

Company Registration No. 11800382 (England and Wales)

CS Law Limited

**Annual report and
group financial statements
for the year ended 31 March 2022**

CS Law Limited

Company information

Directors	Claire Barker Timothy Bittleston Simon David Edward Dorbin Benjamin Hunt	(Appointed 5 July 2021)
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Company number	11800382
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Registered office	1330 Montpellier Court Gloucester Business Park Gloucester GL3 4AH
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Independent auditor	Saffery Champness LLP St Catherine's Court Berkeley Place Clifton Bristol BS8 1BQ
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CS Law Limited

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CS Law Limited

Strategic report

For the year ended 31 March 2022

The directors present the strategic report for the year ended 31 March 2022.

Fair review of the business

We aim to present a balanced view of the performance of our business during the year and its position as at 31 March 2022. Our review is consistent with the size and nature of our business and is written in the context of the risks and uncertainties we face. The strategic report reflects the board's view of the group and provides context for the related financial statements.

Section 172 statement

The purpose of the strategic report is to provide information for shareholders and help them to assess how the directors have performed their duty, under section 172 of the Companies Act 2006 ("s172"), to promote the success of the group and company and, in doing so, had regard to the matters set out in that section. This includes considering the interests of other stakeholders which will have an impact on the long-term success of the entity.

History

CS Law Limited is the parent company of the group and was incorporated as a holding company for two trading subsidiaries, TBD Legal Limited and Equilaw Limited, and a third subsidiary whose primary focus has been the development of software, Novex Software Limited.

The group is a provider of conveyancing services specialising in equity release (through Equilaw) and mid to high level residential property transactions across the South of England with a particular specialism in London and the South West (through TBD Legal Limited).

Strategy

The group's strategy is to:

1. Consolidate its position as a market leading provider of conveyancing services in the Equity Release market and grow its market share;
2. Further develop its network for providing residential conveyancing services in the South of England;
3. Establish a dedicated re-mortgage offering; and
4. Roll out and enhance a bespoke in-house software platform to facilitate the efficient processing and delivery of legal conveyancing services.

This strategy will enable the group to offer a diverse, unique, tech-enhanced solution to its customers.

The future

The equity release market is anticipated to grow over the foreseeable future as over 55s look to utilise the equity available in their properties for a variety of borrowing requirements.

While there is some uncertainty around the continued buoyancy of the residential property market, we feel that with its diversified service offering and extensive network of partners, TBD Legal Limited is well positioned to continue growing.

In the backdrop of rising interest rates and fixed rate mortgage deals coming to an end in 2022 and 2023, coupled with the current inflationary environment, the demand for re-mortgage services will be strong.

The group is well positioned, both financially and operationally, to benefit from these market conditions.

The group is committed to continue investing in the development of technological solutions as it believes that a combination of technology development and staff training will ensure that the group can offer customers a market leading level of service. This commitment to developing a bespoke inhouse case management system totalled £478,860 in the year ended 31 March 2022, a significant increase on the £292,150 invested in the prior year, as we saw the go live of certain modules of the new solution.

Results

The group statement of comprehensive income on page 10 of the financial statements shows the group's financial performance for the year to 31 March 2022. Turnover for the year was £13,071,004 (2021: £10,936,037) representing an increase of 19.5% on the prior year as the group benefitted from increased levels of trading following the relaxation of the Government's Covid lockdown measures and certain Stamp Duty Land Tax ("SDLT") incentives. While the Group delivered a loss for the financial year of £52,713 (2021: loss of £57,503) the main reason for this was the £1,635,584 amortisation charge from the writing down of goodwill that arose on the creation of the Group. Earnings before interest, depreciation, amortisation and tax ("EBITDA") was £2,207,255 (2021: £1,937,827) representing growth of 13.9% on the prior year.

The Group statement of financial position as at 31 March 2022 shows net assets of £3,266,208 (2021: £4,671,621).

