

**PREPARED FOR THE REGISTRAR
DECHAMPS LAW LTD
ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2022**

Dechamps Law Ltd**(Registration number: 11016562)****Balance Sheet as at 31 October 2022**

| | Note | 2022 £ | 2021 £ |
|---|-------------|--------------------|-------------------|
| Fixed assets | | | |
| Tangible assets | <u>4</u> | 2,598 | 2,272 |
| Current assets | | | |
| Debtors | <u>5</u> | 2,000,676 | 6,000,629 |
| Cash at bank and in hand | | <u>2,407,840</u> | <u>803,571</u> |
| | | 4,408,516 | 6,804,200 |
| Creditors: Amounts falling due within one year | <u>6</u> | <u>(2,209,373)</u> | <u>(743,083)</u> |
| Net current assets | | <u>2,199,143</u> | <u>6,061,117</u> |
| Total assets less current liabilities | | 2,201,741 | 6,063,389 |
| Deferred tax liabilities | <u>7</u> | <u>(649)</u> | <u>(568)</u> |
| Net assets | | <u>2,201,092</u> | <u>6,062,821</u> |
| Capital and reserves | | | |
| Called up share capital | | 100 | 100 |
| Profit and loss account | | <u>2,200,992</u> | <u>6,062,721</u> |
| Shareholders' funds | | <u>2,201,092</u> | <u>6,062,821</u> |

For the financial year ending 31 October 2022 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Director's responsibilities:

- The members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476; and
- The director acknowledges his responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

These financial statements have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

These financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime and the option not to file the Profit and Loss Account has been taken.

Approved and authorised by the director on 31 July 2023

J P Dechamps
Director

The notes on pages 2 to 7 form an integral part of these financial statements.

Notes to the Unaudited Financial Statements for the Year Ended 31 October 2022

1 General information

The company is a private company limited by share capital, incorporated in England and Wales.

The address of its registered office is:
Windsor House
Bayshill Road
Cheltenham
GL50 3AT

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance

These financial statements have been prepared in accordance with Financial Reporting Standard 102 Section 1A smaller entities - 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland' and the Companies Act 2006 (as applicable to companies subject to the small companies' regime).

Basis of preparation

These financial statements have been prepared using the historical cost convention except for, where disclosed in these accounting policies, certain items that are shown at fair value.

The presentational currency of the financial statements is Pounds Sterling, being the functional currency of the primary economic environment in which the company operates. Monetary amounts in these financial statements are rounded to the nearest Pound.

Group accounts not prepared

The company has taken advantage of the exemption in section 398 of the Companies Act 2006 from the requirement to prepare consolidated financial statements, on the grounds that it is a small group..

Critical accounting judgements and key sources of estimation uncertainty

These financial statements do not contain any significant judgements or key sources of estimation uncertainty

Key sources of estimation uncertainty

Amounts recoverable on contracts - The process of assessing amounts recoverable on contracts is calculated by actual bills raised after the year end where the work was carried out during the year. The carrying amount is £640,045 (2021 -£250,764).

Revenue recognition

Fee income represents the fair value of services provided during the year on client assignments. Fair value reflects the amounts expected to be recoverable from clients based on time spent, skills provided and expenses incurred, and exclude VAT. Income is recognised as contract activity progresses and the right to consideration is secured, except where the final outcome cannot be assessed with reasonable certainty.

Income in respect of contingent fee assignments is recognised in the period when the contingent event occurs and collectability of the fee is assured.

Foreign currency transactions and balances

Transactions in foreign currencies are initially recorded at the functional currency rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated into the respective functional currency of the entity at the rates prevailing on the reporting period date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the initial transaction dates.

Non-monetary items measured in terms of historical cost in a foreign currency are not retranslated.

Notes to the Unaudited Financial Statements for the Year Ended 31 October 2022

Tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in the profit and loss account, except that a charge attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

The current 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 taxable income.

Deferred tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements and on unused tax losses or tax credits in the company. Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

The carrying amount of deferred tax assets are reviewed at each reporting date and a valuation allowance is set up against deferred tax assets so that the net carrying amount equals the highest amount that is more likely than not to be recovered based on current or future taxable profit.

Tangible assets

Tangible assets are stated in the statement of financial position at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

Depreciation

Depreciation is charged so as to write off the cost of assets, over their estimated useful lives, as follows:

| Asset class | Depreciation method and rate |
|--------------------|-------------------------------------|
| Computer equipment | 33% straight line |

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Trade debtors

Trade debtors are amounts due from customers for services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. All trade debtors are repayable within one year and hence are included at the undiscounted cost of cash expected to be received. A provision for the impairment of trade debtors is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the debtors.

Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the company does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and all are repayable within one year and hence are included at the undiscounted amount of cash expected to be paid.

Notes to the Unaudited Financial Statements for the Year Ended 31 October 2022

Financial instruments

Classification

Financial instruments are classified and accounted for according to the substance of the contractual arrangement, as financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities. Where shares are issued, any component that creates a financial liability of the company is presented as a liability on the balance sheet. The corresponding dividends relating to the liability component are charged as interest expenses in the profit and loss account.

Recognition and measurement

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Impairment

Assets, other than those measured at fair value, are assessed for indicators of impairment at each balance sheet date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss as described below.

A non financial asset is impaired where there is objective evidence that, as a result of one or more events that occurred after initial recognition, the estimated recoverable value of the asset has been reduced. The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use.

The recoverable amount of goodwill is derived from measurement of the present value of the future cash flows of the cash-generating units ('CGUs') of which the goodwill is a part. Any impairment loss in respect of a CGU is allocated first to the goodwill attached to that CGU, and then to other assets within that CGU on a pro-rata basis.

Where indicators exist for a decrease in impairment loss, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised. Where a reversal of impairment occurs in respect of a CGU, the reversal is applied first to the assets (other than goodwill) of the CGU on a pro-rata basis and then to any goodwill allocated to that CGU.

For financial assets carried at amortised cost, the amount of an impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

For financial assets carried at cost less impairment, the impairment loss is the difference between the asset's carrying amount and the best estimate of the amount that would be received for the asset if it were to be sold at the reporting date.

Where indicators exist for a decrease in impairment loss, and the decrease can be related objectively to an event occurring after the impairment was recognised, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired financial asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised.

Notes to the Unaudited Financial Statements for the Year Ended 31 October 2022

Borrowings

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the Profit and Loss Account over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

Dividends

Dividend distribution to the company's shareholders is recognised as a liability in the financial statements in the reporting period in which the dividends are declared.

Defined contribution pension obligation

A defined contribution plan is a pension plan under which fixed contributions are paid into a pension fund and the company has no legal or constructive obligation to further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised as employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

3 Staff numbers

The average number of persons employed by the company (including the director) during the year, was 1 (2021 - 1).

Notes to the Unaudited Financial Statements for the Year Ended 31 October 2022

4 Tangible assets

| | Computer equipment £ |
|----------------------------|----------------------------|
| Cost | |
| At 1 November 2021 | 9,817 |
| Additions | 2,183 |
| At 31 October 2022 | 12,000 |
| Depreciation | |
| At 1 November 2021 | 7,545 |
| Charge for the period year | 1,857 |
| At 31 October 2022 | 9,402 |
| Carrying amount | |
| At 31 October 2022 | 2,598 |
| At 31 October 2021 | 2,272 |

5 Debtors

| | Note | 2022 £ | 2021 £ |
|---------------------------------|------|-----------|-----------|
| Trade debtors | | 909,660 | 403,326 |
| Amounts owed by related parties | 8 | - | 5,293,150 |
| Other debtors | | 443,236 | 36,281 |
| Prepayments | | 7,735 | 17,108 |
| Work in progress | | 640,045 | 250,764 |
| | | 2,000,676 | 6,000,629 |

6 Creditors

| | 2022 £ | 2021 £ |
|----------------------------|-----------|-----------|
| Due within one year | | |
| Director's loan account | 104,632 | 46,979 |
| Trade creditors | 577,877 | 68,418 |
| Accrued expenses | 1,267,186 | 337,789 |
| Corporation tax liability | 259,678 | 289,897 |
| | 2,209,373 | 743,083 |

Dechamps Law Ltd

Notes to the Unaudited Financial Statements for the Year Ended 31 October 2022

7 Deferred tax

Deferred tax assets and liabilities

| | Liability £ |
|------------------------------|----------------|
| 2022 | |
| Accelerated tax depreciation | 649 |
| | <u>649</u> |
| | |
| | Liability £ |
| 2021 | |
| Accelerated tax depreciation | 568 |
| | <u>568</u> |

8 Related party transactions

Transactions with the director

At 31 October 2022, the director J P Dechamps was owed £104,632 (2021 - £46,979) from the company, in the form of a director's loan account. There is no interest charged on the loan and there are no fixed repayment terms.

Summary of transactions with parent

Dechamps Law (Holdings) Limited

At 31 October 2022, the company was owed £nil (2021 - £5,293,150) from Dechamps Law (Holdings) Ltd for funds loaned during the year. J P Dechamps controls both companies.

9 Parent and ultimate parent undertaking

The company's immediate parent is Dechamps Law (Holdings) Ltd, incorporated in United Kingdom.

The ultimate controlling party is J P Dechamps.

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.