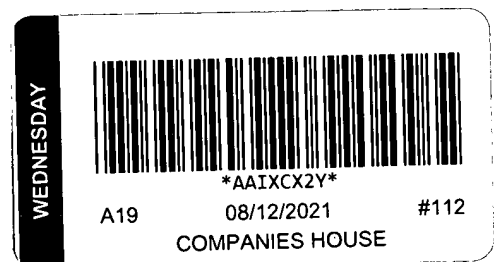


INVICTA LAW LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021



INVICTA LAW LIMITED

COMPANY INFORMATION

DIRECTORS

L M Bayford
P R Dearing
J E Humphrey
J R Pigott
A C Robinson
D G Whittle
M S Yarham
I Daniels

REGISTERED NUMBER

10079679

REGISTERED OFFICE

Priory Gate
29 Union Street
Maidstone
Kent
ME14 1PT

INDEPENDENT AUDITORS

Bishop Fleming LLP
Chartered Accountants & Statutory Auditors
Salt Quay House
4 North East Quay
Sutton Harbour
Plymouth
PL4 0BN

INVICTA LAW LIMITED

CONTENTS

	Page
Directors' report	1 - 2
Independent auditors' report	3 - 6
Statement of comprehensive income	7
Statement of financial position	8
Statement of changes in equity	9
Notes to the financial statements	10 - 22

INVICTA LAW LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2021

The directors present their report and the financial statements for the year ended 31 March 2021.

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 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 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 for the Company'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 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 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 hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

PRINCIPAL ACTIVITY

The principal activity of the company is the provision of legal services to the public sector.

DIRECTORS

The directors who served during the year and up until the approval of the financial statements were:

L M Bayford (appointed 22 December 2020)
P R Dearing
J E Humphrey
J R Pigott
A C Robinson (appointed 6 July 2020)
D G Whittle (appointed 6 July 2020)
M S Yarham (appointed 25 May 2021)
I Daniels (appointed 29 May 2021)
R Dargue (appointed 30 July 2021)
J Evans (resigned 31 December 2020)
N Major (resigned 1 December 2020)
S M Pleace (resigned 15 July 2020)
G C Record (resigned 14 April 2020)
A D Wood (resigned 2 December 2020)

The directors are pleased with the progress that has been made by the company during the year, as the company now looks to focus on some key growth areas. Like many UK businesses we have been impacted by COVID-19 and took steps early to prepare our IT and employees for home working. The impact of moving to home working and changing our working practices have been positive for our employees and client experience.

INVICTA LAW LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

building on the success of the last three years.

QUALIFYING THIRD PARTY INDEMNITY PROVISIONS

The company has made qualifying third party insurance indemnity provisions for the benefit of its directors which were made during the period and remain in force at the date of this 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'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's auditors are aware of that information.

POST BALANCE SHEET EVENTS

£1.8m of share premium was cancelled via a special resolution, and credited to the profit and loss account reserve. The effective date for this transaction was 1 April 2021.

On 30 April 2021, the company repaid £500k of the loan balance outstanding to Kent County Council.

AUDITORS

The auditors, Bishop Fleming 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 and signed on its behalf.


J E Humphrey
Director

Date:

30th July 2021

Priory Gate
29 Union Street
Maidstone
Kent
ME14 1PT

INVICTA LAW LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF INVICTA LAW LIMITED

OPINION

We have audited the financial statements of Invicta Law Limited (the 'Company') for the year ended 31 March 2021, which comprise the Statement of comprehensive income, the Balance sheet, the 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 Company's affairs as at 31 March 2021 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 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 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 other information comprises the information included in the Directors' Report other than the financial statements and our Auditors' report thereon. The directors are responsible for the other information contained within the Directors' 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.

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

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

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; 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 set out on page 1, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF INVICTA LAW 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 financial statements.