Key performance indicators

The group uses a number of KPIs to manage the business including revenue growth, pipeline value, profitability (to include operating profit and EBITDA) and operating cashflow. These KPIs are reported monthly and compared to the relevant budget and prior year. A reforecast exercise is undertaken halfway through the financial year.

For the year ended 31 March 2022, Equilaw Limited and TBD Legal Limited delivered strong financial results in the face of uncertain market conditions as the country recovered from Covid. The group ended the year in a robust financial position and the directors are confident the group is well positioned to achieve further growth in the coming financial year.

COVID-19

Overall impact

The group was impacted by Covid-19 during the first half of the year ended 31 March 2022 as the UK Government implemented a staggered relaxation of the lockdown rules. The group's performance remained robust helped by the Stamp Duty incentives that were implemented by the UK Government and the return of the equity release market in the second half of the year, as the country returned to some normality. There was still uncertainty around whether or not Covid would return, especially during December 2021 when the UK Government implemented "Plan B". Therefore during this time the Directors decided it would be prudent to retain the Coronavirus Business Interruption Loan Scheme (CBILS) loan that had been drawn down in the prior year.

Going Concern

The start of the current financial year has seen strong trading levels as the residential conveyancing market has remained buoyant and demand for equity release products has returned. In the first quarter of the current financial year the group repaid half of the CBILS loan.

The directors have prepared, and approved, budgets for the current year and the group is expected to continue as a going concern in the foreseeable future. The directors therefore feel it is appropriate to prepare the financial statements on a going concern basis.

Principal risks and uncertainties

Market risks

The major risk the group faces is the stability of the UK housing market as there clearly is a strong correlation between the health of the housing market and revenue for the group. In addition, Equilaw Limited is reliant on the equity release market for its revenue and is therefore subject to changing trends within this specialist market. The group mitigates this risk by ensuring that it plays a full part in the regulatory approach to equity release and ensuring that it has deep relationships with key financial advisors and lenders into the equity release market. It also enjoys the benefit of a substantial introducer base in the general conveyancing market, incorporating both estate agency groups and mortgage advisors.

Liquidity and cash flow risks

The group has been, and continues to be, cash generative and is in a strong position financially, with no external borrowings outside of the Government or one of its shareholders. The CBILS loan has an interest rate that tracks the Bank of England base rate which has increased to the highest levels seen for over a decade. The interest burden associated with this debt is low and the directors intend to pay off the CBILS loan early which will eliminate this risk. The group is therefore not exposed to credit risk, liquidity risk, foreign exchange risk or interest rate risk.

The current economic environment sees inflation rates at a 40 year high following the increase in wholesale prices for utilities and the impact of the unrest in Ukraine. The directors keep the group's cost base under constant review and will decide whether or not to take action to preserve the group's financial position.

As at 31 March 2022, the group had cash at bank and in hand of £2,983,570 (2021: £2,781,360).

On behalf of the board

Benjamin Hunt

Director

23 September 2022

CS Law Limited

Directors' report

For the year ended 31 March 2022

The directors present their annual report and financial statements for the year ended 31 March 2022.

Principal activities

The principle activity of the company is to act as a holding company. The principal activity of the group is the provision of legal services.

Results and dividends

The results for the year are set out on page 10.

Ordinary dividends were paid amounting to £1,352,700. The directors do not recommend payment of a further dividend.

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

Claire Barker

Timothy Bittleston

Simon David

Edward Dorbin

Jeremy French

(Resigned 2 July 2021)

Benjamin Hunt

(Appointed 5 July 2021)

Auditor

Saffery Champness LLP were appointed as auditor to the group and in accordance with section 485 of the Companies Act 2006, a resolution proposing that they be re-appointed will be put at a General Meeting.

Statement of directors' responsibilities

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law).

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and company, and of the profit or loss of the group for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the ;
- prepare the 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 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. They are also 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.

Strategic report

The group and company have chosen in accordance with Companies Act 2006, s. 414C(11) to set out in the group's strategic report information required by Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, Sch. 7 to be contained in the directors' report. It has done so in respect of future events, financial risk management and research and development.

