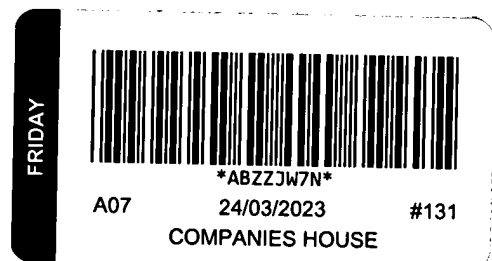


**CHAMBERS GLOBAL HOLDINGS LIMITED**  
**Annual Report and Financial Statements**  
**For the year ended 30 June 2022**  
**(Registered Number: 11126195)**



**Contents of the Annual Report and Financial Statements for the year ended 30 June 2022**

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**Company Information  
for the year ended 30 June 2022**

<b>DIRECTORS:</b>	T T M F Noble L C E Alexander M L Williams T L Green R J E Hall
<b>REGISTERED OFFICE:</b>	165 Fleet Street London England EC4A 2AE
<b>REGISTERED NUMBER:</b>	11126195 (England and Wales)
<b>INDEPENDENT AUDITORS:</b>	PricewaterhouseCoopers LLP Chartered Accountants and Statutory Auditors 1 Embankment Place London WC2N 6RH

## **Strategic Report**

I am pleased to present the report and audited consolidated financial statements for Chambers Global Holdings Limited ("the Group"). This year has once again been one of significant change and progress in the development of the Group, continuing to deliver double digit revenue growth while the business executes its strategic plan. This report is for the year ended 30 June 2022.

### **PRINCIPAL ACTIVITIES**

Chambers is the world's leading legal ranking and insights intelligence company. For over 30 years, Chambers has differentiated the very best legal talent by identifying and ranking law firms and lawyers through an unrivalled research methodology, delivering indispensable insights based on irrefutable rankings that truly reflect ability and talent.

Chambers' in-depth research teams assess lawyers and law firms across more than 200 jurisdictions around the world, providing independent and impartial intelligence and market insight. Chambers' rankings and insights enable decision makers, from General Counsel at global blue-chip firms, through to local influencers, to secure the talent that's right for them.

Law firms from across the world submit information to Chambers in order to be considered for a ranking. During the research period, a rigorous and independent research methodology is applied, with the best law firm departments and lawyers being awarded a Chambers ranking. Once rankings are released in a guide, ranked firms and individuals have the opportunity to enhance their profile on chambers.com, to access innovative data-led platforms to manage their online reputations and gain indispensable data insights through purchasing Chambers products and services. Those that are not ranked can also purchase Chambers insight reports to gain information into the reasons they were not successful.

The principal operating company within the Group is Orbach and Chambers Limited ("Chambers").

### **REVIEW OF BUSINESS AND FUTURE OUTLOOK**

#### *Strategic developments*

In March 2018, Inflexion Private Equity Partners LLP ("Inflexion") led the acquisition of Chambers to support the combined management team to invest in the business, accelerate its growth and transition the business' technology proposition. Since then, Chambers has grown significantly, building a new executive leadership team, moving all offerings online, and continuing to develop our technology capabilities, alongside building a world-class sales organisation and driving international expansion.

Chambers' purpose is to differentiate the best legal talent for when it really matters. Based on a mission to independently research the global legal market and champion exceptional talent and deliver indispensable insights, the Chambers vision is a world where important legal matters are always addressed with the best intelligence and professional expertise, wherever it exists.

The Group continues to focus on three key strategic areas for growth:

- Strengthening our ranking and profile proposition for customers;
- Continuing to develop our data and insights offerings; and
- Expanding our research in our priority markets.

In executing this strategy, we continued to make significant investments in technology to deliver high performance digital propositions including launching new product offerings and optimising our research platform. We have invested significantly in building and developing our product and sales teams, alongside updating our brand to support our commercial and strategic goals.

#### *Operational performance and financial position*

The financial statements for Chambers are for the year ended 30 June 2022. The comparative information in the financial statements is for the year ended 30 June 2021.

## **Strategic Report (continued)**

In this period and to the date of approving these financial statements, the business has continued to build and evolve notably through:

- Continuing to strengthen the Chambers' profile offering through the release of the Profile Platform which delivers enhanced features and marketing capabilities to its customers, allowing law firms to harness the prestige of a Chambers ranking;
- Accelerating growth of our data and insights offerings, launching our new Client and Market Intelligence, and Personalised Submissions Guide products to enable law firms to make better data driven decisions;
- Accelerating USA expansion by continuing to build the local team and investing in new premises;
- Growing the talent within the business, particularly in the Customer and Commercial team, and Product team;
- Continuing to invest in technology transformation to deliver enhanced digital propositions and reflect our position as a data rich business, including the launch of the new Chambers.com website; and
- Evolving and growing our research organisation, to extend our lead as the best legal research organisation globally.

The business performed well in the period and delivered significant revenue growth. All revenue streams and individual guides showed strong growth, driven both by improvements in retention rates and new business conversion, as well as a new analytics product offering in the form of Client and Market Intelligence Insight reports. The year also saw a return to holding physical events following a year of virtual events due to COVID-19.

The financial statements show revenue of £42.6m for the year (2021: £34.8m), growing by 22%. The business also delivered an improvement in gross profit from a restated £22.8m to £28.0m, while maintaining strong operational cash flows. Operating loss for year ended 30 June 2022 was £1.8m (2021: £2.1m) and loss before taxation was £16.2m (2021: £16.6m). The decrease in losses was largely driven by revenue growth. Adjusted EBITDA, defined as EBITDA before exceptional costs (as detailed in note 5) and share based payments (as detailed in note 4) for this year is £15.7m (2021: £12.9m). Further details are provided in our KPI section below.

Since the COVID-19 pandemic emerged in March 2020 trading performance has remained resilient and stable. On all core products the Group has continued to generate like-for-like revenue growth while maintaining strong cash flows.

In March 2022 the company took the decision to not include Russian firms in the Europe 2022 directories to protect the integrity of the rankings in what was a fast-moving environment with uncertain outcomes for law firms. Chambers income is highly geographically dispersed and has a low relative exposure to the ongoing situation in Ukraine.

At the year end the Group had net liabilities of £85.8m (2021: £64.6m) reflecting the debt structure and investment in intangibles in the period.

As part of the financing arrangements relating to the acquisition of Chambers and Partners by Inflexion Private Equity Partners LLP on 16 March 2018, Crossrail Midco Limited issued shareholder loan notes to Inflexion for an amount of £119.3m. Since this issue, £84.0m of loan notes including accrued interest have been repaid (2021: £84.0m). Shareholder loans of £58.9m (2021: £58.9m) are listed on The International Stock Exchange as detailed in note 15.

The group has external financing totalling £76.0m (2021: £76.0m) with Global Loan Agency Services Limited. These loans are due to mature in January 2026.

### *Future outlook*

We expect another year of growth and transformation in the financial year ending 30 June 2023, as we continue to expand and invest in Chambers to deliver the strategic growth plan. We have a strong market position and an excellent team of highly talented people, and the Board would like to thank the outstanding contribution of our people through another period of significant progress and change.

We have considered how Chambers may be affected by the macroeconomic outlook and it is our view that the Company is well placed to weather the economic uncertainty and to retain the resilience it has demonstrated in previous downturns. This is further considered in our going concern disclosures below.

## Strategic Report (continued)

### PRINCIPAL RISKS AND UNCERTAINTIES

#### *Employment risk*

The Group utilises specialist research staff who may be difficult to replace and their loss could result in adverse financial consequences for the Group. Suitable measures exist to encourage staff retention, for example relating to career opportunities, remuneration and working conditions.

#### *Technology and continuity risk*

Lack of business continuity and the failure of information technology systems are further risks faced by the Group. We are heavily dependent on technology and any incident that compromised this or leads to information loss would adversely affect business operations. To mitigate this risk the business has developed robust security systems and disaster recovery plans which are reviewed and tested on a regular basis.

#### *COVID-19*

Whilst the worldwide COVID-19 pandemic continues and the long-term impact on the global economy remains uncertain, both the Group and the legal sector in which it operates has shown to be resilient. To manage the risk the Group has introduced daily and weekly KPIs to monitor and address the potential impact.

#### *Brexit*

Following the exit of the United Kingdom from the EU on 31 January 2020, the Group continues to assess the impact of Brexit on the business. Whilst the long-term impact of Brexit remains uncertain, the Group does not consider revenues or operations will be significantly impacted by Brexit, due to the largely digital nature of services provided. The principal risk surrounds the changes in the legal framework governing the movement and storage of data and the business has put in place the necessary measures to monitor this and ensure compliance going forward.

### FINANCIAL RISK MANAGEMENT

#### *Liquidity, cash flow and covenant risk*

The Group manages its cash flow through regular cash forecasting to ensure it has sufficient available funds for operations and planned expansions. It also has access to a revolving credit facility, details of which are provided in note 15 to the financial statements. Following the COVID-19 pandemic in early 2020, the Group drew down the full amount of this facility as a precautionary measure. This facility, of £5.0m, was repaid in full during the prior year. Looking forward to the next two financial years, the Group has strong headroom to its bank covenants, which comprise a gross leverage test and minimum adjusted EBITDA. This is monitored on a monthly basis and reported to the bank on a quarterly basis.