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:

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non compliance with laws and regulations, we have considered the following:

- The nature of the industry and sector, control environment and business performance;
- Results of our enquires of management and directors in relation to their own identification and assessment of the risks of irregularities within the Company; and
- Any matters we identified having obtained and reviewed the Company's documentation of their policies and procedures relating to: identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non compliance; detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; the internal controls established to mitigate risks of fraud or noncompliance with laws and regulations.

As a result of these procedures, we have considered the opportunities and incentives that may exist within the organisation for fraud and identified the areas of high risk to be in relation to revenue recognition. In common with all audits under ISAs (UK) we are also required to perform specific procedures to respond to the risk of management override.

We have also obtained an understanding of the legal and regulatory frameworks that the Company operates in, focussing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures within the financial statements. The key laws and regulations we considered in this context included the UK Companies Act, Financial Reporting Standard 102 and UK tax legislation. In addition, we considered provision of other laws and regulations that do not have a direct effect on the financial statements but compliance with may be fundamental for the Company's ability to operate or avoid a material penalty. These included the laws governing the provision of legal services and the Solicitors Regulation Authority Code of Conduct; health and safety regulations; employment legislation; and data protection laws.

Our audit procedures performed to respond to the risks identified included, but were not limited to:

- Reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- Reviewing the financial statement disclosures and testing to supporting documentation to assess the recognition of revenue;
- Discussions with management, including consideration of known or suspected instances of non compliance with laws and regulation and fraud;
- Performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud
- Reviewing board minutes;
- Identifying and testing journal entries, evaluating whether there was evidence of bias by the directors that represented a risk of material misstatement due to fraud; and
- Challenging assumptions and judgements made by management in their significant accounting estimates.

INVICTA LAW LIMITED

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

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

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 an 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 would become aware of it.

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 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.

Bishop Fleming LLP

Robert Davey FCA (Senior statutory auditor)

for and on behalf of

Bishop Fleming LLP

Chartered Accountants

Statutory Auditors

Salt Quay House

4 North East Quay

Sutton Harbour

Plymouth

PL4 0BN

Date:

23rd November 2021

INVICTA LAW LIMITED**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2021**

	Note	2021 £000	2020 £000
Turnover		9,244	8,942
Cost of sales		(5,417)	(5,197)
GROSS PROFIT		3,827	3,745
Administrative expenses		(3,022)	(3,475)
Other operating income	4	58	-
OPERATING PROFIT	5	863	270
Interest payable and similar expenses	7	(28)	(52)
PROFIT BEFORE TAX		835	218
Tax on profit	8	(161)	(14)
PROFIT FOR THE FINANCIAL YEAR		674	204

The notes on pages 10 to 22 form part of these financial statements.

INVICTA LAW LIMITED
REGISTERED NUMBER:10079679

STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2021

	Note	2021 £000	2020 £000
FIXED ASSETS			
Intangible assets	9	356	412
Tangible assets	10	94	147
		<u>450</u>	<u>559</u>
CURRENT ASSETS			
Debtors: amounts falling due within one year	11	2,258	1,998
Cash at bank and in hand	12	1,437	1,131
		<u>3,695</u>	<u>3,129</u>
Creditors: amounts falling due within one year	13	(1,357)	(1,498)
NET CURRENT ASSETS		<u>2,338</u>	<u>1,631</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>2,788</u>	<u>2,190</u>
Creditors: amounts falling due after more than one year	14	(800)	(1,000)
PROVISIONS FOR LIABILITIES			
Deferred tax	15	-	(11)
Other provisions	16	(225)	(90)
NET ASSETS		<u>1,763</u>	<u>1,089</u>
CAPITAL AND RESERVES			
Called up share capital	17	200	200
Share premium account		1,800	1,800
Profit and loss account		(237)	(911)
		<u>1,763</u>	<u>1,089</u>

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

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


J E Humphrey
 Director

Date:

30th July 2021

The notes on pages 10 to 22 form part of these financial statements.

