

## Spoke Law Limited

Directors' Report and Financial Statements

Year Ended

30 April 2021

Company Number 10041266



# Spoke Law Limited

## Company Information

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<b>Directors</b>	S J Harper A T Hartley
<b>Registered number</b>	10041266
<b>Registered office</b>	St Magnus House 3 Lower Thames Street London EC3R 6HE
<b>Independent auditor</b>	BDO LLP 55 Baker Street London W1U 7EU

# Spoke Law Limited

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# Spoke Law Limited

## Directors' Report For the Year Ended 30 April 2021

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The directors present their report and the financial statements for the year ended 30 April 2021.

### Directors

The directors who served during the year were:

S J Harper  
A T Hartley

### Going concern

At the time of approving the financial statements, the directors considered the effect of the return of Covid-19 to levels experienced in March to September 2020. As set out in notes 2.3, the directors consider that this event is unlikely to have a long term adverse impact on the Company's activities, and therefore have a reasonable expectation that the Company has adequate resources to continue to operate for a period of at least twelve months from the date of approval of these financial statements. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

### Directors' responsibilities statement

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

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

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

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

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

### Disclosure of information to auditor

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

- so far as the director is aware, there is no relevant audit information of which the Company's auditor is 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's auditor is aware of that information.

# Spoke Law Limited

## Directors' Report (continued) For the Year Ended 30 April 2021

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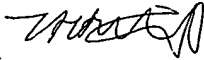
### Auditor

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

### Small companies note

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board on 3 September 2021 and signed on its behalf.



**A T Hartley**  
Director

# Spoke Law Limited

## Independent Auditor's Report to the Members of Spoke Law Limited

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### Opinion on the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 30 April 2021 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of Spoke Law Limited ("the Company") for the year ended 30 April 2021 which comprise the Statement of comprehensive income, the Statement of financial position, the 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).

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### *Independence*

We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

### Conclusions relating to going concern

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

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

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

# Spoke Law Limited

## Independent Auditor's Report to the Members of Spoke Law Limited (continued)

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### Other information

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

We have nothing to report in this regard.

### Other Companies Act 2006 reporting

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

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

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

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Directors' report and from the requirement to prepare a Strategic report.

### Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

# Spoke Law Limited

## Independent Auditor's Report to the Members of Spoke Law Limited (continued)

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### Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

We obtained an understanding of the legal and regulatory frameworks that are applicable to Spoke Law Limited. We determined that the most significant laws and regulations which are directly relevant to specific assertions in the financial statements are those related to the reporting framework (UK GAAP and the Companies Act 2006), labour and taxation regulations in the key jurisdictions in which the Company operates.

We assessed the susceptibility of the company's financial statements to material misstatement, including how fraud might occur by meeting with management to understand where it is considered there was a susceptibility of fraud.

We also considered potential fraud drivers: including financial or other pressures, opportunity, and personal or corporate motivations. We considered the programmes and controls that the Company has established to address risks identified, or that otherwise prevent, deter and detect fraud; and how senior management monitors those programmes and controls. Where the risk was considered to be higher, we performed audit procedures to address each identified fraud risk. These procedures included testing manual journals and key areas of estimation uncertainty or judgement, for example: impairment indicators, bad debt provisions and bonus provisions.

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

A further description of our responsibilities is available on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

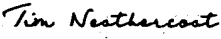
# Spoke Law Limited

## Independent Auditor's Report to the Members of Spoke Law Limited (continued)

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### Use of report

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:  
  
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**Tim Neathercoat** (Senior Statutory Auditor)  
For and on behalf of BDO LLP, statutory auditor  
London  
United Kingdom

Date: 03 September 2021

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

## Spoke Law Limited

### Statement of Comprehensive Income For the Year Ended 30 April 2021

	2021 £	2020 £
Administrative expenses	(10,650)	(20,477)
<b>Operating loss and loss before tax</b>	<b>(10,650)</b>	<b>(20,477)</b>
Tax on loss	-	-
<b>Loss for the financial year</b>	<b>(10,650)</b>	<b>(20,477)</b>

There was no other comprehensive income for 2021 (2020 - £Nil).

