

Acuity Law Limited
Strategic Report, Report of the Directors and
Audited Financial Statements for the Year Ended 30 November 2022

DIRECTORS:

S R Berry
R L Sellek
E L Finley
H Hitchcock
P W Lowe

SECRETARY:

Acuity Secretaries Limited

REGISTERED OFFICE:

3 Assembly Square
Britannia Quay
Cardiff Bay
Cardiff
CF10 4PL

REGISTERED NUMBER:

07545730 (England and Wales)

AUDITORS:

BPU Limited
Chartered Accountants
Statutory Auditor
Radnor House
Greenwood Close
Cardiff Gate Business Park
Cardiff
CF23 8AA

**Strategic Report
for the Year Ended 30 November 2022**

The directors present their strategic report for the year ended 30 November 2022.

PRINCIPAL ACTIVITY

The principal activity of the business is the provision of legal services to commercial clients, which includes supplying legal advice and technology led products to facilitate legal and business processes.

REVIEW OF BUSINESS

We continue to innovate and to develop our "professional platform" to attract skilled professional talent. We offer our senior lawyers the choice of working as an employed part of our team or a more flexible, consultancy model. As our "hybrid" model develops, we are seeing the benefits to partners reflected in their ability to choose between a structured employed career route, or the flexibility of the self-employed consultant route. We have seen examples of partners switching from one to the other (both ways) and this gives us a strong retention tool.

We completed the acquisition of Goodman Grant Solicitors Limited on 1 November 2022 which has enabled us to boost our team of healthcare specialists, with a focus on dental clients. We plan to make further acquisitions where we see opportunities to add talent to the firm and especially in sectors where we can drive growth.

We continue to grow at a steady and manageable rate through lateral hires of employed staff and the recruitment of new self-employed consultant partners. This has enabled us to widen the range of skills within the firm, and we see this as an important driver for the firm as it gives access new clients and to increase the work we do for existing clients.

We see enormous potential to grow our team of consultant partners. We have a strong pipeline of interested candidates and expect this to continue as traditional law firms react to tightening economic conditions. We only recruit new consultants who meet our professional criteria, and our focus is very much on quality of new recruits and not quantity.

Over the last two years we have made significant investment in professional infrastructure, which includes physical items (such as offices and equipment) and systems and software. We see the provision of IT solutions to clients as important to the developments of the firm, and this has included the development and roll-out of a new client portal and the development of software-based products (such as fast draft documents and knowledge banks) that we will offer to existing and new clients alongside our core legal advisory services.

Key Performance Indicators (KPIs):

During the 2021/22 financial year we enjoyed strong growth and maintained margin as reflected in the following KPIs which are relative to the 2020/21 financial year:

- Turnover increased by 18.6%
- Our gross profit increased by 7.04%
- Our total headcount (including consultants engaged by the firm) increased by 25.6%.

**Strategic Report
for the Year Ended 30 November 2022**

PRINCIPAL RISKS AND UNCERTAINTIES

We are seeing the impact of a challenging economic outlook in the UK. The recent increases in Bank of England base rates, have impacted on our clients' investment plans, and we have seen a slowdown in those parts of our practice where we advise on corporate and property transactions. This is mitigated by strong performances in other parts of our business, such as dispute resolution, employment, and social housing. We can redeploy resources to meet changes in client demand and we are confident that we have a strong and resilient business model.

Wage inflation that impacted the legal sector in 2021/22 and which has been widely reported, has now abated and we see this as an opportunity as we have a results driven remuneration structure and one that is attractive to ambitious lawyers. We expect to benefit from growing interest in our consultancy model from senior lawyers who leave or are dissatisfied at traditional firms and want a flexible and well remunerated career structure.

FUTURE DEVELOPMENTS

We plan to increase turnover over the next few years by acquisitions and organic growth. Our focus is on maintaining a healthy profit margin and attracting new legal talent to the professional platform we have created. We believe our platform can be scaled up in an effective manner to support additional lawyers and other professionals.

We anticipate growing our professional services that complement our core legal expertise, and these include regulatory advice, corporate broking, and training services. We have strong client retention, and the ability to package solutions for clients and to develop additional revenue streams.

We are proud of the "Acuity Law" brand, and its position in the business legal market. We will continue to invest in our brand and to attract new clients in the sectors we are targeting. Our core message to business clients is that we can meet all of their legal requirements and give access to a team of highly qualified and experienced lawyers. Feedback from clients to our approach to business is positive and with strong client retention and confidence in recurring revenues we have a solid base to build on over the next few years.