#### *Interest rate risk*

The Group is exposed to interest rate risk through its loan facility. Given recent interest rate volatility and expected upwards trajectory the group has stress tested its liquidity under a variety of interest rate scenarios up to a SONIA rate of 7% and this showed sufficient available funds throughout the next 2 years. Further stress testing incorporating both interest rate movements and lower than projected revenue was carried out as part of the going concern testing.

#### *Currency risk*

The majority of the Group's financial results are generated in sterling. Although the Group's ability to generate revenue growth from any one country is affected by currency fluctuations, the geographic diversity of our customers reduces the Group's exposure to currency rate fluctuations.

#### *Credit risk*

The Group has a wide customer base in terms of their number, size and geographic dispersion. In addition the sector in which the Group operates is not particularly cyclical and consequently the business is reasonably well insulated from national and economic uncertainties.

## Strategic Report (continued)

### KEY PERFORMANCE INDICATORS

Management review a suite of reporting information on a regular basis to ensure the business is performing in line with expectation. Management consider the main KPIs to be:

- Revenue
- Bookings
- Contribution margin and adjusted EBITDA
- Annual renewal rates
- Percentage of ranked firms that purchase a profile
- Percentage of profile customers that purchase other products
- Staff retention and satisfaction

From the outset of COVID-19, management increased the frequency of other performance indicators. These included weekly reporting on cash collection, sales activity and research productivity.

Revenue and adjusted EBITDA are key financial measures used by the Group and are set out below:

£'000	30 June 2022	30 June 2021
Revenue	42,587	34,822
EBITDA*	11,999	10,992
Adjusted EBITDA**	15,652	13,035

\* Earnings before interest, tax, depreciation and amortisation

\*\* EBITDA before management exceptional items, which are those disclosed in Note 5 and share based payment expense

Comparing a like-for-like 12 month period, the Group's revenue has increased by 22% with EBITDA growth of 18% and adjusted EBITDA growth of 21%.

## **s172 STATEMENT**

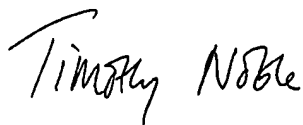
The Directors are fully aware of their responsibilities to promote the success of the Group in accordance with section 172 of the Companies Act 2006 ("s172"). Further details of how the Directors have engaged with and had regard to the interests of our key stakeholders when exercising our duty to promote the success of the Company under s172 can be found in the Director's report.

## **GOING CONCERN**

The Directors believe that preparing financial statements on the going concern basis is appropriate notwithstanding that there are significant losses and net liabilities as at 30 June 2022. The Directors have considered the projected financial performance and cash flow forecasts in conjunction with financing availability to 31 December 2023. The Directors have assessed that a severe but plausible downside scenario would result in the Group's revenue being flat year-on-year. This is against a backdrop of 22% revenue growth in the year ended 30 June 2022 and 10% in the year to 30 June 2021 when COVID-19 was at its peak. These cash flow forecasts were further stress tested under different interest rate scenarios up to and including SONIA of 7%, together with some selective cost savings. This analysis demonstrated the Group maintained sufficient financial resources to ensure liabilities can be met as they fall due. The Group has an RCF of £5.0m available until July 2025. A portion of this was temporarily drawn down in the first quarter of the year and is expected to be mostly repaid from operating cashflows in the second quarter. Under the severe but plausible downside scenario of flat revenue and 7% interest rates, the RCF will be partly drawn down but the group will have sufficient available funds. There is also continued compliance with banking covenants in all scenarios throughout the going concern period.

The trading performance since the onset of the COVID-19 pandemic has proved to be resilient as detailed in the review of business. Whilst the global economic outlook throughout the next 12 months is likely to remain challenging, the directors conclude the going concern basis for Chambers is appropriate.

On behalf of the board this report was approved on 29 October 2022 and signed on its behalf:



.....  
T T M F Noble - Director



## **Directors' Report**

The directors present their report with the audited financial statements of the Group for the year ended 30 June 2022 (2021: year ended 30 June 2021).

### **PRINCIPAL ACTIVITIES**

Details are provided in the Strategic Report.

### **DIVIDENDS**

No dividend was paid in the period (2021: £150,000).

### **DIRECTORS**

The directors who have held office during the period to 30 June 2022 and up to the date of signing the financial statements were:

T T M F Noble

L C E Alexander

M L Williams

T L Green

R J E Hall

### **GOING CONCERN**

These financial statements have been prepared on a going concern basis. Details of how the directors formed this opinion are included within the Strategic Report.

### **POLITICAL DONATIONS**

During the period no political donations were made (2021: £nil).

## Directors' Report (continued)

### EMISSIONS AND ENERGY USE

The Group has environmental policies and governance in place which focus on reducing the Group's environmental impact.

The Group reports its carbon emissions following the Greenhouse Gas Protocol, which incorporates the scope 2 market-based emission methodology. The carbon reporting period is the same as the financial reporting period. Energy use is limited to UK only.

We report carbon dioxide emissions resulting from energy use in our leased UK office building (scope 2, being energy purchased for our own use) and resulting from business travel (scope 3, specifically indirect emissions resulting from mileage incurred from employee-owned vehicles). The Group does not have scope 1 emissions to report as it does not own or control any activities which release emissions.

During the reporting period, energy consumption has been estimated based on office occupancy and data available from the UK Government regarding energy intensity for office premises and businesses of similar size and nature to the Group.

Intensity ratio calculations have been calculated using location-based emission factors only.

Measure	30 June 2022	30 June 2021
GHG emissions: tCO <sub>2</sub> e (Scope 2)	16.55	11.76
Total energy use (KWh)	73,040	52,000
Full time employees (average) (FTE)	388	334
tCO <sub>2</sub> e per FTE	0.043	0.035
Scope 3 emissions (tCO <sub>2</sub> e)	0.186	0.076

Energy consumption from our office building accounts for 99% of the Group's carbon emissions. The Group has continued to operate a hybrid working business model during the carbon reporting period, allowing a reduced amount of office space to be used. The business moved into a new premises during the period and while Scope 2 emissions have increased by 41% (2021: decrease of 57%) due to the increased footprint over prior year, the new premises are more modern and energy efficient. This action has minimised energy consumption across the board and the business intends to continue operate a hybrid model of remote working and office presence.

In addition, the Group has reduced supply chain emissions by ceasing to produce physical publications of its rankings and practice guides in 2021.

## **Directors' Report (continued)**

### **STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS**

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the group and the company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law).

Under company law, 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 group and company and of the profit or loss of the group for that period. In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102 have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 group and company will continue in business.

The directors are responsible for safeguarding the assets of the group and company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are also responsible for keeping adequate accounting records that are sufficient to show and explain the group's and company's transactions and disclose with reasonable accuracy at any time the financial position of the group and company and enable them to ensure that the financial statements comply with the Companies Act 2006.

### **DIRECTORS' CONFIRMATIONS**

In the case of each director in office at the date the directors' report is approved:

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

### **DIRECTORS' INDEMNITIES**

The Group maintained liability insurance for the directors and officers of the Group from 1 July 2022 (renewed on 1 November annually) up to the date of signature of the financial statements.

### **FUTURE OUTLOOK**

Details are provided in the Strategic Report.

### **FINANCIAL RISK MANAGEMENT**

Details are provided in the Strategic Report.

## Directors' Report (continued)

### DIRECTORS' DUTIES UNDER S172

The directors' duties are to promote the success of the Company for the benefit of its members as a whole, and in doing so, the directors must also consider the matters set out under section 172(1) (a) to (f) of the Companies Act 2006 i.e., what best leads to the long-term success of the Company.

When carrying out their duties the directors do not just balance the interests of the Company, the Chambers group as a whole, and those of other stakeholders, but weigh up all the relevant factors. These include:

- the likely consequences of any decision in the long term,
- the interests of the employees,
- the need to foster the business relationships with suppliers, customers and others,
- the impact of operations on the community and the environment,
- the desirability of maintaining a reputation for high standards of business conduct, and
- the need to act fairly as between shareholders of the Company.

As part of their decision-making process, each director considers:

- **Strategy:** reflecting the s172 duty to consider the interests of stakeholders when setting and updating the Company's strategy.
- **Information:** arranging to receive the information needed to help to carry out their role and satisfy their duties.
- **Policies and process:** putting in place policies and processes appropriate to support the group's operating strategy and to support its goals in the light of the s172 duties.
- **Engagement:** considering what should be the approach to engagement with employees and other stakeholders, whether through Board engagement or wider corporate engagement.

Specifically, during the year, the Board made the following key decisions:

- Continued investment in the evolution and execution of the strategic plan. In making these decisions, management were in regular contact with the owners of the Group, in addition to the regular cadence of Board meetings, and provided multiple progress updates throughout the year.
- Continuing to invest heavily in the business's technology and product transformation plan to deliver data rich, digital propositions and platforms. The decision to continue to invest in technology was discussed with the owners of the Group during board meetings where information on the costs, roadmap and benefits of this investment were presented by management.
- Committed to a hybrid office and working from home model by moving to new leased premises. Our employees are key stakeholders of the business, and their engagement is critical to the long term success of the Group. In making decisions regarding remote working arrangements and use of our office space during the pandemic, management provided monthly updates, performed surveys and collected employee feedback.