INVICTA LAW LIMITED**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2021**

	Called up share capital £000	Share premium account £000	Profit and loss account £000	Total equity £000
At 1 April 2019	200	1,800	(1,115)	885
COMPREHENSIVE INCOME FOR THE YEAR				
Profit for the year	-	-	204	204
At 1 April 2020	200	1,800	(911)	1,089
COMPREHENSIVE INCOME FOR THE YEAR				
Profit for the year	-	-	674	674
AT 31 MARCH 2021	200	1,800	(237)	1,763

The notes on pages 10 to 22 form part of these financial statements.

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

1. GENERAL INFORMATION

The Company is a private company limited by shares and is registered in England. The address of the registered office is given on page 2.

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 Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

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 Kent County Council as at 31st March 2021 and these financial statements may be obtained from Companies House.

2.3 GOING CONCERN

At 31 March 2021, the company had cash balances of £1,437,000 and net current assets of £2,113,000 together with long-term contracts with its ultimate controlling party, Kent County Council. The company's forecasts and projections, taking account of reasonably possible changes in trading performance, show that the company should be able to operate without any additional borrowing facilities being required. As a consequence, the directors believe that the company is well placed to manage its business risks successfully despite the current uncertain economic outlook caused by the Covid-19 pandemic.

Therefore the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. In addition, the directors have received confirmation from Kent County Council that they will provide ongoing financial support to the Company for a period of at least a year subsequent to the signing of these accounts in order to allow the Company to meet its liabilities as they fall due. The directors have therefore adopted the going concern basis in preparing the financial statements for the year ended 31 March 2021.

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

2. ACCOUNTING POLICIES (continued)

2.4 REVENUE

Revenue for services represents the fair value of legal services provided during the year on client assignments. Fair value reflects the amount expected to be recoverable from clients and is based on time spent, expertise and skills provided and expenses incurred. Revenue is stated net of Value Added Tax and disbursements.

Legal services provided to clients during the period which, at the balance sheet date, have not been invoiced to clients, have been recognised as fee income in accordance with Section 23 Revenue of Financial Reporting Standard 102. Fee income recognised in this manner is based on an assessment of the fair value of the services provided by the balance sheet date as a proportion of the total value of the engagement.

Unbilled fee income is included as "Unbilled revenue" (accrued income) within debtors. Accrued income is stated at fair value where the right to consideration has been obtained. Provision is made against unbilled amounts on those engagements where the right to receive payments is contingent on factors outside the control of the company. Contingent fee income (over and above any agreed minimum fee which is recognised as above) is recognised in the period when the contingent event occurs.

2.5 OPERATING LEASES: THE COMPANY 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.

2.6 GOVERNMENT GRANTS

Grants are accounted under the accruals model as permitted by FRS 102. Grants of a revenue nature are recognised in the Statement of comprehensive income in the same period as the related expenditure.

2.7 FINANCE COSTS

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount.

2.8 BORROWING COSTS

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

2.9 PENSIONS

DEFINED CONTRIBUTION PENSION PLAN

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

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of financial position. The assets of the plan are held separately from the Company in independently administered funds.

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

2. ACCOUNTING POLICIES (continued)

2.10 CURRENT AND DEFERRED TAXATION

The tax expense for the year comprises current and deferred tax. 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 reporting date in the countries where the Company operates and generates income.

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

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

Deferred tax balances are not recognised in respect of permanent differences 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 reporting date.

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

2. ACCOUNTING POLICIES (continued)

2.11 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.

Software development costs are recognised as an intangible asset when all of the following criteria are demonstrated:

- The technical feasibility of completing the software so that it will be available for use or sale.
- The intention to complete the software and use or sell it.
- The ability to use the software or to sell it.
- How the software will generate probable future economic benefits.
- The availability of adequate technical, financial and other resources to complete the development and to use or sell the software.
- The ability to measure reliably the expenditure attributable to the software during its development.

Amortisation is charged so as to allocate the cost of intangibles less their residual values over their estimated useful lives using the straight-line method.

The estimated useful lives range as follows:

Software development costs - 10 years

If there is an indication that there has been a significant change in amortisation rate or residual value of an asset, the amortisation of that asset is revised prospectively to reflect the new expectations.