THIS REPORT WAS APPROVED BY THE BOARD:

S R Berry - Director

30 August 2023

**Report of the Directors
for the Year Ended 30 November 2022**

The directors present their report with the financial statements of the company for the year ended 30 November 2022.

DIVIDENDS

The total distribution of dividends for the year ended 30 November 2022 was **£1,281,667** (2021 - £2,936,615).

DIRECTORS

The directors shown below have held office during the whole of the period from 1 December 2021 to the date of this report.

S R Berry
R L Sellek
E L Finley
H Hitchcock
P W Lowe

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Strategic Report, the Report of the Directors 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;
- 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.

**Report of the Directors
for the Year Ended 30 November 2022**

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

THIS REPORT WAS APPROVED BY THE BOARD:

S R Berry - Director

30 August 2023

Opinion

We have audited the financial statements of Acuity Law Limited (the 'company') for the year ended 30 November 2022 which comprise the Profit & Loss Account, Other Comprehensive Income, Balance Sheet, Statement of Changes in Equity and 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).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 November 2022 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.

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 Auditors' 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 of at least twelve months from when the financial statements are authorised for issue.

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

Other information

The directors are responsible for the other information. The other information comprises the information in the Strategic Report and the Report of the Directors, but does not include the financial statements and our Report of the Auditors 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.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify 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.

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 Strategic Report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Report of the Directors have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Report of the Directors.

We have nothing to report in respect of the following matters where 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 Statement of Directors' Responsibilities set out on page four, 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 necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Auditors 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.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We gained an understanding of the legal and regulatory framework applicable to the company and the industry in which it operates, and considered the risks of acts by the company that were contrary to applicable laws and regulations, including fraud. We designed audit procedures to respond to the risk, 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.

The laws and regulations that we determined were most significant to the company were the Companies Act, UK Corporate Tax Laws, Employment Laws, the Data Protection Act, SRA Regulations and Money Laundering Laws.

We obtained an understanding of how the company is complying with those laws and regulations by making enquiries of the management and those charged with governance, and corroborated these enquiries through our review of board minutes and review of legal and professional spend for the year.

We assessed the susceptibility of the company's financial statements to material misstatement, including how fraud might occur. We addressed the risk of management override of internal controls and assessed the effectiveness of the controls that management has in place to prevent and detect fraud, including testing of manual journals and evaluating the assumptions and judgements made by management in its significant accounting estimates.

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

Report of the Independent Auditors to the Members of Acuity Law Limited

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 a Report of the Auditors 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.

Nicholas Matthew Toye FCA (Senior Statutory Auditor)
for and on behalf of BPU Limited
Chartered Accountants
Statutory Auditor

31 August 2023

**Profit & Loss Account
for the Year Ended 30 November 2022**

| | | 2022 | 2021 |
|---------------------------------------|-------|-------------------------|-------------------------|
| | Notes | £ | £ |
| TURNOVER | | 15,006,687 | 12,654,433 |
| Cost of sales | | <u>(7,654,324)</u> | <u>(5,785,998)</u> |
| GROSS PROFIT | | 7,352,363 | 6,868,435 |
| Administrative expenses | | <u>(4,288,538)</u> | <u>(2,935,235)</u> |
| | | 3,063,825 | 3,933,200 |
| Other operating income | | 40,000 | 40,000 |
| OPERATING PROFIT | 3 | 3,103,825 | 3,973,200 |
| Income from investments | | - | 135,000 |
| Interest receivable & similar income | | <u>7,638</u> | <u>62,432</u> |
| | | 3,111,463 | 4,170,632 |
| Interest payable and similar expenses | 4 | <u>(37,421)</u> | <u>(7,973)</u> |
| PROFIT BEFORE TAXATION | | 3,074,042 | 4,162,659 |
| Tax on profit | 5 | <u>(670,016)</u> | <u>(825,597)</u> |
| PROFIT FOR THE FINANCIAL YEAR | | <u>2,404,026</u> | <u>3,337,062</u> |