There is a Board of Directors in place that meets on a monthly basis. All matters on which the Board is required to reach a decision are presented at Board meetings and are supported by papers setting out the background and key facts to the items discussed.

### EMPLOYEE ENGAGEMENT

The Company recognises and is committed to keeping employees informed of the progress of the business and, accordingly, maintain regular communication with employees.

- Monthly all company meetings are held which incorporate a wide array of topics from new product and technology initiatives, directory launches, and People related programmes and initiatives.
- The Company is continually improving the onboarding experience for new employees. Employee retention and development of talent form a large part of the transformational work continuing at Chambers.
- Chambers Hub, the company's internal intranet is continuously updated with company updates, events and articles on different topics presented by internal committees.

## Directors' Report (continued)

### DISABLED EMPLOYEES

The company gives full consideration to applications for employment from disabled persons where the requirements of the job can be adequately fulfilled by a disabled person.

Where existing employees become disabled, it is the company's policy wherever practical to provide continuing employment under normal terms and condition and to provide training and career development and promotion wherever appropriate.

### OTHER STAKEHOLDER ENGAGEMENT

The Board's engagement with other stakeholders is largely driven by processes and initiatives which are decided at an executive and board level. The Group considers its key other stakeholders to be its providers and purchasers of legal services. Chambers has developed a deep understanding and level of engagement with both sides of the legal market which enables it to continue to refine and develop its service offerings.

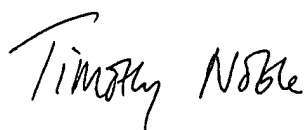
### INDEPENDENT AUDITORS

PricewaterhouseCoopers LLP continued as the Company's independent auditors and will be deemed to be reappointed under section 487 of the Companies Act 2006. The auditors have indicated their willingness to continue in office.

### OVERSEAS BRANCHES

The Group has no overseas branches (2021: none).

On behalf of the board this report was approved on 29 October 2022 and signed on its behalf:



.....  
T T M F Noble – Director

# Independent auditors' report to the members of Chambers Global Holdings Limited

## Report on the audit of the financial statements

### Opinion

In our opinion, Chambers Global Holdings Limited's group financial statements and company financial statements (the "financial statements"):

- give a true and fair view of the state of the group's and of the company's affairs as at 30 June 2022 and of the group's loss and the group's cash flows for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: Group and Company Statements of Financial Position as at 30 June 2022; the Group Statement of Comprehensive Income, the Group Cash Flow Statement and the Group and Company Statements of Changes in Equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' 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 remained independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

### Conclusions relating to going concern

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 and 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.

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.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the group's and the company's ability to continue as a going concern.

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

## Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. 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 based on these responsibilities.

With respect to the Strategic report and Directors' report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

### Strategic report and Directors' report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and Directors' report for the year ended 30 June 2022 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the group and company and their environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic report and Directors' report.

## Responsibilities for the financial statements and the audit

### Responsibilities of the directors for the financial statements

As explained more fully in the Statement of Directors' Responsibilities in respect of the financial statements, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they 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 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 company or to cease operations, or have no realistic alternative but to do so.

### Auditors' responsibilities for the audit of the financial statements

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

Based on our understanding of the group and industry, we identified that the principal risks of non-compliance with laws and regulations related to data protection, and applicable tax legislation and employment law in relevant jurisdictions, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also

considered those laws and regulations that have a direct impact on the financial statements such as the Companies Act 2006. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to the manipulation of financial statement line items through manual journal postings and the use of inappropriate assumptions or management bias in determining accounting estimates. Audit procedures performed by the engagement team included:

- Evaluation of the design of management's controls designed to prevent and detect irregularities;
- Discussions with management, including consideration of known or suspected instances of non compliance with laws and regulations and fraud;
- Identifying and testing journal entries, in particular any journal entries posted with unusual account combinations including unusual or unexpected journal postings to the income statement;
- Evaluating and, where appropriate, challenging assumptions and judgements made by management in their significant accounting estimates; and
- Performing unpredictable procedures.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, 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 or intentional misrepresentations, or through collusion.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditors' report.

### **Use of this report**

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

## **Other required reporting**

### **Companies Act 2006 exception reporting**

Under the Companies Act 2006 we are required to report to you if, in our opinion:

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

We have no exceptions to report arising from this responsibility.



Chris Neill (Senior Statutory Auditor)  
for and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
London  
29 October 2022



Group Statement of Comprehensive Income for the year ended 30 June 2022

		30 June 2022	Restated*
	Notes	£000	30 June 2021
			£000
<b>TURNOVER</b>	2	<b>42,587</b>	<b>34,822</b>
Cost of sales		(14,592)	(12,030)
<b>GROSS PROFIT</b>		<b>27,995</b>	<b>22,792</b>
Administrative expenses		(18,293)	(13,438)
Goodwill amortisation	9	(11,485)	(11,485)
Other operating income	24	-	35
<b>OPERATING LOSS</b>	5	<b>(1,783)</b>	<b>(2,096)</b>
Interest payable and similar expenses	6	(14,447)	(14,475)
<b>LOSS BEFORE TAXATION</b>		<b>(16,230)</b>	<b>(16,571)</b>
Tax on loss	7	(1,430)	(1,204)
<b>LOSS FOR THE FINANCIAL PERIOD</b>		<b>(17,660)</b>	<b>(17,775)</b>

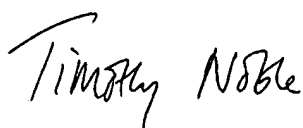
All operations are continuing.

\* See note 26 for details of prior period restatement.

## Group Statement of Financial Position as at 30 June 2022

		30 June 2022	30 June 2021
	Notes	£000	£000
<b>FIXED ASSETS</b>			
Goodwill	9	65,839	77,324
Intangible assets	9	5,258	4,202
Tangible assets	10	310	234
		<b>71,407</b>	<b>81,760</b>
<b>CURRENT ASSETS</b>			
Debtors	12	7,300	4,208
Cash at bank and in hand	25	1,429	5,455
		<b>8,729</b>	<b>9,663</b>
<b>CREDITORS</b>			
Amounts falling due within one year	13	(7,909)	(7,557)
<b>NET CURRENT ASSETS</b>		<b>820</b>	<b>2,106</b>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>72,227</b>	<b>83,866</b>
<b>CREDITORS</b>			
Amounts falling due after more than one year	14	(158,070)	(148,500)
Provisions for liabilities		-	-
<b>NET LIABILITIES</b>		<b>(85,843)</b>	<b>(64,634)</b>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	17	1	1
Share premium	17	30	-
Other reserves	17	(3,585)	(6)
Accumulated losses	17	(82,289)	(64,629)
<b>TOTAL SHAREHOLDERS' DEFICIT</b>		<b>(85,843)</b>	<b>(64,634)</b>

The financial statements on pages 15 to 43 were approved by the Board of Directors on 29 October 2022 and were signed on its behalf by:



.....  
T T M F Noble – Director

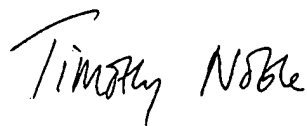
The notes on page 21 to 43 form an integral part of these financial statements

## Company Statement of Financial Position as at 30 June 2022

		30 June 2022	30 June 2021
	Notes	£000	£000
<b>FIXED ASSETS</b>			
Investments	11	455	150
		<b>455</b>	<b>150</b>
<b>CURRENT ASSETS</b>			
Debtors	12	65	20
		<b>65</b>	<b>20</b>
<b>CREDITORS</b>			
Amounts falling due within one year	13	(93)	(93)
<b>NET CURRENT ASSETS</b>		<b>(28)</b>	<b>(73)</b>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>427</b>	<b>77</b>
<b>CREDITORS</b>			
Amounts falling due after more than one year	14	-	-
<b>NET ASSETS</b>		<b>427</b>	<b>77</b>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	17	1	1
Share premium	17	30	-
Other reserves	17	390	70
Accumulated losses		6	6
<b>TOTAL SHAREHOLDERS' FUNDS</b>		<b>427</b>	<b>77</b>

The Company's loss for the period is £70 (2021: £489).

The financial statements on pages 15 to 43 were approved by the Board of Directors on 29 October 2022 and were signed on its behalf by:



.....  
T T M F Noble – Director

The notes on page 21 to 43 form an integral part of these financial statements

## Group Statement of Changes in Equity for the year ended 30 June 2022

	Called up share capital	Share premium	Accumulated losses	Other reserves	Total equity
	£000	£000	£000	£000	£000
<b>Balance at 1 July 2020</b>	<b>1</b>	<b>94</b>	<b>(46,862)</b>	<b>4</b>	<b>(46,763)</b>
<b>Changes in equity</b>					
Issue of share capital	-	64	-	-	64
Transfer of share premium	-	(158)	158	-	-
Dividend	-	-	(150)	-	(150)
Share-based payment	-	-	-	86	86
Acquisition of treasury shares by EBT	-	-	-	(88)	(88)
Foreign currency translation	-	-	-	(8)	(8)
<b>Total comprehensive expense</b>	<b>-</b>	<b>-</b>	<b>(17,775)</b>	<b>-</b>	<b>(17,775)</b>
<b>Balance at 30 June 2021</b>	<b>1</b>	<b>-</b>	<b>(64,629)</b>	<b>(6)</b>	<b>(64,634)</b>
<b>Changes in equity</b>					
Issue of share capital	-	30	-	-	30
Sale of treasury shares by EBT	-	-	-	15	15
Transfer of share premium	-	-	-	-	-
Own share reserve	-	-	-	(4,007)	(4,007)
Share-based payment	-	-	-	305	305
JSOP Acquisition Price	-	-	-	29	29
Foreign currency translation	-	-	-	79	79
<b>Total comprehensive expense</b>	<b>-</b>	<b>-</b>	<b>(17,660)</b>	<b>-</b>	<b>(17,660)</b>
<b>Balance at 30 June 2022</b>	<b>1</b>	<b>30</b>	<b>(82,289)</b>	<b>(3,585)</b>	<b>(85,843)</b>

**Share premium**

This reserve represents the premium paid on the issue of share capital, net of any issue expenses.

