

**UNITEDLEX LIMITED**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2020**

# UNITEDLEX LIMITED

## COMPANY INFORMATION

### Directors

N G Hinton  
E P Kelly (appointed 7 January 2020)  
M Odedra  
G L Quinn (appointed 7 January 2020)  
D Reed

### Registered number

07887653

### Registered office

42 New Broad Street, 4th Floor  
4th Floor  
London  
EC2M 1JD

### Independent auditors

James Cowper Kreston  
Chartered Accountants and Statutory Auditor  
2 Communications Road  
Greenham Business Park  
Greenham  
Newbury  
Berkshire  
RG19 6AB

**UNITEDLEX LIMITED**

**CONTENTS**

	Page
<b>Group Strategic Report</b>	1
<b>Directors' Report</b>	2 - 3
<b>Independent Auditors' Report</b>	4 - 6
<b>Consolidated Statement of Comprehensive Income</b>	7
<b>Consolidated Balance Sheet</b>	8
<b>Company Balance Sheet</b>	9
<b>Consolidated Statement of Changes in Equity</b>	10
<b>Company Statement of Changes in Equity</b>	11
<b>Consolidated Statement of Cash Flows</b>	12
<b>Consolidated Analysis of Net Debt</b>	13
<b>Notes to the Financial Statements</b>	14 - 26

**GROUP STRATEGIC REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2020**

**Introduction**

The Directors presents the Strategic Report for the year ended 31st December 2020.

**Business review**

The Group's principal activity is the provision of consultancy services to the legal sector via corporate clients and legal firms both within the United Kingdom and across Europe. Turnover for the Group has increased during the year to £32.8m from £26.1m in the prior year. The Group has generated a profit of £0.7m in 2020 compared to a loss of £2.8m in 2019.

The results for the year were driven by an increase in activity across the Group, but also the restructure of the UK business which led to increased administrative costs, particularly within the Litigation part of the business. The Group's intellectual property and contract review remains stable despite the restructure. The restructure to the UK business was in response to changes to the business environment of the Group's clients.

The Group operates in a niche market and the board anticipates future growth due to the minimal number of competitors in the market. The company offers a different approach through digital transformation that the parent company, UnitedLex Corporation, is currently investing in. The Group benefits from the parent company's global presence, which covers 20-plus jurisdictions, as well as the ever developing technology available.

**Principal risks and uncertainties**

The Group's success is dependent on the continued investment into technology and pricing by the parent company, UnitedLex Corporation. The Group will continue to focus its efforts on achieving maximum growth in existing market segments, leveraging its technology of digitisation thus serving clients promptly and efficiently. The Group's risks are managed through policies, procedures and internal controls. Policies are subject to Board approval, review by management and internal audits.

**Financial key performance indicators**

The following financial key performance indicators are monitored:

Revenue: £32.8m (2019 : £26.1m)

Gross profit: £17.7m (2019: £12.4m) (includes exchange rate impact)

Profit/(loss) after tax: £0.7m (2019: loss of £2.8m)

**Other key performance indicators**

The Group measures customer satisfaction by way of customer retention, and no clients were lost during the year. New client acquisition success is also measured to ensure that the Group is able to continue to grow, while continuing to service existing clients.

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

.....  
**M Odedra**

Director

Date: 12 January 2022

# UNITEDLEX LIMITED

## DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2020

The directors present their report and the financial statements for the year ended 31 December 2020.

### Directors

The directors who served during the year were:

N G Hinton

E P Kelly (appointed 7 January 2020)

M Odedra

G L Quinn (appointed 7 January 2020)

D Reed

### Directors' responsibilities statement

The directors are responsible for preparing the Group Strategic Report, the Directors' Report and the consolidated 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 the Group and of the profit or loss of the Group for that period.

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

- select suitable accounting policies for the Group's financial statements and then apply them consistently;
- make judgments 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 Group 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 the Group and to 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 the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

### Results and dividends

The profit for the year, after taxation, amounted to £699,906 (2019 - loss £2,792,862).

### Future developments

Further details of the Company's future strategy can be found in the Strategic Report.

### Disclosure of information to auditors

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

- so far as the director is aware, there is no relevant audit information of which the Company and the Group's auditors are unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company and the Group's auditors are aware of that information.