The notes form part of these financial statements

Balance Sheet
30 November 2022

| | | 2022 | | 2021 | |
|--|-------|-------------------|--------------------|-------------|-------------|
| | Notes | £ | £ | £ | £ |
| FIXED ASSETS | | | | | |
| Intangible assets | 7 | | 176,667 | | 436,667 |
| Tangible assets | 8 | | 251,991 | | 228,659 |
| Investments | 9 | | 726,643 | | 250,000 |
| | | | 1,155,301 | | 915,326 |
| CURRENT ASSETS | | | | | |
| Work in progress | 10 | 2,530,196 | | 1,416,307 | |
| Debtors | 11 | 6,486,312 | | 4,916,022 | |
| Cash at bank | | 1,710,025 | | 2,943,866 | |
| | | 10,726,533 | | 9,276,195 | |
| CREDITORS | | | | | |
| Amounts falling due within one year | 12 | 4,005,333 | | 3,059,857 | |
| NET CURRENT ASSETS | | | 6,721,200 | | 6,216,338 |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | | 7,876,501 | | 7,131,664 |
| CREDITORS | | | | | |
| Amounts falling due after more than one year | 13 | | (1,154,047) | | (1,546,569) |
| PROVISIONS FOR LIABILITIES | 16 | | (61,000) | | (46,000) |
| NET ASSETS | | | 6,661,454 | | 5,539,095 |
| CAPITAL AND RESERVES | | | | | |
| Called up share capital | 17 | | 2,926 | | 2,926 |
| Retained earnings | 18 | | 6,658,528 | | 5,536,169 |
| SHAREHOLDERS' FUNDS | | | 6,661,454 | | 5,539,095 |

The notes form part of these financial statements

Balance Sheet - continued
30 November 2022

The financial statements were approved by the Board of Directors and authorised for issue on 30 August 2023 and were signed on its behalf by:

S R Berry - Director

**Statement of Changes in Equity
for the Year Ended 30 November 2022**

| | Called up share capital £ | Retained earnings £ | Total equity £ |
|------------------------------------|--|------------------------------------|-------------------------------|
| Balance at 1 December 2020 | 2,900 | 5,135,722 | 5,138,622 |
| Changes in equity | | | |
| Issue of share capital | 26 | - | 26 |
| Dividends | - | (2,936,615) | (2,936,615) |
| Total comprehensive income | - | 3,337,062 | 3,337,062 |
| Balance at 30 November 2021 | <u>2,926</u> | <u>5,536,169</u> | <u>5,539,095</u> |
| Changes in equity | | | |
| Dividends | - | (1,281,667) | (1,281,667) |
| Total comprehensive income | - | 2,404,026 | 2,404,026 |
| Balance at 30 November 2022 | <u>2,926</u> | <u>6,658,528</u> | <u>6,661,454</u> |

The notes form part of these financial statements

**Notes to the Financial Statements
for the Year Ended 30 November 2022**

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Financial Reporting Standard 102 - reduced disclosure exemptions

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

- the requirements of Section 7 Statement of Cash Flows.

This is on the basis that this will be included within the consolidated accounts of Acuity Group Law Limited, the ultimate controlling parent.

Turnover

Turnover is measured at the fair value of the consideration receivable or received excluding discounts, rebates and value added tax in relation to the provision of legal and associated consultancy services.

Goodwill

Goodwill being the amount paid in connection with the acquisition of two businesses in 2018, is being amortised evenly over the estimated useful life of five years.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

| | |
|----------------------|---------------------|
| Furniture & fittings | - 10% straight line |
| Computer equipment | - 33% straight line |

Work in progress

Income due in respect of contracts for uninvoiced ongoing services is recognised by reference to the stage of completion at the year end. The amount of uninvoiced services is shown in the balance sheet as work in progress. Where work is undertaken on a no win no fee basis (also known as conditional fee arrangements) and the outcome is uncertain at the balance sheet date no income is recognised.

Taxation

Taxation 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 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 balance sheet date.

Notes to the Financial Statements - continued
for the Year Ended 30 November 2022

1. ACCOUNTING POLICIES - continued

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet 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.

Pension costs

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to profit or loss in the period to which they relate.

Investments in subsidiaries and associates

Investments are measured at cost less any impairment.