**Accumulated losses**

This represents cumulative profits or losses net of adjustments.

**Other reserves**

This represents amounts relating to:

- foreign exchange differences not included in profits or losses
- the Group's share based payments to directors and key management which have been charged to the income statement
- treasury shares held by Chambers Global Employee Benefit Trust (note 17).
- Joint Share Ownership Plan (JSOP)
  - Repurchase of own shares from former employees for JSOP
  - Acquisition price paid on interest in shares by incoming employees

The notes on page 21 to 43 form an integral part of these financial statements

## Company Statement of Changes in Equity for the year ended 30 June 2022

	Called up share capital	Share premium	Accumulated losses	Other reserves	Total equity
	£000	£000	£000	£000	£000
<b>Balance at 1 July 2020</b>	<b>1</b>	<b>94</b>	<b>(1)</b>	<b>-</b>	<b>94</b>
<b>Changes in equity</b>					
Issue of share capital	-	64	-	-	64
Transfer of share premium	-	(158)	158	-	-
Dividends	-	-	(150)	-	(150)
Share based payments	-	-	-	70	70
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>(1)</b>	<b>-</b>	<b>(1)</b>
<b>Balance at 30 June 2021</b>	<b>1</b>	<b>-</b>	<b>6</b>	<b>70</b>	<b>77</b>
<b>Changes in equity</b>					
Issue of share capital	-	30	-	-	30
Sale of treasury shares by EBT	-	-	-	15	15
Transfer of share premium	-	-	-	-	-
Dividends	-	-	-	-	-
Share based payments	-	-	-	305	305
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Balance at 30 June 2022</b>	<b>1</b>	<b>30</b>	<b>6</b>	<b>390</b>	<b>427</b>

The notes on page 21 to 43 form an integral part of these financial statements

**Group Cash Flow Statement for the year ended 30 June 2022**

		<b>30 June 2022</b>	<b>30 June 2021</b>
	<b>Notes</b>	<b>£000</b>	<b>£000</b>
<b>Cash flows from operating activities</b>			
Cash generated from operations	23	9,865	12,237
Tax paid		(1,177)	(950)
Net cash inflow from operating activities		<u>8,688</u>	<u>11,287</u>
<b>Cash flows from investing activities</b>			
Purchase of subsidiaries (net of cash)		(270)	(450)
Purchase of intangible fixed assets	9	(3,317)	(2,680)
Purchase of tangible fixed assets	10	(207)	(30)
Net cash outflow from investing activities		<u>(3,794)</u>	<u>(3,160)</u>
<b>Cash flows from financing activities</b>			
Proceeds from issue of share capital	17	30	64
Acquisition of treasury shares by EBT	17	15	(88)
Proceeds from loan facility (net of costs)	15	-	34,825
(Payment of) / receipts from revolving credit facility	15	-	(5,000)
Repayment of loan notes	15	-	(40,000)
Drawdown of shareholder loans	17	(4,007)	-
Interest paid		(4,958)	(3,389)
Dividends		-	(150)
Net cash outflow from financing activities		<u>(8,920)</u>	<u>(13,738)</u>
<b>Decrease in cash and cash equivalents</b>		<b>(4,026)</b>	<b>(5,611)</b>
Cash and cash equivalents at beginning of period	25	5,455	11,066
<b>Cash and cash equivalents at end of period</b>	<b>25</b>	<u><b>1,429</b></u>	<u><b>5,455</b></u>

The notes on page 21 to 43 form an integral part of these financial statements

## Notes to the Financial Statements

### 1. STATUTORY INFORMATION AND ACCOUNTING POLICIES

Chambers Global Holdings Limited (the 'Company') is a private company, limited by shares, registered in England and Wales. The Company's registered number and registered office address can be found on the Company Information page.

Chambers Global Holdings Limited and all of its subsidiaries collectively are referred to as the 'Group'.

#### Basis of preparing the financial statements

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006. The financial statements are prepared in sterling, which is the functional currency of the Company. Monetary amounts in these financial statements are rounded to the nearest £'000.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below. The accounting policies have been applied consistently to all the periods presented.

As permitted by s408 Companies Act 2006, the Company has not presented its own profit and loss account and related notes. The Company's result for the period was a loss of £70 (2021: £489).

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":

- Section 4 'Statement of Financial Position' — Reconciliation of the opening and closing number of shares;
- Section 7 'Statement of Cash Flows' — Presentation of company statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues' — Carrying amounts, interest income/expense and net gains/losses for each category financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income; and
- Section 33 'Related Party Disclosures', on the grounds that all subsidiaries are wholly owned.

#### Significant judgements and estimates

In the process of applying its accounting policies, the Company is required to make certain estimates, judgements and assumptions that it believes are reasonable based on the information available. These judgements, estimates and assumptions affect the amounts of assets and liabilities at the date of the financial statements and the amounts of revenues and expenses recognised during the reporting periods presented. On an ongoing basis, the Company evaluates its estimates using historical experience, and other methods considered reasonable in the particular circumstances. Actual results may differ significantly from the estimates, the effect of which is recognised in the period in which the facts that give rise to the revision become known. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are as follows:

##### *Capitalisation and useful life of intangible assets*

Expenditure on internally developed software is capitalised if the product or process is technically and commercially feasible and the Group intends and has the technical ability and sufficient resources to complete development, future economic benefits are probable and if the Group can measure reliably the expenditure attributable to the intangible asset during its development. Management capitalises internal and external people costs based on a judgemental percentage allocation of directly attributable time spent specific to projects which meet the capitalisation criteria. These percentage estimates are based on project records maintained and outputs delivered. A movement in the capitalisation rate of 10% would result in a change of £0.6m of capitalised people costs. Further details on intangibles are provided in note 9.

Management also exercises key estimates and judgements in assessing the useful life of the assets. These are established at the time each development commences and are regularly reviewed for appropriateness. Estimates and assumptions are based on the estimated useful life and expected future economic benefits generated by products that are the result of its development activities. An increase in the useful economic life of internally developed software from 3 years to 4 years would reduce the 2022 depreciation charge by £0.5m.

## 1. STATUTORY INFORMATION AND ACCOUNTING POLICIES (continued)

### Significant judgements and estimates (continued)

#### *Impairment of intangible assets – including goodwill*

Annually, management exercises judgement to determine whether intangible assets are impaired. In determining if an intangible asset has become impaired, management considers whether the asset is still likely to generate probable future economic benefit and whether the asset, specifically in the case of internally developed software, continues to be in use within the business. If there is an indication of impairment, the recoverable amount of intangible assets (or asset's cash generating unit (CGU)) is compared to the carrying amount of intangible assets (or asset's CGU). The recoverable amount of the CGU is based on value in use calculations. The key assumptions in these calculations relate to future revenue and margins. Cash flow forecasts are based on the FY23 board approved forecast and management projections to FY25 based on the strategic plan. Annual cash flow growth rates beyond the next four years are assumed at a terminal growth of 3%. The discount rate was estimated based on the average percentage of a weighted average cost of capital for the Group of 9%. The Directors believe that these assumptions are reasonable and on a sensitised basis using a WACC of 14% would not cause the carrying value of the CGU to be lower than its recoverable amount.

#### *Exceptional items*

Management has exercised judgement in the classification of certain expenditure as exception. Full details of exceptional expenditure is shown in Note 5.

### Other estimates

#### *Useful economic life – goodwill*

Goodwill is considered to have a finite useful life and is amortised on a systematic basis over its life. Goodwill is being amortised over ten years based on management's estimate of the useful life of goodwill.

#### *Impairment of debtors*

Debtors are stated in the statement of financial position at estimated net realisable value. Net realisable value is the invoiced amount less provisions for bad and doubtful debtors. Provisions are made specifically against debtors where there is evidence of a dispute or inability to pay. An additional provision is estimated based on an analysis of balances by age and consideration of their recoverability.

### Going concern

The Directors believe that preparing financial statements on the going concern basis is appropriate notwithstanding that there are significant losses and net liabilities as at 30 June 2022. The Directors have considered the projected financial performance and cash flow forecasts in conjunction with financing availability to 31 December 2023. The Directors have assessed that a severe but plausible downside scenario would result in the Group's revenue being flat year-on-year. This is against a backdrop of 22% revenue growth in the year ended 30 June 2022 and 10% in the year to 30 June 2021 when COVID-19 was at its peak. These cash flow forecasts were further stress tested under different interest rate scenarios up to and including SONIA of 7%, together with some selective cost savings. This analysis demonstrated the Group maintained sufficient financial resources to ensure liabilities can be met as they fall due. The Group has an RCF of £5.0m available until July 2025. A portion of this was temporarily drawn down in the first quarter of the year and is expected to be mostly repaid from operating cashflows in the second quarter. Under the severe but plausible downside scenario of flat revenue and 7% interest rates, the RCF will be partly drawn down but the group will have sufficient available funds. There is also continued compliance with banking covenants in all scenarios throughout the going concern period.