**UNITEDLEX LIMITED**

**DIRECTORS' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2020**

**Auditors**

The auditors, James Cowper Kreston, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

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

.....  
**M Odedra**

Director

Date: 12 January 2022

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF UNITEDLEX LIMITED

**Opinion**

We have audited the financial statements of UnitedLex Limited (the 'parent Company') and its subsidiaries (the 'Group') for the year ended 31 December 2020, which comprise the Group Statement of Comprehensive Income, the Group and Company Balance Sheets, the Group Statement of Cash Flows, the Group and Company Statement of Changes in Equity and the related notes, 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 Group's and of the parent Company's affairs as at 31 December 2020 and of the Group's 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 Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Conclusions relating to going concern**

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

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

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

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF UNITEDLEX LIMITED (CONTINUED)

**Other information**

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

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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

**Matters on which we are required to report by exception**

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

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

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

**Responsibilities of directors**

As explained more fully in the Directors' Responsibilities Statement set out on page 2, 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 Group's and the parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or the parent Company or to cease operations, or have no realistic alternative but to do so.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF UNITEDLEX LIMITED (CONTINUED)

**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 an Auditors' 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 Group financial statements

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance.

The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

The specific procedures for this engagement that we designed and performed to detect material misstatements in respect of irregularities, including fraud, were as follows:

- Enquiry of management, those charged with governance and the entity's solicitors (or in-house legal team) around actual and potential litigation and claims;
- Enquiry of entity staff in tax and compliance functions to identify any instances of non-compliance with laws and regulations;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations.
- Performing audit work over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias.

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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Auditors' Report.

**Use of our report**

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an Auditors' 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.

Robert Holland Bsc FCA (Senior Statutory Auditor)

for and on behalf of

**James Cowper Kreston**

Chartered Accountants and Statutory Auditor

2 Communications Road  
Greenham Business Park  
Greenham  
Newbury  
Berkshire  
RG19 6AB

13 January 2022

UNITEDLEX LIMITED

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 DECEMBER 2020

	Note	2020 £	2019 £
Turnover	4	32,766,346	26,130,986
Cost of sales		(15,044,461)	(13,708,945)
<b>Gross profit</b>		<b>17,721,885</b>	<b>12,422,041</b>
Administrative expenses		(16,667,309)	(15,143,605)
<b>Operating profit/(loss)</b>	5	<b>1,054,576</b>	<b>(2,721,564)</b>
<b>Profit/(loss) before tax</b>		<b>1,054,576</b>	<b>(2,721,564)</b>
Tax on profit/(loss)	9	(354,670)	(71,298)
<b>Profit/(loss) for the financial year</b>		<b>699,906</b>	<b>(2,792,862)</b>
<b>Profit for the year attributable to:</b>			
Owners of the parent company		<u>699,906</u>	<u>(2,792,862)</u>

There was no other comprehensive income for 2020 (2019:£NIL).

The notes on pages 14 to 26 form part of these financial statements.

**UNITEDLEX LIMITED**  
**REGISTERED NUMBER: 07887653**

**CONSOLIDATED BALANCE SHEET**  
**AS AT 31 DECEMBER 2020**

	Note	2020 £	2019 £
<b>Fixed assets</b>			
Tangible assets	10	548,932	719,769
<b>Current assets</b>			
Debtors: amounts falling due within one year	12	23,999,158	20,242,981
Cash at bank and in hand	13	2,257,604	404,656
		<u>26,256,762</u>	<u>20,647,637</u>
Creditors: amounts falling due within one year	14	(27,675,324)	(22,936,942)
<b>Net current liabilities</b>		<u>(1,418,562)</u>	<u>(2,289,305)</u>
<b>Total assets less current liabilities</b>		<u>(869,630)</u>	<u>(1,569,536)</u>
<b>Net liabilities</b>		<u><u>(869,630)</u></u>	<u><u>(1,569,536)</u></u>
<b>Capital and reserves</b>			
Called up share capital	15	100	100
Profit and loss account		(869,730)	(1,569,636)
		<u><u>(869,630)</u></u>	<u><u>(1,569,536)</u></u>

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

.....  
**M Odedra**  
Director

Date: 12 January 2022

The notes on pages 14 to 26 form part of these financial statements.