2. EMPLOYEES AND DIRECTORS

| | 2022 | 2021 |
|--------------------------|------------------|------------------|
| £ £ | | |
| Wages and salaries | 6,221,372 | 4,131,651 |
| Social security costs | 640,795 | 397,537 |
| Other pension costs | 208,495 | 169,380 |
| | <u>7,070,662</u> | <u>4,698,568</u> |

The average number of employees during the year was as follows:

| | 2022 | 2021 |
|-----------|-----------|-----------|
| Employees | <u>93</u> | <u>74</u> |

| | 2022 | 2021 |
|--|---------------|---------------|
| £ £ | | |
| Directors' remuneration | 730,000 | 261,192 |
| Directors' pension contributions to money purchase schemes | <u>33,250</u> | <u>25,417</u> |

The number of directors to whom retirement benefits were accruing was as follows:

| Money purchase schemes | <u>5</u> | <u>6</u> |
|------------------------|----------|----------|

**Notes to the Financial Statements - continued
for the Year Ended 30 November 2022**

2. EMPLOYEES AND DIRECTORS - continued

Information regarding the highest paid director is as follows:

| | 2022 | 2021 |
|---|---------------------|--------------|
| | £ | £ |
| Emoluments etc | 185,000 | 51,059 |
| Pension contributions to money purchase schemes | <u>6,000</u> | <u>5,000</u> |

3. OPERATING PROFIT

The operating profit is stated after charging:

| | 2022 | 2021 |
|---------------------------------------|----------------------|---------------|
| | £ | £ |
| Depreciation - owned assets | 76,264 | 72,547 |
| Goodwill amortisation | 260,000 | 260,000 |
| Audit fees | 25,100 | 21,325 |
| Auditors' fees non audit work | 18,230 | 30,129 |
| Operating Leases - Land and buildings | 576,240 | 371,495 |
| Operating Leases - Equipment Hire | <u>23,328</u> | <u>20,059</u> |

4. INTEREST PAYABLE AND SIMILAR EXPENSES

| | 2022 | 2021 |
|--------------------|----------------------|--------------|
| | £ | £ |
| Bank loan interest | <u>37,421</u> | <u>7,973</u> |

5. TAXATION

Analysis of the tax charge

The tax charge on the profit for the year was as follows:

| | 2022 | 2021 |
|--------------------|-----------------------|----------------|
| | £ | £ |
| Current tax: | | |
| UK corporation tax | 655,016 | 826,347 |
| Deferred tax | 15,000 | (750) |
| Tax on profit | <u>670,016</u> | <u>825,597</u> |

Notes to the Financial Statements - continued
for the Year Ended 30 November 2022

5. **TAXATION - continued**

Reconciliation of total tax charge included in profit and loss

The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The difference is explained below:

| | 2022 £ | 2021 £ |
|---|------------------|------------------|
| Profit before tax | <u>3,074,042</u> | <u>4,162,659</u> |
| Profit multiplied by the standard rate of corporation tax in the UK of 19% (2021 - 19%) | 584,068 | 790,905 |
| Effects of: | | |
| Expenses not deductible for tax purposes | 31,223 | 6,909 |
| Income not taxable for tax purposes | - | (25,650) |
| Capital allowances in excess of depreciation | (10,452) | - |
| Depreciation in excess of capital allowances | - | 3,250 |
| Adjustments to tax charge in respect of previous periods | 777 | 1,533 |
| Amortisation of Goodwill | 49,400 | 49,400 |
| Deferred Tax movement | 15,000 | (750) |
| Total tax charge | <u>670,016</u> | <u>825,597</u> |

6. **DIVIDENDS**

| | 2022 £ | 2021 £ |
|------------------------------------|------------------|------------------|
| Ordinary shares of £1 each Paid | <u>1,281,667</u> | <u>2,936,615</u> |

7. **INTANGIBLE FIXED ASSETS**

| | Goodwill £ |
|--|------------------|
| COST | |
| At 1 December 2021 and 30 November 2022 | <u>1,300,000</u> |
| AMORTISATION | |
| At 1 December 2021 | 863,333 |
| Amortisation for year | 260,000 |
| At 30 November 2022 | <u>1,123,333</u> |
| NET BOOK VALUE | |
| At 30 November 2022 | <u>176,667</u> |
| At 30 November 2021 | <u>436,667</u> |

Notes to the Financial Statements - continued
for the Year Ended 30 November 2022

8. TANGIBLE FIXED ASSETS

| | Furniture & fittings £ | Computer equipment £ | Totals £ |
|-----------------------|------------------------------|----------------------------|----------------|
| COST | | | |
| At 1 December 2021 | 328,613 | 288,014 | 616,627 |
| Additions | 42,943 | 56,653 | 99,596 |
| At 30 November 2022 | <u>371,556</u> | <u>344,667</u> | <u>716,223</u> |
| DEPRECIATION | | | |
| At 1 December 2021 | 170,237 | 217,731 | 387,968 |
| Charge for year | 23,449 | 52,815 | 76,264 |
| At 30 November 2022 | <u>193,686</u> | <u>270,546</u> | <u>464,232</u> |
| NET BOOK VALUE | | | |
| At 30 November 2022 | <u>177,870</u> | <u>74,121</u> | <u>251,991</u> |
| At 30 November 2021 | <u>158,376</u> | <u>70,283</u> | <u>228,659</u> |

