS**

	Page
<b>Balance Sheet</b>	1 - 2
<b>Notes to the Financial Statements</b>	3 - 12

**OBELISK LEGAL SUPPORT SOLUTIONS LIMITED**  
**REGISTERED NUMBER: 07312074**

**BALANCE SHEET**  
**AS AT 31 DECEMBER 2021**

	Note	2021 £	2020 £
<b>Fixed assets</b>			
Intangible assets	4	181,351	229,795
Tangible assets	5	3,823	4,075
		<u>185,174</u>	<u>233,870</u>
<b>Current assets</b>			
Debtors	6	942,301	430,046
Cash at bank and in hand		347,145	87,096
		<u>1,289,446</u>	<u>517,142</u>
Creditors: amounts falling due within one year	7	(1,255,433)	(607,828)
<b>Net current assets/(liabilities)</b>		<u>34,013</u>	<u>(90,686)</u>
<b>Total assets less current liabilities</b>		<u>219,187</u>	<u>143,184</u>
Creditors: amounts falling due after more than one year	8	(156,422)	(217,780)
<b>Net assets/(liabilities)</b>		<u><u>62,765</u></u>	<u><u>(74,596)</u></u>
<b>Capital and reserves</b>			
Allotted, called up and fully paid share capital		36,360	36,360
Profit and loss account		26,405	(110,956)
<b>Equity shareholders' funds/(deficit)</b>		<u><u>62,765</u></u>	<u><u>(74,596)</u></u>

**OBELISK LEGAL SUPPORT SOLUTIONS LIMITED**  
**REGISTERED NUMBER: 07312074**

**BALANCE SHEET (CONTINUED)**  
**AS AT 31 DECEMBER 2021**

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The Company has opted not to file the Directors' Report and the Profit and Loss account in accordance with provisions applicable to companies subject to the small companies regime, under section 444 of the Companies Act 2006.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 5 May 2022.

**D. Denis-Smith**  
Director

The notes on pages 3 to 12 form part of these financial statements.

# **OBELISK LEGAL SUPPORT SOLUTIONS LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021**

### **1. General information**

Obelisk Legal Support Solutions Limited (Company number 07312074), having its registered and trading office at 44 Southampton Buildings, London, WC2A 1AP, is a private limited company incorporated in England and Wales.

### **2. Accounting policies**

#### **2.1 Basis of preparation of financial statements**

The financial statements have been prepared under the historical cost convention and in accordance with Section 1A of Financial Reporting Standard, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland' and the UK and the Republic of Ireland and the Companies Act 2006.

The following principal accounting policies have been applied:

#### **2.2 Statement of Cash Flows**

The Company has taken advantage of the exemption in Financial Reporting Standard 102, Section 1A.7 from the requirement to provide a Statement of Cash Flows on the grounds that it is a small company.

#### **2.3 Foreign currency translation**

##### **Functional and presentation currency**

The Company's functional and presentational currency is British Pound Sterling (GBP).

##### **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.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021

**2. Accounting policies (continued)**

**2.4 Turnover**

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the Company and the turnover can be reliably measured. Turnover is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before turnover is recognised:

**Rendering of services**

Turnover from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of turnover can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

**2.5 Research and development**

In the research phase of an internal project it is not possible to demonstrate that the project will generate future economic benefits and hence all expenditure on research shall be recognised as an expense when it is incurred. Intangible assets are recognised from the development phase of a project if and only if certain specific criteria are met in order to demonstrate the asset will generate probable future economic benefits and that its cost can be reliably measured. The capitalised development costs are subsequently amortised on a straight-line basis over their useful economic lives of 5 years, from the beginning of the year following expenditure.

If it is not possible to distinguish between the research phase and the development phase of an internal project, the expenditure is treated as if it were all incurred in the research phase only.

**2.6 Finance costs**

Finance costs are charged to the Statement of Comprehensive Income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

**2.7 Pensions**

**Defined contribution pension plan**

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in the Statement of Comprehensive Income when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the Company in independently administered funds.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021

2. Accounting policies (continued)

2.8 Taxation

Tax is recognised in the Statement of Comprehensive Income.

The current corporation tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the Balance Sheet date in the countries where the Company operates and generates income.

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

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the Balance Sheet date.

2.9 Intangible assets

Intangible assets comprise development expenditure, which has been capitalised in accordance with FRS 102, section 18. Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

The estimated useful lives range as follows:

Development expenditure	-	5	years
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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021

2. Accounting policies (continued)

2.10 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:

Fixtures and fittings	-	25%	straight-line
Office equipment	-	25%	straight-line
Computer equipment	-	33%	straight-line

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 the Statement of Comprehensive Income.

2.11 Debtors

Short-term debtors are measured at transaction price, less any impairment.

2.12 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.

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 Financial instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties and loans to related parties.

Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the Balance Sheet date.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021

**2. Accounting policies (continued)**

**2.15 Dividends**

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

**2.16 Government grants**

Grants are accounted for under the accruals model as permitted by FRS 102. Grants relating to expenditure on tangible fixed assets are credited to the Statement of Comprehensive Income at the same rate as the depreciation on the assets to which the grant relates. The deferred element of grants is included in creditors as deferred income.