**UNITEDLEX LIMITED**  
**REGISTERED NUMBER: 07887653**

**COMPANY BALANCE SHEET**  
**AS AT 31 DECEMBER 2020**

	Note	2020 £	2019 £
<b>Fixed assets</b>			
Tangible assets	10	431,145	635,987
Fixed asset investments	11	60,013	60,013
		<u>491,158</u>	<u>696,000</u>
<b>Current assets</b>			
Debtors: amounts falling due within one year	12	22,292,484	13,472,314
Cash at bank and in hand	13	1,090,527	117,591
		<u>23,383,011</u>	<u>13,589,905</u>
Creditors: amounts falling due within one year	14	(26,504,767)	(17,397,886)
<b>Net current liabilities</b>		<u>(3,121,756)</u>	<u>(3,807,981)</u>
<b>Total assets less current liabilities</b>		<u>(2,630,598)</u>	<u>(3,111,981)</u>
<b>Net liabilities</b>		<u>(2,630,598)</u>	<u>(3,111,981)</u>
<b>Capital and reserves</b>			
Called up share capital	15	100	100
Profit and loss account		(2,630,698)	(3,112,081)
		<u>(2,630,598)</u>	<u>(3,111,981)</u>

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

.....  
**M Odedra**  
Director

Date: 12 January 2022

The notes on pages 14 to 26 form part of these financial statements.

UNITEDLEX LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2020

	Called up share capital £	Profit and loss account £	Equity attributable to owners of parent Company £	Total equity £
At 1 January 2020	100	(1,569,636)	(1,569,536)	(1,569,536)
Profit for the year	-	699,906	699,906	699,906
<b>At 31 December 2020</b>	<b>100</b>	<b>(869,730)</b>	<b>(869,630)</b>	<b>(869,630)</b>

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2019

	Called up share capital £	Profit and loss account £	Equity attributable to owners of parent Company £	Total equity £
At 1 January 2019	100	1,223,226	1,223,326	1,223,326
Loss for the year	-	(2,792,862)	(2,792,862)	(2,792,862)
<b>At 31 December 2019</b>	<b>100</b>	<b>(1,569,636)</b>	<b>(1,569,536)</b>	<b>(1,569,536)</b>

The notes on pages 14 to 26 form part of these financial statements.

UNITEDLEX LIMITED

COMPANY STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2020

	Called up share capital £	Profit and loss account £	Total equity £
At 1 January 2020	100	(3,112,081)	(3,111,981)
Profit for the year	-	481,383	481,383
<b>At 31 December 2020</b>	<b>100</b>	<b>(2,630,698)</b>	<b>(2,630,598)</b>

COMPANY STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2019

	Called up share capital £	Profit and loss account £	Total equity £
At 1 January 2019	100	151,818	151,918
Loss for the year	-	(3,263,899)	(3,263,899)
<b>At 31 December 2019</b>	<b>100</b>	<b>(3,112,081)</b>	<b>(3,111,981)</b>

The notes on pages 14 to 26 form part of these financial statements.

UNITEDLEX LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 DECEMBER 2020

	2020 £	2019 £
<b>Cash flows from operating activities</b>		
Profit/(loss) for the financial year	699,906	(2,792,862)
<b>Adjustments for:</b>		
Depreciation of tangible assets	344,681	312,131
Loss on disposal of tangible assets	(2,416)	-
Taxation charge	354,670	71,298
Decrease/(increase) in debtors	1,347,708	(3,112,118)
(Decrease)/increase in creditors	(32,206)	432,727
(Decrease)/increase in amounts owed to groups	(567,327)	5,171,086
Corporation tax (paid)	(139,735)	(127,629)
<b>Net cash generated from operating activities</b>	<b>2,005,281</b>	<b>(45,367)</b>
<b>Cash flows from investing activities</b>		
Purchase of tangible fixed assets	(196,554)	(91,642)
Sale of tangible fixed assets	25,126	4,334
Purchase of unlisted and other investments	-	(19,093)
<b>Net cash from investing activities</b>	<b>(171,428)</b>	<b>(106,401)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>1,833,853</b>	<b>(151,768)</b>
Cash and cash equivalents at beginning of year	404,656	556,424
<b>Cash and cash equivalents at the end of year</b>	<b>2,238,509</b>	<b>404,656</b>
<b>Cash and cash equivalents at the end of year comprise:</b>		
Cash at bank and in hand	2,257,604	404,656
Bank overdrafts	(19,095)	-
	<b>2,238,509</b>	<b>404,656</b>

The notes on pages 14 to 26 form part of these financial statements.