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the auditor of the company is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the auditor of the company is aware of that information.

On behalf of the board

Benjamin Hunt
Director

23 September 2022

CS Law Limited

Independent auditor's report To the members of CS Law Limited

Opinion

We have audited the financial statements of CS Law Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 March 2022 which comprise the group statement of comprehensive income, the group statement of financial position, the company statement of financial position, the group statement of changes in equity, the company statement of changes in equity, the group statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group and of the parent company's affairs as at 31 March 2022 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group and parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Independent auditor's report (continued)
To the members of CS Law Limited

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

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

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

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the directors are responsible for assessing the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the parent company or to cease operations, or have no realistic alternative but to do so.

Independent auditor's report (continued)

To the members of CS Law Limited

Auditor's responsibilities for the audit of the financial statements

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

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 specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud are detailed below.

Identifying and assessing risks related to irregularities:

We assessed the susceptibility of the group and parent company's financial statements to material misstatement and how fraud might occur, including through discussions with the directors, discussions within our audit team planning meeting, updating our record of internal controls and ensuring these controls operated as intended. We evaluated possible incentives and opportunities for fraudulent manipulation of the financial statements. We identified laws and regulations that are of significance in the context of the group and parent company by discussions with directors and by updating our understanding of the sector in which the group and parent company operates.

Laws and regulations of direct significance in the context of the group and parent company include The Companies Act 2006, UK Tax legislation and SRA Accounts Rules.

Audit response to risks identified

We considered the extent of compliance with these laws and regulations as part of our audit procedures on the related financial statement items including a review of group and parent company financial statement disclosures. We reviewed the parent company's records of breaches of laws and regulations, minutes of meetings and correspondence with relevant authorities to identify potential material misstatements arising. We discussed the parent company's policies and procedures for compliance with laws and regulations with members of management responsible for compliance.

During the planning meeting with the audit team, the engagement partner drew attention to the key areas which might involve non-compliance with laws and regulations or fraud. We enquired of management whether they were aware of any instances of non-compliance with laws and regulations or knowledge of any actual, suspected or alleged fraud. We addressed the risk of fraud through management override of controls by testing the appropriateness of journal entries and identifying any significant transactions that were unusual or outside the normal course of business. We assessed whether judgements made in making accounting estimates gave rise to a possible indication of management bias. At the completion stage of the audit, the engagement partner's review included ensuring that the team had approached their work with appropriate professional scepticism and thus the capacity to identify non-compliance with laws and regulations and fraud.

CS Law Limited

Independent auditor's report (continued)

To the members of CS Law Limited

The group is regulated by the SRA. We discussed SRA compliance with the group's Compliance Officer for Finance and Administration (COFA) and Compliance Officer for Legal Practice (COLP). We obtained additional evidence over compliance by reviewing correspondence with the SRA where applicable, the COLP and COFA breaches register and the results of the SRA Accounts Rules Reporting Accountant assignment which is a separate assurance assignment.

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. 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 is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

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

Neil Davies (Senior Statutory Auditor)

For and on behalf of Saffery Champness LLP

26 September 2022

Chartered Accountants

Statutory Auditors

St Catherine's Court
Berkeley Place
Clifton
Bristol
BS8 1BQ

CS Law Limited

Group statement of comprehensive income
For the year ended 31 March 2022

		2022	2021
	Notes	£	£
Turnover	3	13,071,004	10,936,037
Cost of sales		(1,203,817)	(1,055,181)
Gross profit		11,867,187	9,880,856
Administrative expenses		(11,486,102)	(9,867,990)
Other operating income		24,871	159,060
Operating profit	4	405,956	171,926
Interest receivable and similar income		1,383	3,741
Interest payable and similar expenses	8	(108,859)	(94,502)
Profit before taxation		298,480	81,165
Tax on profit	9	(213,885)	(138,668)
Profit/(loss) for the financial year		84,595	(57,503)

Profit/(loss) for the financial year is all attributable to the owners of the parent company.

Total comprehensive income for the year is all attributable to the owners of the parent company.