Grants of a revenue nature are recognised in the Statement of Comprehensive Income in the same period as the related expenditure.

**2.17 Borrowing costs**

All borrowing costs are recognised in the Statement of Comprehensive Income in the year in which they are incurred.

**3. Employees**

The average monthly number of employees, including directors, during the year was 16 (2020 - 11).

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021

4. Intangible assets

	Development expenditure £
<b>Cost</b>	
At 1 January 2021	394,236
Additions	27,220
	<hr/>
At 31 December 2021	421,456
	<hr/>
<b>Amortisation</b>	
At 1 January 2021	164,441
Charge for the year	75,664
	<hr/>
At 31 December 2021	240,105
	<hr/>
<b>Net book value</b>	
At 31 December 2021	<hr/> 181,351 <hr/>
<i>At 31 December 2020</i>	<hr/> 229,795 <hr/>

**OBELISK LEGAL SUPPORT SOLUTIONS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021**

**5. Tangible fixed assets**

	Fixtures and fittings £	Office equipment £	Computer equipment £	Total £
<b>Cost</b>				
At 1 January 2021	3,234	1,861	22,533	27,628
Additions	-	412	1,770	2,182
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2021	3,234	2,273	24,303	29,810
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Depreciation</b>				
At 1 January 2021	3,234	1,487	18,832	23,553
Charge for the year on owned assets	-	154	2,280	2,434
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2021	3,234	1,641	21,112	25,987
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Net book value</b>				
At 31 December 2021	<hr/> -	<hr/> 632	<hr/> 3,191	<hr/> 3,823
<b>At 31 December 2020</b>	<hr/> -	<hr/> 374	<hr/> 3,701	<hr/> 4,075

**6. Debtors**

	2021 £	2020 £
<b>Due within one year</b>		
Trade debtors	886,549	369,815
Other debtors	18,554	24,768
Prepayments and accrued income	37,198	35,463
	<hr/>	<hr/>
	942,301	430,046
	<hr/>	<hr/>

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021

7. Creditors: Amounts falling due within one year

	2021 £	2020 £
Bank loans (see below)	20,000	10,000
Trade creditors	471,669	256,069
Corporation tax	16,380	-
Other taxation and social security	109,244	140,379
Other creditors (see below)	442,365	167,706
Accruals and deferred income	195,775	33,674
	<u>1,255,433</u>	<u>607,828</u>

An amount of £359,716 (2020: £146,737) included within other creditors relates to an invoice discounting facility, which is secured by way of fixed and floating charges over the assets of the Company.

8. Creditors: Amounts falling due after more than one year

	2021 £	2020 £
Bank loans (see below)	70,000	90,000
Other creditors (see below)	86,422	127,780
	<u>156,422</u>	<u>217,780</u>

Bank loans comprise a Coronavirus Business Interruption Loan Scheme (CBILS) loan provided by NatWest Bank Plc. The loan is guaranteed by the government and there are no fees or interest to pay for the first 12 months. After 12 months, the interest is fixed at 4.33% per year. The final repayment for this loan is due in June 2026.

Included in other creditors is a balance of £86,422 (2020: £127,780) which comprises a CBILS loan provided by Funding Circle. The loan is guaranteed by the government and there are no interest and repayments for the first 12 months. After 12 months, the annual fixed interest rate on this loan is 10.2%. The final repayment for this loan is due in September 2024.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021**

**9. Loans**

Analysis of the maturity of loans is given below:

	2021 £	2020 £
<b>Amounts falling due within one year</b>		
Bank loans	20,000	10,000
Other creditors	42,910	11,616
	<u>62,910</u>	<u>21,616</u>
<b>Amounts falling due 1-5 years</b>		
Bank loans	70,000	80,000
Other creditors	86,422	127,780
	<u>156,422</u>	<u>207,780</u>
<b>Amounts falling due after more than 5 years</b>		
Bank loans	-	10,000
	<u>-</u>	<u>10,000</u>
	<u><u>219,332</u></u>	<u><u>239,396</u></u>

**10. Pension commitments**

The Company operates a defined contributions 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 £55,598 (2020: £6,597).

Pensions totalling £2,573 (2020: £1,653) were payable to the fund at the Balance Sheet date.

**11. Commitments under operating leases**

At 31 December 2021 the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2021 £	2020 £
Not later than 1 year	32,531	55,700
Later than 1 year and not later than 5 years	6,750	9,400
	<u>39,281</u>	<u>65,100</u>

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021

**12. Related party transactions**

Included within other creditors is an amount of £Nil (2020: £7,402) due to the director of the Company.

During the year, the Company made charitable donations to Spark21, a charity in which D Denis-Smith is a Director.

**13. Auditors' information**

The Company was subject to an audit for the year ended 31 December 2021. The audit report was issued with an unqualified report and signed on 13 May 2022 by Bee-Lean Chew MSc BA (Hons) FCA, (Senior Statutory Auditor) on behalf of Wilder Coe Ltd.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.