UNITEDLEX LIMITED

CONSOLIDATED ANALYSIS OF NET DEBT  
FOR THE YEAR ENDED 31 DECEMBER 2020

	At 1 January 2020 £	Cash flows £	At 31 December 2020 £
Cash at bank and in hand	404,656	1,852,948	2,257,604
Bank overdrafts	-	(19,095)	(19,095)
	<u>404,656</u>	<u>1,833,853</u>	<u>2,238,509</u>

The notes on pages 14 to 26 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

**1. General information**

Unitedlex Limited is a private company limited by share capital and incorporated in England and Wales.

The address of its registered office and principal place of business is 42 New Broad Street, 4th Floor, London, England, EC2M 1JD.

**2. Accounting policies**

**2.1 Basis of preparation of financial statements**

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

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Comprehensive Income in these financial statements.

The following principal accounting policies have been applied:

**2.2 Basis of consolidation**

The consolidated financial statements present the results of the Company and its own subsidiaries ("the Group") as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the Balance Sheet, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the Consolidated Statement of Comprehensive Income from the date on which control is obtained. They are deconsolidated from the date control ceases.

In accordance with the transitional exemption available in FRS 102, the group has chosen not to retrospectively apply the standard to business combinations that occurred before the date of transition to FRS 102, being 01 January 2017.

**2.3 Going concern**

The Directors have considered the impact of the global Covid-19 pandemic on the ability of the company to continue trading for the foreseeable future. This review has included considering the impact of the pandemic to the date of signing the financial statements and updating financial projections and performing rigorous stress testing on these projections in respect of income and the company's supply chain. Based on this review and taken together with existing financing facilities the directors believe that the financial statements have been prepared appropriately on the going concern basis.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020

**2. Accounting policies (continued)**

**2.4 Foreign currency translation**

**Functional and presentation currency**

The Company's functional and presentational currency is 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.

On consolidation, the results of overseas operations are translated into Sterling at rates approximating to those ruling when the transactions took place. All assets and liabilities of overseas operations are translated at the rate ruling at the reporting date. Exchange differences arising on translating the opening net assets at opening rate and the results of overseas operations at actual rate are recognised in other comprehensive income.

**2.5 Revenue**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue 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 revenue is recognised:

**Rendering of services**

Revenue 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 revenue can be measured reliably;
- it is probable that the Group 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.

**2.6 Operating leases: the Group as lessee**

Rentals paid under operating leases are charged to profit or loss on a straight-line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight-line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

**2.7 Borrowing costs**

All borrowing costs are recognised in profit or loss in the year in which they are incurred.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

**2. Accounting policies (continued)**

**2.8 Pensions**

**Defined contribution pension plan**

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

The contributions are recognised as an expense in profit or loss 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 Group in independently administered funds.

**2.9 Taxation**

Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income 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 and the Group operate and generate 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;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the Group can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

**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.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

**2. Accounting policies (continued)****2.10 Tangible fixed assets (continued)**

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:

Short-term leasehold property	- Life of the lease
Fixtures and fittings	- 10 years
Office equipment	- 5 years
Computer equipment	- 3 to 6 years

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

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

**2.11 Valuation of investments**

Investments in subsidiaries are measured at cost less accumulated impairment.

**2.12 Debtors**

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

**2.13 Cash and cash equivalents**

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

In the Consolidated Statement of Cash Flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Group's cash management.

**2.14 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.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

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

**Tangible fixed assets**

Tangible fixed assets are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values may vary depending on a number of factors.

**Bad debt provisions**

Provisions are estimated by the company in respect of specific debts based upon the age of the debt and knowledge of known issues.

**Taxation**

The company establishes provisions based on reasonable estimates, for possible consequences of audits by the tax authorities. The amount of such provisions is based on various factors, such as experience with previous tax submissions. Management estimation is required to determine the amount of deferred tax assets that can be recognised, based upon likely timing and level of future taxable profits together with an assessment of the effect of future tax planning strategies.

**Operating lease commitments**

The Company has entered into commercial lease contracts and as a lessee it obtains use of property, plant and equipment. The classification of such leases as operating or finance lease requires the Company to determine, based on an evaluation of the terms and conditions of the arrangements, whether it retains or acquires the significant risks and rewards of ownership of these assets and accordingly whether the lease requires an asset and liability to be recognised in the Balance Sheet.