If the net fair value of the identifiable assets and liabilities acquired exceeds the costs of a business combination, the excess up to the fair value of the non-monetary assets acquired is recognised in profit or loss in the periods in which the non-monetary assets are recovered. Any excess exceeding the fair value of non-monetary assets acquired is recognised in profit or loss in the periods expected to be benefited.

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

2. ACCOUNTING POLICIES (continued)

2.12 TANGIBLE FIXED ASSETS

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Leasehold improvements (5 year lease)	- 5 years
Fixtures & equipment	- 5 years
Computer equipment	- 3 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.

2.13 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.

2.14 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.

2.15 CREDITORS

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.16 PROVISIONS FOR LIABILITIES

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to profit or loss in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Statement of financial position date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Statement of financial position.

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

2. ACCOUNTING POLICIES (continued)

2.17 FINANCIAL INSTRUMENTS

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

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of comprehensive income.

**3. JUDGMENTS IN APPLYING ACCOUNTING POLICIES AND KEY SOURCES OF ESTIMATION
UNCERTAINTY**

In the application of the Company's accounting policies, which are described in note 2, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Contract accounting

The Company's services can span the period end date. This requires an estimate of the fees and cost to complete to be made over the percentage completion of the service contract at the year end.

Software development costs

Software development costs are recognised as an intangible asset when all of the capitalisation criteria are demonstrated which required judgement to be exercised.

4. OTHER OPERATING INCOME

	2021	2020
	£000	£000
Government grants receivable	58	-
	58	-

Government grants receivable relate to the Coronavirus Job Retention Scheme (CJRS), through which the company has received compensation for part of the wages, associated national insurance contributions and employer pension contributions of employees who have been placed on furlough. There are no unfulfilled conditions or other contingencies relating to the grant.

INVICTA LAW LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021****5. OPERATING PROFIT**

The operating profit is stated after charging:

	2021	2020
	£000	£000
Depreciation of tangible assets	95	120
Amortisation of intangible assets	51	48
Auditors' remuneration - audit of the Company's annual accounts	16	28
Auditors' remuneration - services pursuant to legislation (SAR accounts rules)	17	18
	=====	=====

6. EMPLOYEES

	2021	2020
	£000	£000
Wages and salaries	4,612	4,758
Social security costs	494	509
Cost of defined contribution scheme	464	469
	=====	=====
	5,570	5,736

The average monthly number of employees, including directors, during the year was 128 (2020:138).

7. INTEREST PAYABLE AND SIMILAR EXPENSES

	2021	2020
	£000	£000
Other interest payable	28	52
	=====	=====

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**
8. TAXATION

	2021 £000	2020 £000
CORPORATION TAX		
Current tax on profits for the year	176	3
DEFERRED TAX		
Origination and reversal of timing differences	(15)	11
TAXATION ON PROFIT ON ORDINARY ACTIVITIES	161	14

FACTORS AFFECTING TAX CHARGE FOR THE YEAR

The tax assessed for the year is higher than (2020:lower than) the standard rate of corporation tax in the UK of 19% (2020: 19%). The differences are explained below:

	2021 £000	2020 £000
Profit on ordinary activities before tax	835	218
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2020:19%)	159	41
EFFECTS OF:		
Depreciation and expenses not deductible for tax purposes	2	2
Adjustments to tax charge in respect of prior periods	-	(3)
Movement in unrecognised deferred tax asset	-	(26)
TOTAL TAX CHARGE FOR THE YEAR	161	14

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

9. INTANGIBLE ASSETS

	Software development costs £000
COST	
At 1 April 2020	544
Additions	57
Disposals	(62)
At 31 March 2021	539
AMORTISATION	
At 1 April 2020	132
Charge for the year on owned assets	51
At 31 March 2021	183
NET BOOK VALUE	
At 31 March 2021	356
At 31 March 2020	412