The trading performance since the onset of the COVID-19 pandemic has proved to be resilient as detailed in the review of business. Whilst the global economic outlook throughout the next 12 months is likely to remain challenging, the directors conclude the going concern basis for Chambers is appropriate.



## **1. STATUTORY INFORMATION AND ACCOUNTING POLICIES (continued)**

### **Basis of consolidation**

The Group's financial statements incorporate those of Chambers Global Holdings Limited and all of its subsidiaries (i.e. entities that the Group controls through its power to govern the financial and operating policies so as to obtain economic benefits). Subsidiaries acquired during the year are accounted for using the purchase method. Their results are incorporated from the date that control passes. All financial statements are made up to 30 June 2022.

All intra-group transactions, balances and unrealised gains on transactions between Group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by the Group.

The cost of a business combination is the fair value at the acquisition date of the assets given, equity instruments issued, and liabilities incurred or assumed, plus costs directly attributable to the business combination. The excess of the cost of a business combination over the fair value of the identifiable assets, liabilities and contingent liabilities acquired is recognised as goodwill.

The cost of the combination includes the estimated amount of contingent consideration that is probable and can be measured reliably and is adjusted for changes in contingent consideration after the acquisition date.

Provisional fair values recognised for business combinations in previous periods are adjusted retrospectively for final fair values determined in the year following the acquisition date.

### **Turnover**

Turnover is measured at the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. Amounts received in advance against orders are recognised as deferred income on the statement of financial position. These are recognised as revenue when the specific criteria relating to each of the different revenue streams have been met. Revenue recognised as per the criteria defined below is carried as accrued income on the statement of financial position up to the point it is invoiced.

#### *Directories and guides*

Turnover from our annual rankings guides and comparative law guides, mainly comprising advertising revenue, is recognised at the point in time when released online.

#### *Other turnover*

Other turnover comprises revenue from events, merchandise, commissioned reports and business intelligence services – of which revenue from events is recognised when the event takes place, revenue from merchandise is recognised when the physical goods are delivered to a third party courier for onward delivery to the customer, revenue from reports is recognised on a percentage completion basis based on the progression through the report at the date of reporting and business intelligence services are recognised on a straight line basis over the duration of the contract.

### **Cost of sales**

Cost of sales are costs that are directly related to creating and distributing Chambers products and service and largely relate to the salaries of research, production and sales teams

### **Intangible assets - goodwill**

Goodwill represents the excess of the cost of acquisition of businesses over the fair value of net assets acquired. It is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is considered to have a finite useful life and is amortised on a systematic basis over its expected life, which is 10 years.

## 1. STATUTORY INFORMATION AND ACCOUNTING POLICIES (continued)

### Intangible assets – goodwill (continued)

For the purposes of impairment testing, goodwill is allocated to the cash-generating units expected to benefit from the acquisition. Cash-generating units to which goodwill has been allocated are tested for impairment at least annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating units is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit.

### Intangible assets - other than goodwill

Intangible fixed assets are stated at cost, less any subsequent accumulated amortisation and any subsequent impairment losses. The cost includes any directly attributable costs associated with bringing the asset into use.

Amortisation is provided at the following annual rates in order to amortise each asset over its estimated useful life:

Software – 33% on cost

Internally developed software (including product development) – 33% on cost

Domain names – 10% on cost

Asset in the course of construction – no depreciation is charged until the asset is brought into use, specifically when the software has become operational and available for use.

Amortisation in relation to software and internally developed software is included in operating expenses.

Development costs that are directly attributable to the design and testing of identifiable and unique products controlled by the Group are recognized as intangible assets when the following criteria are met:

- it is technically feasible to complete the software so that it will be available for use;
- management intends to complete the software and use or sell it;
- there is an ability to use or sell the software;
- it can be demonstrated how the software will generate probable future economic benefits;
- adequate technical, financial and other resources to complete the development and to use or sell the software are available; and
- the expenditure attributable to the software during its development can be reliably measured.

Other development expenditures that do not meet these criteria are recognised as an expense as incurred.

Development costs previously recognised as an expense are not recognised as an asset in a subsequent period.

Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount might not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use.

### Capitalised wages and salaries

Directly attributable costs in relation to software and internally developed software, are included in intangible assets, only to the extent and when it is probable that the future economic benefit that will flow from the asset will flow to the entity and the cost of the asset can be reliably measured and are directly attributable to the asset. Directly attributable costs are subject to an estimate by management of the time spent specific to projects which meet the capitalisation criteria.

### Tangible fixed assets

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

Fixtures & equipment – 25% on cost.

Depreciation is included in administrative expenses.

## 1. STATUTORY INFORMATION AND ACCOUNTING POLICIES (continued)

### **Taxation**

Taxation for the period comprises current and deferred tax. Tax is recognised in the Statement of Comprehensive Income, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the statement of financial position date.

### **Deferred tax**

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the statement of financial position date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the period end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

### **Accruals**

Expenses in relation to services received (including services provided by employees) are recorded as expenditure when the services are received rather than when payments are made.

### **Foreign currencies**

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the statement of financial position date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

### **Employee benefits**

The Group provides a range of benefits to employees, including commission and annual bonus arrangements and paid holiday arrangements.

#### *Short term benefits*

Short term benefits, including holiday pay and other similar non-monetary benefits, are recognised as an expense in the period in which the service is received.

#### *Bonus and commission plans*

The Group operates a number of commission and bonus plans for employees. An expense is recognised in the income statement account when the Group has a legal or constructive obligation to make payments under the plans as a result of past events and a reliable estimate of the obligation can be made.

#### *Share based payments*

The Group provides share-based payment management incentives arrangements to certain employees of its subsidiaries.

Equity-settled arrangements are measured at fair value at the date of the grant and are recognised over the expected period to vesting date as an administrative expense in the income statement of the employing subsidiary. Any costs associated with the share-based payments are recognised in the relevant subsidiary's individual financial statements.

The Company recognises any charge resulting from share-based payments in its subsidiaries as a capital contribution, reflected in investments in subsidiaries (note 11).

The Group has no cash-settled arrangements.

### **Pension costs and other post-retirement benefits**

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

## 1. STATUTORY INFORMATION AND ACCOUNTING POLICIES (continued)

### Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

### Deferred consideration

Deferred consideration is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration, are recognised either in the profit and loss account.

### Government grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the group will comply with all attached conditions. Government grants relating to costs are deferred and recognised in profit or loss over the period necessary to match them with the costs that they are intended to compensate and are presented within other operating income.

### Financial instruments

The Group has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the Group's statement of financial position when the Group becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

### Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

### Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

### Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the Group transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

## **1. STATUTORY INFORMATION AND ACCOUNTING POLICIES (continued)**

### **Classification of financial liabilities**

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities.

Basic financial liabilities, including creditors, bank loans, loans from fellow Group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

### **Derivative financial instruments**

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied, and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

### **Derecognition of financial liabilities**

Financial liabilities are derecognised when the Company's contractual obligations expire or are discharged or cancelled.

### **Fixed asset investments (Company)**

Investments in subsidiary undertakings are stated at cost less any provision for impairment.

### **Exceptional items**

The Group classifies certain one-off charges or credits that have a material quantitative or qualitative impact on the Group's financial results as 'exceptional items'. These are disclosed separately, in note 5, to provide further understanding of the financial performance of the Group.

## 2. TURNOVER

The turnover and loss before taxation are attributable to the principal activities of the Group.

An analysis of turnover by class of business is given below:

	30 June 2022 £000	30 June 2021 £000
Directories and guides	34,771	29,812
Other turnover	7,816	5,010
	<b>42,587</b>	<b>34,822</b>

An analysis of turnover by geographical market is given below:

	30 June 2022 £000	30 June 2021 £000
United Kingdom	7,763	5,722
Rest of Europe	10,339	9,048
Rest of World	24,485	20,052
	<b>42,587</b>	<b>34,822</b>

The Company did not generate any turnover for the period (2021: £nil).

## 3. EMPLOYEES AND DIRECTORS

	30 June 2022 £000	Restated* 30 June 2021 £000
Wages and salaries	18,765	15,415
End of service payments	-	-
Social security costs	1,984	1,457
Other pension costs	347	243
Share based payments (note 4)	305	86
	<b>21,401</b>	<b>17,201</b>

Included in the above are £1.0m (2021: £0.51m) of wages and salaries which have been capitalised in intangible assets (note 9). In addition to the above, £3.6m (2021: £3.2m) of costs were incurred for contractors of which £2.3m (2021: £2.2m) is capitalised in intangible assets (note 9).

The Company has no employees (2021: none). Two (2021: two) directors are contracted by the Company for their services; however these directors are remunerated by Crossrail Bidco Limited and recharged to Orbach and Chambers Limited. All other directors are contracted as well as remunerated by Crossrail Bidco Limited and Orbach and Chambers Limited.

At 30 June 2022 there was £0.07m of accrued pension costs (2021: £0.05m).

\* See note 26 for details of prior period restatement.