**4. Turnover**

An analysis of turnover by class of business is as follows:

	2020 £	2019 £
Project management and client services revenue	<u>32,766,346</u>	<u>26,130,986</u>

Analysis of turnover by country of destination:

	2020 £	2019 £
United Kingdom	5,284,115	4,869,623
Rest of Europe	178,419	775,357
Rest of the world	27,303,812	20,486,006
	<u>32,766,346</u>	<u>26,130,986</u>

UNITEDLEX LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020

5. Operating profit/(loss)

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

	2020 £	2019 £
Exchange differences	(77,738)	(181,747)
Other operating lease rentals	<u>325,193</u>	<u>227,324</u>

6. Auditors' remuneration

	2020 £	2019 £
Fees payable to the Group's auditor and its associates for the audit of the Group's annual financial statements	<u>12,750</u>	<u>12,300</u>

7. Employees

Staff costs, including directors' remuneration, were as follows:

	Group 2020 £	Group 2019 £	Company 2020 £	Company 2019 £
Wages and salaries	11,667,933	8,302,201	6,698,249	6,328,923
Social security costs	1,466,937	1,079,764	829,617	711,354
Cost of defined contribution scheme	1,005,552	492,233	982,616	492,233
	<u>14,140,422</u>	<u>9,874,198</u>	<u>8,510,482</u>	<u>7,532,510</u>

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

	2020 No.	2019 No.
Directors	5	5
Employees	67	69
	<u>72</u>	<u>74</u>

UNITEDLEX LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020

8. Directors' remuneration

	2020 £	2019 £
Directors' emoluments	262,874	175,000
Group contributions to defined contribution pension schemes	19,014	6,346
	<u>281,888</u>	<u>181,346</u>

During the year retirement benefits were accruing to 1 director (2019 - 1) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £262,708 (2019 - £175,000).

The value of the Group's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £19,014 (2019 - £6,346).

9. Taxation

	2020 £	2019 £
<b>Corporation tax</b>		
Current tax on profits for the year	354,670	107,656
Adjustments in respect of previous periods	-	12,222
<b>Total current tax</b>	<u>354,670</u>	<u>119,878</u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	-	(48,580)
<b>Total deferred tax</b>	<u>-</u>	<u>(48,580)</u>
<b>Taxation on profit on ordinary activities</b>	<u>354,670</u>	<u>71,298</u>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

**9. Taxation (continued)****Factors affecting tax charge for the year**

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

	<b>2020</b>	2019
	<b>£</b>	£
Profit/(loss) on ordinary activities before tax	<u><b>1,054,576</b></u>	<u>(2,721,564)</u>
Profit/(loss) on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2019 - 19%)	<b>200,369</b>	(517,097)
<b>Effects of:</b>		
Expenses not deductible for tax purposes	<b>(35,396)</b>	4,845
Higher rate taxes on overseas earnings	<b>189,697</b>	-
Adjustments to tax charge in respect of prior periods	-	12,222
Adjustment to deferred tax	-	64,714
Deferred tax not recognised	-	506,614
<b>Total tax charge for the year</b>	<u><b>354,670</b></u>	<u>71,298</u>

**Factors that may affect future tax charges**

In the Spring Budget 2021, the Government announced that from 1 April 2023 the main corporation tax rate will increase to 25%.

UNITEDLEX LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020

10. Tangible fixed assets

Group

	Short-term leasehold property £	Fixtures and fittings £	Office equipment £	Computer equipment £	Total £
<b>Cost or valuation</b>					
At 1 January 2020	337,080	107,448	25,040	1,147,492	1,617,060
Additions	-	6,303	26,298	163,953	196,554
Disposals	-	-	-	(35,550)	(35,550)
At 31 December 2020	337,080	113,751	51,338	1,275,895	1,778,064
<b>Depreciation</b>					
At 1 January 2020	147,241	19,914	10,788	719,348	897,291
Charge for the year on owned assets	67,416	10,551	12,318	254,396	344,681
Disposals	-	-	-	(12,840)	(12,840)
At 31 December 2020	214,657	30,465	23,106	960,904	1,229,132
<b>Net book value</b>					
At 31 December 2020	122,423	83,286	28,232	314,991	548,932
At 31 December 2019	189,839	87,534	14,252	428,144	719,769