9. FIXED ASSET INVESTMENTS

| | Unlisted investments £ |
|-----------------------|------------------------------|
| COST | |
| At 1 December 2021 | 250,000 |
| Additions | 596,643 |
| Impairments | (120,000) |
| At 30 November 2022 | <u>726,643</u> |
| NET BOOK VALUE | |
| At 30 November 2022 | <u>726,643</u> |
| At 30 November 2021 | <u>250,000</u> |

Notes to the Financial Statements - continued
for the Year Ended 30 November 2022

9. FIXED ASSET INVESTMENTS - continued

The company's investments at the Balance Sheet date in the share capital of companies include the following:

Subsidiaries

Adam Street Group Limited

Registered office: England & Wales

Nature of business: Dormant

| | % holding | 2022 £ | 2021 £ |
|--|--------------|-----------|-----------|
| Class of shares: £1 Ordinary shares | 100.00 | | |
| Aggregate capital and reserves | | <u>1</u> | <u>1</u> |

Maple & Black Law Limited

Registered office: England & Wales

Nature of business: Dormant

| | % holding | 2022 £ | 2021 £ |
|--|--------------|-----------|-----------|
| Class of shares: £1 Ordinary shares | 100.00 | | |
| Aggregate capital and reserves | | <u>2</u> | <u>2</u> |

New LL Limited

Registered office: England & Wales

Nature of business: Dormant

| | % holding | 2022 £ | 2021 £ |
|--|--------------|-----------|-----------|
| Class of shares: £1 Ordinary shares | 100.00 | | |
| Aggregate capital and reserves | | <u>1</u> | <u>1</u> |

Goodman Grant Holdings Limited

Registered office: England & Wales

Nature of business: Holding company

| | % holding | 27/6/22 £ | |
|--|--------------|--------------|--|
| Class of shares: £1 Ordinary shares | 100.00 | | |
| Aggregate capital and reserves | | <u>377</u> | |

Notes to the Financial Statements - continued
for the Year Ended 30 November 2022

9. **FIXED ASSET INVESTMENTS - continued**

Goodman Grant Solicitors Limited

Registered office: England & Wales

Nature of business: Solicitors

| | |
|--------------------|-------------------|
| Class of shares: | % |
| £1 Ordinary shares | holding 100.00 |

27/6/22

£

Aggregate capital and reserves

601,999

Profit for the year

115,598

Palladian Law Limited

Registered office: England & Wales

Nature of business: Solicitors

| | |
|--------------------|-------------------|
| Class of shares: | % |
| £1 Ordinary shares | holding 100.00 |

31/3/22

£

Aggregate capital and reserves

(2,073)

Profit for the year

46,865

Associated company

Adam Street Advisers Limited

Registered office: England & Wales

Nature of business: Financial management

| | |
|-----------------------------|------------------|
| Class of shares: | % |
| £1 Ordinary A & B shares | holding 33.00 |
| £1 Ordinary deferred shares | 33.00 |

31/5/22

£

31/5/21

£

Aggregate capital and reserves

188,903

190,270

Loss for the year

(1,367)

(84,110)

10. **WORK IN PROGRESS**

2022

£

2021

£

Work-in-progress

2,530,196

1,416,307

Notes to the Financial Statements - continued
for the Year Ended 30 November 2022

11. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | 2022 | 2021 |
|------------------------------------|------------------|------------------|
| | £ | £ |
| Trade debtors | 3,086,971 | 2,795,576 |
| Amounts owed by group undertakings | 2,382,738 | 1,341,027 |
| Other debtors | 157,613 | 946 |
| Prepayments and accrued income | 858,990 | 778,473 |
| | <u>6,486,312</u> | <u>4,916,022</u> |

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | 2022 | 2021 |
|---|------------------|------------------|
| | £ | £ |
| Bank loans and overdrafts (see note 14) | 300,000 | 175,000 |
| Trade creditors | 738,658 | 167,501 |
| Corporation tax | 355,256 | 824,020 |
| Social security and other taxes | 184,779 | 122,408 |
| VAT | 646,315 | 675,434 |
| Other creditors | 105,841 | 202,429 |
| Accruals and deferred income | 1,674,484 | 893,065 |
| | <u>4,005,333</u> | <u>3,059,857</u> |

13. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

| | 2022 | 2021 |
|--------------------------|------------------|------------------|
| | £ | £ |
| Bank loans (see note 14) | 1,025,000 | 1,325,000 |
| Other creditors | 129,047 | 221,569 |
| | <u>1,154,047</u> | <u>1,546,569</u> |

14. LOANS

The CBIL bank loan is repayable from May 22 for a period of 60 months with the interest rate applicable being 2.51% above the Bank of England base rate.