### 3. EMPLOYEES AND DIRECTORS (continued)

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

	30 June 2022	30 June 2021
Research	245	212
Management, sales and administrative	143	128
	<b>388</b>	<b>340</b>

During the period 3 (2021: 3) directors received benefits:

	Group 30 June 2022 £000	Group 30 June 2021 £000
Directors' emoluments	923	653
Social security costs	129	87
Other pension costs	8	9
Share based payments (note 4)	305	86
	<b>1,365</b>	<b>835</b>

Two directors benefited from company contributions to defined contribution pension schemes (2021: 2). At 30 June 2022 there was £1,519 of accrued directors pension costs (2021: £1,482).

Key management includes the directors and members of senior management. The compensation paid or payable to key management for employee services is shown below:

	30 June 2022 £000	30 June 2021 £000
Salaries	2,842	2,040
Social security costs	393	267
Other pension costs	9	33
Share based payments (note 4)	305	86
	<b>3,549</b>	<b>2,426</b>

The highest paid director's emoluments were as follows:

	30 June 2022 £000	30 June 2021 £000
Directors' emoluments	482	390
Social security costs	68	53
	<b>550</b>	<b>443</b>

#### **4. SHARE-BASED PAYMENTS**

The company has the following share-based payment arrangements in place.

##### **Share incentive arrangement**

Under a management incentive arrangement, certain key employees of the Company's subsidiaries have been issued shares in the Company (see note 17).

The Group has recognised an equity-settled share-based payment charge of £304,848 (2021: £85,854). This charge has been calculated as the difference between market value of the shares on the date of issue above the amounts paid by the recipients, spread on a straight-line basis over the period to an expected vesting date. For accounting purposes, these shares are deemed to vest on an exit event, as all shares purchased by employees of the Group are subject to leaver conditions, where shares can be repurchased by the Group.

In 2021, the fair value of the shares at the date of issue was calculated, based on a third-party valuation utilising the Black-Scholes model pricing methodology. Accordingly, 4,250 C shares were issued with a total fair value of £434,000. When spread across the 4 year vesting period, the current share-based payment charge of those shares is £108,500 (2021: £85,854).

In 2022, the fair value of these shares at the date of issue and sale has been calculated, based on a valuation using the Black-Scholes model pricing methodology. Accordingly, 1,000 C shares were issued, and another 500 C shares were sold from the EBT having a total fair value of £903,766. When spread across the 2.83 years vesting period, the current year share-based payment charge is £196,348.

The Company has no employees and thus there is no charge in the income statement for share-based payments. The charge for share-based payments has been recognised as an increase in the cost of investment in subsidiaries of £304,848 (2021: £69,791) (see note 11).

##### **Joint Share Ownership Plan**

During the year a Joint Share Ownership Plan ("JSOP") was implemented in order to provide certain new and existing management with an interest in the share capital of the company.

The plan enables certain employees to acquire an interest in the shares of the company. The shares are then held jointly by the employee and the original shareholder.

Under the terms of the JSOP, the acquired interest in a jointly owned share is an interest in the future growth in value of that share over and above the commercial value agreed with the original shareholders (see note 17). There is no fixed term to the arrangement and the interest is realised only on the occurrence of an exit event, being the sale or listing of the group.



**4. SHARE-BASED PAYMENTS (continued)**

During the year the following JSOP shares were acquired and remain unallocated:

	Number of instruments	Vesting conditions	Contractual Life
JSOP B Shares	1,000	On exit event	On cessation of employment
JSOP C Shares	2,500	On exit event	On cessation of employment
	<hr/> 3,500		
Unallocated JSOP Shares	<hr/> 550		

The JSOP plan represents a share-based payment arrangement as a transaction in which the entity receives services in the form of employment services. However, no expense and corresponding entry to equity or liability arises on the basis that employees are acquiring the interest, paying an amount equal to the market value of the interest when they are acquired.

**5. OPERATING LOSS**

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

	30 June 2022 £000	30 June 2021 £000
Depreciation – owned assets (note 10)	131	110
Operating lease charges – Building	862	909
Amortisation of goodwill (note 9)	11,485	11,485
Amortisation of intangible fixed assets (note 9)	2,166	1,493
Exceptional items	3,348	1,957
Auditors' remuneration for audit services	182	156
Auditors' remuneration for audit-related assurance services	6	6
Auditors' remuneration: Tax compliance services	103	58
Auditors' remuneration: Tax advisory services	25	16
Auditors' remuneration: Tax accounting services	15	22
Auditors' remuneration: Other non-audit services	-	-
Government grants (note 24)	-	(35)
Foreign exchange differences	76	(7)

**5. OPERATING LOSS (continued)**

Audit costs of £65,100 (2021: £54,500) relating to the consolidation and the Company audits were borne by the subsidiary Orbach and Chambers Limited.

Taxation compliance services of £4,400 (2021: £4,000) and tax accounting services of £6,000 (2021: £5,500) relating to the Company were borne by the subsidiary Orbach and Chambers Limited.

Exceptional items includes:

	30 June 2022 £000	30 June 2021 £000
Strategic review	2,905	1,868
Equity Scheme	323	-
Management restructuring	102	48
Financial restructuring	18	41
	<b>3,348</b>	<b>1,957</b>

Exceptional items of £3,347,737 incurred in the period relates to the following items:

- £2,905,223 relates to the Group's strategic transformation process as detailed in the Strategic Report, including external consultancy, an assigned project team, data collection and survey costs, technical, commercial and product reviews and other costs incurred in the development of the next stages of the Group's strategy and transformation plan; and
- £323,085 relates to external advisors costs in respect of establishment of group equity scheme; and
- £102,152 relates to the restructuring of the management team and shareholder matters during the period; and
- £17,277 relates to external advisor costs in respect of refinancing from prior year.

Exceptional items of £1,956,871 incurred in the prior period relates to the following items:

- £1,868,206 relates to the Group's strategic review process as detailed in the Strategic Report, including external consultancy, an assigned project team, data collection and survey costs, technical, commercial and product reviews and other costs incurred in the development of the next stages of the Group's strategy and transformation plan; and
- £47,659 relates to the restructuring of the management team during the period; and
- £41,005 relates to external advisor costs in respect of the refinancing activities.

**6. INTEREST PAYABLE AND SIMILAR EXPENSES**

	30 June 2022 £000	30 June 2021 £000
Interest expense on senior bank loans and revolving facility	(4,962)	(2,934)
Amortisation of capitalised borrowing costs	(547)	(334)
Interest hedge	-	(27)
Interest expense on shareholder loan notes	(8,938)	(11,180)
	<b>(14,447)</b>	<b>(14,475)</b>

**7. TAX ON LOSS**

The tax charge on the loss for the period was as follows:

	30 June 2022 £000	30 June 2021 £000
Current tax:		
UK corporation tax	1,129	1,230
Overseas tax	13	-
Total current tax	1,142	1,230
Deferred tax (note 16)	288	(26)
Tax on loss	1,430	1,204

**Reconciliation of total tax charge included in profit and loss**

The tax assessed for the period is higher (2021: higher) than the standard rate of corporation tax in the UK. The difference is explained below:

	30 June 2022 £000	30 June 2021 £000
Loss before tax	(16,230)	(16,571)
Loss multiplied by the standard rate of corporation tax in the UK of 19% (2021: 19%)	(3,084)	(3,148)
Effects of:		
Expenses not deductible for tax purposes	98	30
Income not taxable	(24)	-
Overseas tax rates	10	1
Tax rate changes	59	-
Deferred tax not recognised	254	51
Corporate interest restriction	1,699	2,125
Goodwill amortisation	2,182	2,182
Adjustment from prior period	223	(37)
Overseas tax	13	-
Total tax charge	1,430	1,204

**Current tax rate changes**

The standard rate of corporation tax in the UK is 19% (2021: 19%). Accordingly, the effective UK tax rate applicable to the group for this accounting year was 19% (2021: 19%). The closing deferred tax balances have been calculated at 19% (2021: 19%).

**Future tax rate changes**

Following the March 2022 budget delivered on 23 March 2022, the rate of corporation tax in the UK will remain at 19% until April 2023, when it was expected to increase to 25% but is subject to some uncertainty.

**8. DIVIDENDS**

No dividends were declared (2021: £150,000).

**9. INTANGIBLE FIXED ASSETS**

	Goodwill	Domain names	Externally purchased software	Internally developed software	Total
	£000	£000	£000	£000	£000
<b>COST</b>					
At 1 July 2020	114,848	275	150	3,565	118,838
Additions	-	-	-	2,680	2,680
At 30 June 2021	114,848	275	150	6,245	121,518
Additions	-	-	-	3,317	3,317
Impairment	-	-	-	(95)	(95)
At 30 June 2022	<b>114,848</b>	<b>275</b>	<b>150</b>	<b>9,467</b>	<b>124,740</b>
<b>ACCUMULATED AMORTISATION</b>					
At 1 July 2020	26,039	53	54	869	27,015
Charge for period	11,485	30	57	1,405	12,977
At 30 June 2021	37,524	83	111	2,274	39,992
Charge for period	11,485	27	32	2,107	13,651
At 30 June 2022	<b>49,009</b>	<b>110</b>	<b>143</b>	<b>4,381</b>	<b>53,643</b>
<b>NET BOOK VALUE</b>					
At 30 June 2022	<b>65,839</b>	<b>165</b>	<b>7</b>	<b>5,086</b>	<b>71,097</b>
At 30 June 2021	77,324	192	39	3,971	81,526

Included in intangible assets are £2,183,005 (2021: £657,336) of work in progress which are assets in the course of development at the period end and are not being amortised until they are brought into use.