UNITEDLEX LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020

10. Tangible fixed assets (continued)

Company

	Short-term leasehold property £	Fixtures and fittings £	Office equipment £	Computer equipment £	Total £
<b>Cost or valuation</b>					
At 1 January 2020	337,080	105,517	24,432	1,019,624	1,486,653
Additions	-	-	17,615	88,134	105,749
Disposals	-	-	-	(17,394)	(17,394)
At 31 December 2020	337,080	105,517	42,047	1,090,364	1,575,008
<b>Depreciation</b>					
At 1 January 2020	147,241	19,455	10,180	673,790	850,666
Charge for the year on owned assets	67,416	10,551	8,410	209,236	295,613
Disposals	-	-	-	(2,416)	(2,416)
At 31 December 2020	214,657	30,006	18,590	880,610	1,143,863
<b>Net book value</b>					
At 31 December 2020	122,423	75,511	23,457	209,754	431,145
At 31 December 2019	189,839	86,062	14,252	345,834	635,987

UNITEDLEX LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020

11. Fixed asset investments

Company

	Investments in subsidiary companies £
<b>Cost or valuation</b>	
At 1 January 2020	60,013
At 31 December 2020	<u>60,013</u>

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Registered office	Class of shares	Holding
UnitedLex Denmark APS	Denmark	Information technology consultancy services	100%
UnitedLex Germany GmbH	Germany	Information technology consultancy services	100%
UnitedLex Bulgaria Ltd	Bulgaria	Information technology consultancy services	100%
UnitedLex Sweden	Sweden	Information technology consultancy services	100%
UnitedLex ITA	Italy	Information technology consultancy services	100%
UnitedLex Fi Oy	Finland	Information technology consultancy services	100%
UnitedLex Poland	Poland	Information technology consultancy services	100%
UnitedLex Belgium	Belgium	Information technology consultancy services	100%

UNITEDLEX LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020

12. Debtors

	Group 2020 £	Group 2019 £	Company 2020 £	Company 2019 £
Trade debtors	2,381,795	3,721,232	2,210,374	3,295,249
Amounts owed by group undertakings	20,635,745	15,531,860	19,489,218	9,347,625
Other debtors	813,253	724,651	501,185	619,609
Prepayments and accrued income	168,365	265,238	91,707	209,831
	<u>23,999,158</u>	<u>20,242,981</u>	<u>22,292,484</u>	<u>13,472,314</u>

13. Cash and cash equivalents

	Group 2020 £	Group 2019 £	Company 2020 £	Company 2019 £
Cash at bank and in hand	2,257,604	404,656	1,090,527	117,591
Less: bank overdrafts	(19,095)	-	-	-
	<u>2,238,509</u>	<u>404,656</u>	<u>1,090,527</u>	<u>117,591</u>

14. Creditors: Amounts falling due within one year

	Group 2020 £	Group 2019 £	Company 2020 £	Company 2019 £
Bank overdrafts	19,095	-	-	-
Trade creditors	232,606	286,363	211,283	256,905
Amounts owed to group undertakings	26,125,800	21,589,242	25,748,213	16,492,273
Corporation tax	274,316	59,381	23,124	-
Other taxation and social security	35,953	84,915	(309)	-
Other creditors	154,236	266,175	-	-
Accruals and deferred income	833,318	650,866	522,456	648,708
	<u>27,675,324</u>	<u>22,936,942</u>	<u>26,504,767</u>	<u>17,397,886</u>

15. Share capital

	2020 £	2019 £
<b>Allotted, called up and fully paid</b>		
100 (2019 - 100) Ordinary shares of £1 each	<u>100</u>	<u>100</u>

# UNITEDLEX LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

### 16. 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 £1,005,552 (2019: £492,233).

### 17. Commitments under operating leases

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

	<b>Group 2020 £</b>	<b>Group 2019 £</b>
Not later than 1 year	<b>227,234</b>	227,234
Later than 1 year and not later than 5 years	<b>908,936</b>	908,936
Later than 5 years	<b>359,787</b>	587,021
	<b><u>1,495,957</u></b>	<b><u>1,723,191</u></b>

### 18. Related party transactions

The company is exempt under Paragraph 33.1A of FRS 102 from disclosing related party transactions with entities that are part of the group headed by UnitedLex Corporation Inc, where 100% of the voting rights are controlled within the Group.

Key management personnel comprise the directors, who are not remunerated by the company.

### 19. Controlling party

The ultimate controlling party is UnitedLex Corporation Inc, a company incorporated in the United States of America.

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.