The notes on pages 10 to 14 form part of these financial statements.

**Spoke Law Limited**  
Registered number: 10041266

**Statement of Financial Position**  
As at 30 April 2021

	Note	2021 £	2021 £	As restated 2020 £	As restated 2020 £
<b>Current assets</b>					
Debtors: amounts falling due within one year	8	1		1	
Cash at bank and in hand	9	1,464		1,464	
		<u>1,465</u>		<u>1,465</u>	
<b>Current liabilities</b>					
Creditors: amounts falling due within one year	10	(817,607)		(806,957)	
<b>Net current liabilities</b>			<u>(816,142)</u>		<u>(805,492)</u>
<b>Net liabilities</b>			<u>(816,142)</u>		<u>(805,492)</u>
<b>Capital and reserves</b>					
Called up share capital	11		1		1
Profit and loss account			(816,143)		(805,493)
			<u>(816,142)</u>		<u>(805,492)</u>

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

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

3 September 2021



**A T Hartley**  
Director

The notes on pages 10 to 14 form part of these financial statements.

## Spoke Law Limited

### Statement of Changes in Equity For the Year Ended 30 April 2021

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 May 2020	1	(805,493)	(805,492)
<b>Comprehensive income for the year</b>			
Loss for the year	-	(10,650)	(10,650)
<b>Total comprehensive income for the year</b>	-	(10,650)	(10,650)
<b>At 30 April 2021</b>	<b>1</b>	<b>(816,143)</b>	<b>(816,142)</b>

### Statement of Changes in Equity For the Year Ended 30 April 2020

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 May 2019	1	(785,016)	(785,015)
<b>Comprehensive income for the year</b>			
Loss for the year	-	(20,477)	(20,477)
<b>Total comprehensive income for the year</b>	-	(20,477)	(20,477)
<b>At 30 April 2020</b>	<b>1</b>	<b>(805,493)</b>	<b>(805,492)</b>

The notes on pages 10 to 14 form part of these financial statements.

# Spoke Law Limited

## Notes to the Financial Statements For the Year Ended 30 April 2021

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### 1. General information

Spoke Law Limited is a private company limited by shares incorporated in England and Wales under the Companies Act. The address of its registered office is given on the Company Information page. The principal activity of the Company is that of a legal marketplace technology platform.

These financial statements have been presented in Sterling, as this is the currency of the primary economic environment in which the Company operates.

### 2. Accounting policies

#### 2.1 Basis of preparation of financial statements

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

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

The following principal accounting policies have been applied:

#### 2.2 Financial reporting standard 102 - reduced disclosure exemptions

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

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

This information is included in the consolidated financial statements of Surf (Topco) Limited as at 30 April 2021 and these financial statements may be obtained from 22 Grenville Street, St Helier, Jersey, JE4 8PX.

# Spoke Law Limited

## Notes to the Financial Statements For the Year Ended 30 April 2021

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### 2. Accounting policies (continued)

#### 2.3 Going concern

The financial statements have been prepared on a going concern basis. In adopting the going concern basis, the directors have considered the Company's operations and principal risks and uncertainties as detailed in the Directors' Report.

The Directors have considered the impact of COVID-19 on the Company's financial performance, operations, cash flows and bank facility covenants for the next 12 months. Trading continues to be actively monitored in order to be able to respond quickly to market conditions and ensure costs remain at an appropriate level. In addition, the Company maintains a robust liquidity position.

As at 30 April 2021 the Surf (Topco) Group ('the Group'), of which Spoke Law Limited is a member, has cash reserves of £11.3m (2020: £10.8m), including a £4.5m undrawn Revolving Credit Facility with Natwest. The Group's financial arrangements are subject to certain financial covenants which are tested every quarter. Based on the current forecast, the Group has significant headroom on its covenants, and will not breach the financial covenants for a period of no less than 12 months from approval of the financial statements. Under the terms of its banking facility, the Group is not bound to make any repayments against its various facilities until June 2024.