Included in intangible assets are £995,340 of wages and salaries (2021: £510,709) which have been capitalised during the period. A further £2,321,567 (2021: £2,168,018) of capitalised development costs during the period relate to work performed by contractors.

Intangible assets above were impaired by £94,837 during the period where they have been reviewed and deemed to have a fair value below that of the assets current capitalised value.

Internally developed software comprises a number of workstreams that will allow the business to drive improvements to profitability through both increased revenue and efficiency savings. Key workstreams include:

- modernisation and refinement of internal platforms for the collation and analysis of research data, including interview processes, to improve productivity;
- improving and automating customer interaction points to enhance the customer experience;
- creation of new customer propositions, including new data-driven products and self-service dashboards; and
- developing data lake capabilities to support future product offerings.

The Company had no intangible fixed assets at 30 June 2022 (2021: £nil).

**10. TANGIBLE FIXED ASSETS**

	Fixtures & equipment £000
<b>COST</b>	
At 1 July 2020	466
Additions	30
Disposals	(80)
At 30 June 2021	416
Additions	207
Disposals	-
<b>At 30 June 2022</b>	<b>623</b>
<b>ACCUMULATED DEPRECIATION</b>	
At 1 July 2020	150
Charge for period	110
Disposals	(78)
At 30 June 2021	182
Charge for period	131
Disposals	-
<b>At 30 June 2022</b>	<b>313</b>
<b>NET BOOK VALUE</b>	
<b>At 30 June 2022</b>	<b>310</b>
At 30 June 2021	234

The Company had no tangible fixed assets at 30 June 2022 (2021: £nil).

**11. INVESTMENTS**

	Company Unlisted investments £000
<b>COST</b>	
At 1 July 2020	80
Additions	70
At 30 June 2021	150
Additions (note 4)	305
At 30 June 2022	455
<b>CARRYING VALUE</b>	
<b>At 30 June 2022</b>	<b>455</b>
At 30 June 2021	150

## 11. INVESTMENTS (continued)

<u>Name</u>	<u>Nature of business</u>	<u>Interest</u>
Crossrail Midco Limited	Finance provision	100% ordinary shares
Crossrail Bidco Limited	Services and finance provision	100% ordinary shares
Orbach and Chambers Limited	Publishing	100% ordinary shares
Chambers and Partners North America Inc	Sales	100% ordinary shares
Top 3 Legal Limited	Web portal	100% ordinary shares
Chambers Global Employee Benefit Trust	Trust	100% interest held

Chambers and Partners North America Inc is registered in Delaware, United States. The registered office of the trustees of the employee benefit trust is 26 New Street, St Helier, Jersey, JE2 3RA. The registered office of all other subsidiaries is 165 Fleet Street, London, England EC4A 2AE.

All the above subsidiaries are included in the consolidation. The Company's investment in Crossrail Midco Limited and Chambers Global Employee Benefit Trust is direct ownership, all other investments are indirect ownership.

On 6 October 2020, following an application by the directors, the following indirect subsidiaries were dissolved. This had no impact on the Company:

Chambers and Partners Media Limited  
Orbach and Chambers Publishing Limited  
Chambers Connect Limited  
Chambers and Partners Services Limited  
Chambers and Partners Publishing Limited

On 25 January 2022, following an application by the directors, the following indirect subsidiaries were dissolved. This had no impact on the Company:

Orbach and Chambers Services Limited

## 12. DEBTORS

	<b>Group</b> <b>30 June 2022</b>	<b>Group</b> <b>30 June 2021</b>
	<b>£000</b>	<b>£000</b>
Trade debtors	4,952	2,479
Other debtors (including deferred tax, see note 16)	719	641
Social security and other taxes	277	206
Advances to suppliers	-	3
Prepayments	366	532
Accrued income	986	347
	<b>7,300</b>	<b>4,208</b>

Debtors are stated after provisions for impairment of £290,136 (2021: £312,891).

	<b>Company</b> <b>30 June 2022</b>	<b>Company</b> <b>30 June 2021</b>
	<b>£000</b>	<b>£000</b>
Amounts owed by Group undertakings	65	20
	<b>65</b>	<b>20</b>

Amounts owed by group undertakings are repayable on demand, interest-free and unsecured. The amounts are deemed to be fully recoverable.

**13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	<b>Group 30 June 2022 £000</b>	<b>Group 30 June 2021 £000</b>
Trade creditors	813	400
Corporation tax	401	432
Other taxation and social security	902	509
Other creditors	516	608
Advances from customers	541	529
Accruals and deferred income	4,736	5,079
	<b>7,909</b>	<b>7,557</b>

The Company had creditors of £92,565 as at 30 June 2022 (2021: £92,565).

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

	<b>Group 30 June 2022 £000</b>	<b>Group 30 June 2021 £000</b>
Senior loan	76,083	76,083
Capitalised arrangement fees and refinancing costs	(1,417)	(2,049)
Shareholder loan notes (note 15)	58,878	58,878
Accrued Interest	24,526	15,588
	<b>158,070</b>	<b>148,500</b>

Included in accruals above is £24.5m relating to accrued interest on loan notes (2021: £15.6m).

**15. LOANS AND BANK BORROWINGS**

	Group 30 June 2022 £000	Group 30 June 2021 £000
Senior loan – Bank borrowings	76,083	76,083
Capitalised arrangement fees and refinancing costs – amortising in less than 1 year and included in debtors	(554)	(469)
Capitalised arrangement fees and refinancing costs – amortising in greater than 1 year	(1,417)	(2,049)
Loan notes	58,878	58,878
Accruals – interest accrued falling due in less than 1 year	9	7
Accruals – interest accrued falling due in greater than 1 year	24,526	15,588
	<b>157,525</b>	<b>148,038</b>

Senior loans – B1

The Group's Senior Loan of £40,000,000 from Barings Global Advisors Limited accrues interest monthly at Sterling Overnight Index Average ("SONIA") plus a margin dependent on net leverage. In December 2021, the facilities agreement was amended to transition from the use of LIBOR to SONIA pursuant to the announcement made by the UK's Financial Conduct Authority. SONIA is subject to a floor of 0.5% and at 30 June 2022 the margin was 5.50% (2021: 6.00% margin). The senior loan is due for repayment in full in January 2026. It is secured by a charge over the Company's subsidiaries. The guarantors are Chambers Global Holdings Limited, Crossrail Midco Limited and Orbach and Chambers Limited.

Senior loans – B2

During the prior year, the Group took further loan facilities from Barings Global Advisors Limited, totalling £36,082,474. Interest accrues monthly at SONIA plus a margin dependent on net leverage. SONIA is subject to a floor of 0.5% and at 30 June 2022 the margin was 5.50% (2021: 6% margin). The senior loan is due for repayment in full in January 2026. It is secured by a charge over the Company's subsidiaries. The guarantors are the same entities as above.

Revolving credit facility

The Group's financing facilities also includes a revolving credit facility of £5,000,000 from National Westminster Bank Plc to cover working capital and liquidity commitments. Interest is charged at SONIA plus 2.50% on the drawn-down amount. A commitment fee of 35% of the margin is charged on the undrawn amount. This facility was drawn in full in March 2020 and fully repaid in January 2021. The facility terminates in July 2025.

There are requirements to comply with financial and non-financial covenants as part of the above facilities. These covenants have been complied with on a look back basis and the Group expects to comply on a look forward basis during the going concern period.

Capitalised debt arrangement costs

Total capitalised debt arrangement costs of £3,274,879 (2021: £3,274,879) have been incurred in relation to the Group's loan facilities, of which £1,303,678 has been amortised at 30 June 2022 (2021: £756,329).

Shareholder loan notes

As part of the financing arrangements relating to the acquisition of Chambers and Partners by Inflexion Private Equity Partners LLP on 16 March 2018, Crossrail Midco Limited issued shareholder loan notes to Inflexion for an amount of £119,320,000.

On 4 October 2018, the Company listed £119,320,000 of shareholder loan notes at The International Stock Exchange Authority, with £39,901,737 subsequently being repaid leaving £79,418,263 at 30 April 2019. In addition to the loan notes listed, further loan notes totalling £47,500 were issued to management in the period ended 30 April 2019. During the period to 30 June 2020, additional loan notes totalling £7,678,500 were issued, to Inflexion Global Rankings LLP, as payment in kind for interest accrued.



**15. LOANS AND BANK BORROWINGS (continued)**

In March 2021, £28,265,145 of loan notes were repaid, bringing the total loan balance to £58,879,118 of which £58,831,618 is listed. In addition, £11,734,855 was paid in respect of accrued interest. In the current year, accrued interest of £8,937,895 was added to the outstanding balance.

All loan notes are due for repayment in October 2028. Interest is charged on all loan notes at 12% and is repayable on the same date as the related loan principal. The sponsor for the company on The International Stock Exchange is Ocarion Administration (Guernsey) Limited. As listed debt the fair value and book value are deemed to be equivalent.