INVICTA LAW LIMITED

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

10. TANGIBLE FIXED ASSETS

	Leasehold improv. £000	Fixtures & equipment £000	Computer equipment £000	Total £000
COST				
At 1 April 2020	29	158	253	440
Additions	-	-	43	43
At 31 March 2021	29	158	296	483
DEPRECIATION				
At 1 April 2020	15	94	184	293
Charge for the year on owned assets	6	32	58	96
At 31 March 2021	21	126	242	389
NET BOOK VALUE				
At 31 March 2021	8	32	54	94
At 31 March 2020	14	64	69	147

11. DEBTORS

	2021 £000	2020 £000
Trade debtors	87	137
Amounts owed by ultimate parent undertaking	1,637	1,396
Other debtors	18	11
Prepayments and accrued income	512	454
Deferred taxation	4	-
	2,258	1,998

The amounts due from ultimate parent undertaking relate to trade debtors with the parent and are all due to be received in April 2021.

INVICTA LAW LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021****12. CASH AND CASH EQUIVALENTS**

	2021	2020
	£000	£000
Cash at bank and in hand	1,437	1,131
	1,437	1,131

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021	2020
	£000	£000
Trade creditors	81	148
Amounts owed to group undertaking	266	429
Corporation tax	175	3
Other taxation and social security	477	514
Other creditors	71	71
Accruals and deferred income	287	333
	1,357	1,498

The amounts owed to group undertakings are repayable on demand, unsecured and accrue no interest.

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

	2021	2020
	£000	£000
Amount owed to ultimate parent undertaking	800	1,000
	800	1,000

The amounts owed to parent undertaking bear interest of 3% per annum, are unsecured and are repayable between 31 March 2022 and 31 March 2027. The company has the right to repay all or part of the debt at any time for its carrying amount by giving 28 days' notice to the lender.

INVICTA LAW LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021****15. DEFERRED TAXATION**

	2021 £000
At beginning of year	(11)
Charged to profit or loss	15
AT END OF YEAR	4

The deferred taxation balance is made up as follows:

	2021 £000	2020 £000
Accelerated capital allowances	(24)	(33)
Short term timing differences	28	22
	4	(11)

16. PROVISIONS

	Dilapidation £000
At 1 April 2020	90
Charged to profit or loss	135
AT 31 MARCH 2021	225

The provision relates to the future costs expected to be incurred to return buildings leased by Invicta Law Limited to their original state at the end of the lease period in 2027.

17. SHARE CAPITAL

	2021 £000	2020 £000
ALLOTTED, CALLED UP AND FULLY PAID		
2,000,000 (2020:2,000,000) Ordinary shares of £0.10 each	200	200

18. CAPITAL COMMITMENTS

The total amount contracted for but not provided in these financial statements was £44,000 (2020: £Nil) in relation to software development costs.

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

19. COMMITMENTS UNDER OPERATING LEASES

At 31 March 2021 the Company had total future commitments under non-cancellable operating leases as follows:

	2021	2020
	£000	£000
Not later than 1 year	216	216
Later than 1 year and not later than 5 years	-	216
	<u>216</u>	<u>432</u>

20. RELATED PARTY TRANSACTIONS

The company's related party transactions were with: other companies that are wholly owned within the group and so have not been disclosed under FRS 102 paragraph 33.1A; and Kent County Council or entities controlled or jointly controlled by Kent County Council and so have not been disclosed under FRS 102 paragraph 33.11.

21. POST BALANCE SHEET EVENTS

£1.8m of share premium was cancelled via a special resolution, and credited to the profit and loss account reserve. The effective date for this transaction was 1 April 2021.

On 30 April 2021, the company repaid £500,000 of the loan balance outstanding to Kent County Council.

22. CONTROLLING PARTY

The immediate parent undertaking is Kent HoldCo.

The ultimate parent undertaking, the ultimate controlling party, and the largest group to consolidate these financial statements is Kent County Council. Copies of the Kent County Council consolidated financial statements can be obtained from Sessions House, County Hall, County Road, Maidstone, Kent, ME14 1XQ.