**Notes to the Financial Statements - continued
for the Year Ended 30 November 2022**

15. LEASING AGREEMENTS

Minimum lease payments under non-cancellable operating leases fall due as follows:

| | 2022 | 2021 |
|----------------------------|-------------------------|-----------------------|
| | £ | £ |
| Within one year | 496,560 | 394,000 |
| Between one and five years | 912,250 | 539,000 |
| In more than five years | 43,920 | - |
| | <u>1,452,730</u> | <u>933,000</u> |

16. PROVISIONS FOR LIABILITIES

| | 2022 | 2021 |
|--------------|----------------------|----------------------|
| | £ | £ |
| Deferred tax | <u>61,000</u> | <u>46,000</u> |

| | Deferred tax £ |
|-----------------------------|-------------------------------|
| Balance at 1 December 2021 | 46,000 |
| Provided during year | 15,000 |
| Balance at 30 November 2022 | <u>61,000</u> |

17. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

| Number: | Class: | Nominal value: | 2022 | 2021 |
|---------|----------|-------------------|---------------------|---------------------|
| | | | £ | £ |
| 2,926 | Ordinary | £1 | <u>2,926</u> | <u>2,926</u> |

18. RESERVES

| | Retained earnings £ |
|---------------------|------------------------------------|
| At 1 December 2021 | 5,536,169 |
| Profit for the year | 2,404,026 |
| Dividends | <u>(1,281,667)</u> |
| At 30 November 2022 | <u>6,658,528</u> |

**Notes to the Financial Statements - continued
for the Year Ended 30 November 2022**

19. ULTIMATE PARENT COMPANY

The company's ultimate parent company is Acuity Law Group Limited, a company registered in England and Wales, whose registered office is the same as the company's. Acuity Law Group Limited prepare consolidated financial statements.

20. DIRECTORS' ADVANCES, CREDITS AND GUARANTEES

The following advances and credits to directors subsisted during the years ended 30 November 2022 and 30 November 2021:

| | 2022 | 2021 |
|--------------------------------------|----------------------|---------------|
| | £ | £ |
| S R Berry | | |
| Balance outstanding at start of year | 143 | 100 |
| Amounts advanced | 543 | 2,592 |
| Amounts repaid | - | (2,549) |
| Amounts written off | - | - |
| Amounts waived | - | - |
| Balance outstanding at end of year | <u>686</u> | <u>143</u> |
| H Hitchcock | | |
| Balance outstanding at start of year | 14,286 | 14,286 |
| Amounts repaid | - | - |
| Amounts written off | - | - |
| Amounts waived | - | - |
| Balance outstanding at end of year | <u>14,286</u> | <u>14,286</u> |
| E L Finley | | |
| Balance outstanding at start of year | - | - |
| Amounts advanced | 35,000 | - |
| Amounts repaid | - | - |
| Amounts written off | - | - |
| Amounts waived | - | - |
| Balance outstanding at end of year | <u>35,000</u> | <u>-</u> |

21. RELATED PARTY DISCLOSURES

The company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the group.

Notes to the Financial Statements - continued
for the Year Ended 30 November 2022

21. RELATED PARTY DISCLOSURES - continued

a) Related parties :-

Aeron Properties Limited

ai) Loans to related parties

| | | | Net value of supply in year | Balance owed at year end |
|-----------------|---|---|-----------------------------------|--------------------------------|
| | £ | £ | | |
| 2022 | | | | |
| Related parties | | | - | 123,970 |

b) Associates :-

Adam Street Advisers Limited

bi) Rental of property to related parties

| | | | Net value of supply in year | Balance owed at year end |
|-------------|---|---|-----------------------------------|--------------------------------|
| | £ | £ | | |
| 2022 | | | | |
| Associates | | | 40,000 | - |
| 2021 | | | | |
| Associates | | | 40,000 | - |

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