**16. DEFERRED TAX**

	30 June 2022 £000	30 June 2021 £000
Deferred tax asset	-	43
Deferred tax liability	(245)	-
		Deferred tax £000
Balance at 1 July 2021		43
Balance on acquisition		-
Credit to Statement of Comprehensive Income during the period (note 7)		(288)
Balance at 30 June 2022		(245)

The deferred tax liability set out above is expected to reverse within the year and relates to the utilisation of tax losses against future expected profits of the same period, accelerated capital allowances that are expected to mature within the same period and short-term timing differences.

Deferred tax not recognised at 30 June 2022 of £254,000 (2021: £51,000) on accumulated losses of £1,337,000 (2021: £268,000).

**17. CALLED UP SHARE CAPITAL & OTHER RESERVES****Share capital and share premium**

				Group and Company £	Group and Company £
Allotted, issued and fully paid:				30 June 2022	30 June 2021
30 June 2022	30 June 2021				
Number:	Number:	Class:	Nominal value:		
80,000	80,000	Ordinary A	£0.01	800	800
2,000	2,000	Ordinary B	£0.01	20	20
16,500	15,500	Ordinary C	£0.01	165	155
				985	975

## **17. CALLED UP SHARE CAPITAL (continued)**

Ordinary A shares have equal rights in respect of voting and dividends. They take priority above B and C shares in the event of a distribution of capital.

Ordinary B shares have equal rights in respect of voting in accordance with the provisions of Article 7.1 of the Company's Articles of Association. These shares have equal rights in respect of dividends and also rank immediately after the "A" shares on a distribution of capital. Ordinary B shares are non-redeemable.

Ordinary C shares have equal rights in respect of voting in accordance with the provisions of Article 7.1 of the Company's Articles of Association. These shares have equal rights in respect of dividends and also rank immediately after the "B" shares on a distribution of capital. Ordinary B shares are non-redeemable.

On 28 June 2019 there was a share buyback of 5,500 ordinary C shares from one shareholder leaving the business for consideration of £5,500. These shares were subsequently cancelled.

On 12 August 2019 4,000 £0.01 Ordinary C shares were issued at £1.40 per share. This share issue gave rise to a share premium of £5,560.

On 15 September 2020, 3,750 £0.01 Ordinary C shares were issued at £15.00 per share. This share issue gave rise to a share premium of £56,213.

On 4 March 2021, 500 £0.01 Ordinary C shares were issued at £15.00 per share. This share issue gave rise to a share premium of £7,495.

On 13 April 2021, the Chambers Global Employee Benefit Trust purchased 500 Ordinary £0.01 B shares from a former director of the business for £88,427. This transaction was funded by a loan from Crossrail Bidco Limited and has been included in these consolidated financial statements.

On 15 November 2021, 1,000 £0.01 Ordinary C shares were issued at £30.00 per share. This share issue gave rise to a share premium of £29,990.

On 15 November 2021, 500 £0.01 Ordinary C shares were purchased from the Chambers Global Employee Benefit Trust by an employee giving rise to other reserves of £14,995.

### **Profit and loss account**

Includes all current and prior period retained profits and losses.

### **Foreign exchange reserve**

Includes cumulative foreign exchange gain/losses arising on translation of the subsidiary results into the group's functional currency.

### **Own share reserve**

During the year a Joint Share Ownership Plan ("JSOP") was implemented in order to provide certain new and existing management with an interest in the share capital of the company. The plan enables certain employees to acquire an interest in the shares of the company. The shares are then held jointly by the employee and the original shareholder.

In order to facilitate the availability of existing shares for joint ownership, the company agreed a fixed commercial value with certain existing shareholders for 1,000 B ordinary shares and 2,500 C ordinary shares and provided a loan to those shareholders an amount equal to the total value of the shares. The loan is secured in the interest in the shares in the company and is non-recourse beyond the value of the shares upon which it is secured. This in substance represents a share buyback and therefore created an own share reserve of £4,007,000. The own share reserve will be held within equity until the future sale of the business at which point it will be recovered and recycled into distributable reserves.

**18. COMMITMENTS****Operating lease commitments**

The Group had the following future minimum lease payments under non-cancellable operating leases for each of the following periods:

	30 June 2022	30 June 2021
	Land and buildings	Land and buildings
	£000	£000
Within one year	984	176
Later than one year and not later than five years	1,361	-
In over five years	-	-
	<b>2,345</b>	<b>176</b>

**Contractual commitments**

The Group had the following future minimum payments under non-cancellable contracts for each of the following periods:

	30 June 2022	30 June 2021
	Other	Other
	£000	£000
Within one year	367	292
Later than one year and not later than five years	339	179
In over five years	-	-
	<b>706</b>	<b>471</b>

The Company does not have any leases (2021: £nil) or contractual commitments (2021: none).

**19. ULTIMATE PARENT COMPANY**

Chambers Global Holdings Limited heads the only Group to consolidate this entity and its immediate controlling party is Global Rankings LLP, a Guernsey registered entity. The directors do not consider there to be an ultimate controlling party. Funds advised by Inflexion Equity Partners LLP have an economic interest of 81% (2021: 82%) in the equity share capital of Chambers Global Holdings Limited at 30 June 2022 but no one investor meets the definition of ultimate controlling party.

**20. RELATED PARTY TRANSACTIONS**

The Group has taken an exemption as per paragraph 33.1 A of FRS 102, 'Related Party Disclosures', on the grounds that all subsidiaries are wholly owned.

During the year, the following additional related party transactions were noted:

- The Group paid management services to Inflexion Private Equity Partners LLP of £217,085 (2021: £211,304).
- New management shares have been issued during the year to a total value of £30,000 (2021: £63,750).
- An outstanding loan to a senior employee was paid off in full in 2022 (2021: £7,500).
- \*Shareholder loan notes of £83,404,616 (2021: £74,466,721) with interest expense of £8,937,895 (2021: £11,179,960).
- Loans of £4,007,000 have been made to current shareholders in respect of the JSOP scheme outlined in note 17.

\* See note 26 for details of prior period restatement.

**21. SUBSEQUENT EVENTS**

No other subsequent events were noted.

**22. CONTINGENT LIABILITIES AND GUARANTEES**

From time to time, the Group and Company are engaged in litigation in the ordinary course of business. There are no material contingent liabilities requiring disclosure. The Group has appropriate insurances in place to mitigate the impact of any such liabilities.

As detailed in note 15, the Group's loan facilities entered into by Crossrail Bidco Limited are secured by charges over the Company, Crossrail Midco Limited, Crossrail Bidco Limited and Orbach and Chambers Limited, all of which are guarantors to the loan facilities.

**23. RECONCILIATION OF LOSS BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS**

	Period from 30 June 2022 £000	Period from 30 June 2021 £000
Loss before taxation	(16,230)	(16,571)
Depreciation charge (note 10)	131	110
Amortisation charge (note 9)	13,651	12,977
Disposal of intangible assets (note 9)	95	-
Interest expense (note 6)	14,447	14,475
Share-based payment charge (note 4)	305	85
(Increase) / decrease in trade and other debtors	(3,044)	571
Increase in trade and other creditors	434	597
Foreign currency differences	76	(7)
<b>Cash generated from operations</b>	<b>9,865</b>	<b>12,237</b>

**Analysis of changes in net debt**

	At 1 July 2021 £000	Cash flows £000	Non-cash changes £000	At 30 June 2022 £000
Cash and cash equivalents	5,455	(4,026)	-	1,429
Senior loans	(76,083)	-	-	(76,083)
Loan notes	(74,466)	-	(8,938)	(83,404)
<b>Total</b>	<b>(145,094)</b>	<b>(4,026)</b>	<b>(8,938)</b>	<b>(158,058)</b>

Non-cash changes represent accrued interest charged on loan notes.

**24. OTHER OPERATING INCOME**

There was no other operating income in the group in 2022 (2021: £35,317).

**25. CASH AT BANK AND IN HAND**

The amounts disclosed on the Statement of Cash Flows in respect of cash and cash equivalents are in respect of these Statement of Financial Position amounts:

	Group 30 June 2022 £000	Group 30 June 2021 £000
Cash and cash equivalents	1,429	5,455

The Group has a £65,000 credit facility in respect of its corporate credit cards.

**26. PRIOR YEAR RESTATEMENT**

A correction has been made to the prior year classification of key management employee costs to be included in administrative expenses rather than cost of sales. This has no overall effect of the loss before tax amount and no effect on the statement of financial performance. In the 2022 financial statements, this is restated accordingly.

	As reported 30 June 2021 £000	Reclassification £000	Correction £000	Restated 30 June 2021 £000
<b>Financial Performance Extract</b>				
Cost of Sales	(14,371)	2,341	-	(12,030)
Administrative expenses	(11,097)	(2,341)	-	(13,438)

In note 3 Employees and Directors, the wages and salaries disclosure has been amended for the year ending 30 June 2021 to include capitalised employee costs which were previously excluded from the total. This has no effect on the loss before tax and only effects note 3. In the 2022 notes to the financial statements, this is restated accordingly.

	As reported 30 June 2021 £000	Reclassification £000	Correction £000	Restated 30 June 2021 £000
<b>Note 3 Extract</b>				
Wages and salaries	14,904	511	-	15,415

In note 20 'Related Party Transactions' an additional note has been added in the current year stating the Shareholder loan notes in the group are a related party transaction. The interest accrued on the loan notes in the prior year was £11,179,960.