For the sole purpose of demonstrating the financial strength of the Group, a sensitivity analysis has been conducted, including significant reductions to the EBITDA forecast over the next 12 months. The results show that the Group is able to maintain sufficient profitability, cash headroom and covenant compliance under extreme circumstances. The directors consider the likelihood of these scenarios to be remote since current trading is performing in line with the forecast and the business continues to deliver services to its financially secure client base.

Based on this assessment, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future and, consequently, continue to adopt the going concern basis of accounting in preparing the annual financial statements.

#### 2.4 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company 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 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.

# Spoke Law Limited

## Notes to the Financial Statements For the Year Ended 30 April 2021

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### 2. Accounting policies (continued)

#### 2.5 Intangible assets

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 intellectual property was fully impaired in a prior period.

#### 2.6 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.

#### 2.7 Cash and cash equivalents

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

#### 2.8 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.

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

The preparation of financial statements in compliance with FRS 102 requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the statement of financial position date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates.

In preparing these financial statements the directors have not been required to make any significant judgements, estimates or assumptions.

### 4. Auditor's remuneration

	2021 £	2020 £
Fees payable to the Company's auditor for the audit of the Company's annual financial statements	<u>2,307</u>	<u>4,344</u>

# Spoke Law Limited

## Notes to the Financial Statements For the Year Ended 30 April 2021

### 5. Employees

Other than the directors, no persons were employed during the year (2020 - Nil).

### 6. Directors' remuneration

Both directors are remunerated by Lawyers on Demand Limited and Surf (Bidco) Limited.

The Directors time attributable to Spoke Law Limited is insignificant and it is not possible to prorate their remuneration to the company.

The total amount of remuneration paid in the year ended 30 April 2021 to directors is £427,500 (2020 - £682,500), which includes remuneration for the services provided to other group companies.

### 7. Intangible assets

	Intellectual property £
<b>Cost</b>	
At 1 May 2020	100,000
At 30 April 2021	100,000
<b>Amortisation and impairment</b>	
At 1 May 2020	100,000
At 30 April 2021	100,000
<b>Net book value</b>	
At 30 April 2021	-
At 30 April 2020	-

### 8. Debtors

	2021 £	2020 £
Amounts owed by group undertakings	1	1

# Spoke Law Limited

## Notes to the Financial Statements For the Year Ended 30 April 2021

### 9. Cash and cash equivalents

	2021 £	2020 £
Cash at bank and in hand	1,464	1,464

### 10. Creditors: amounts falling due within one year

	2021 £	As restated 2020 £
Amounts owed to group undertakings	812,751	803,083
Accruals and deferred income	4,856	3,874
	817,607	806,957

In the prior year, the Company's amounts owed to group undertakings were incorrectly presented in creditors: amounts falling due after more than one year rather than creditors: amounts falling due within one year. The correction of this error has resulted in a decrease in amounts owed to group undertakings falling due after more than one year of £803,083 and an increase in amounts owed to group undertakings falling due within one year of £803,083. This adjustment has not impacted the loss for the year or retained earnings.

### 11. Share capital

	2021 £	2020 £
<b>Allotted, called up and fully paid</b>		
1 Ordinary share of £1	1	1

### 12. Controlling party

The Company's parent company is LOD Global Limited. Bowmark Capital LLP is considered to be the Company's ultimate parent entity.

The largest group in which the results of the Company are consolidated is that headed by Surf (Topco) Limited, incorporated in Jersey. The consolidated financial statements of Surf (Topco) Limited can be obtained from its registered office, being 22 Grenville Street, St Helier, Jersey, JE4 8PX.

The smallest group in which the results of the Company are consolidated is that headed by Surf (Midco) Limited. The consolidated financial statements of Surf (Midco) Limited can be obtained from its registered office, being St Magnus House, 3 Lower Thames Street, London, EC3R 6HE.