CS Law Limited

Group statement of financial position
As at 31 March 2022

			2022	2021
	Notes	£	£	£
Fixed assets				
Goodwill	11		3,066,568	4,702,152
Other intangible assets	11		830,736	400,729
Total intangible assets			3,897,304	5,102,881
Tangible assets	12		165,936	190,897
			4,063,240	5,293,778
Current assets				
Debtors	15	1,529,836	1,132,760	
Cash at bank and in hand		2,983,570	2,781,360	
		4,513,406	3,914,120	
Creditors: amounts falling due within one year	16	(2,430,035)	(1,839,782)	
Net current assets			2,083,371	2,074,338
Total assets less current liabilities			6,146,611	7,368,116
Creditors: amounts falling due after more than one year	17	(2,574,247)		(2,670,711)
Provisions for liabilities				
Provisions	19	(16,792)	-	
Deferred tax liability	20	(152,056)	(25,784)	
			(168,848)	(25,784)
Net assets			3,403,516	4,671,621
Capital and reserves				
Called up share capital	22		30,456	30,456
Share premium account	23		6,440,340	6,440,340
Capital contribution reserve	23		175,753	262,622
Profit and loss reserves			(3,243,033)	(2,061,797)
Total equity			3,403,516	4,671,621

CS Law Limited

Group statement of financial position (continued)

As at 31 March 2022

The financial statements were approved by the board of directors and authorised for issue on 23 September 2022 and are signed on its behalf by:

Benjamin Hunt

Director

CS Law Limited

Company statement of financial position
As at 31 March 2022

			2022	2021
	Notes	£	£	£
Fixed assets				
Tangible assets	12		8,072	9,303
Investments	13		8,411,546	8,411,546
			<u>8,419,618</u>	<u>8,420,849</u>
Current assets				
Debtors	15	1,028,112	562,813	
Cash at bank and in hand		1,149,092	1,128,562	
		<u>2,177,204</u>	<u>1,691,375</u>	
Creditors: amounts falling due within one year	16	(447,744)	(247,337)	
Net current assets			<u>1,729,460</u>	<u>1,444,038</u>
Total assets less current liabilities			<u>10,149,078</u>	<u>9,864,887</u>
Creditors: amounts falling due after more than one year	17	(2,574,247)	(2,670,711)	
Provisions for liabilities	20	(1,659)	(2,243)	
Net assets			<u><u>7,573,172</u></u>	<u><u>7,191,933</u></u>
Capital and reserves				
Called up share capital	22	30,456	30,456	
Share premium account	23	6,440,340	6,440,340	
Other reserves	23	175,753	262,622	
Profit and loss reserves		926,623	458,515	
Total equity			<u><u>7,573,172</u></u>	<u><u>7,191,933</u></u>

As permitted by s408 Companies Act 2006, the company has not presented its own profit and loss account and related notes. The company's profit for the year was £1,733,939 (2021 - £1,669,726)

CS Law Limited

Company statement of financial position (continued)

As at 31 March 2022

The financial statements were approved by the board of directors and authorised for issue on 23 September 2022 and are signed on its behalf by:

Benjamin Hunt

Director

Company Registration No. 11800382

CS Law Limited

Group statement of changes in equity
For the year ended 31 March 2022

		Share capital	Share premium account	Other reserves	Profit and loss reserves	Total
	Notes	£	£	£	£	£
Balance at 1 April 2020		30,456	6,440,340	345,354	(725,308)	6,090,842
Year ended 31 March 2021:						
Loss and total comprehensive income for the year		-	-	-	(57,503)	(57,503)
Dividends	10	-	-	-	(1,361,718)	(1,361,718)
Other movements		-	-	(82,732)	82,732	-
Balance at 31 March 2021		30,456	6,440,340	262,622	(2,061,797)	4,671,621
Year ended 31 March 2022:						
Profit and total comprehensive income for the year		-	-	-	84,595	84,595
Dividends	10	-	-	-	(1,352,700)	(1,352,700)
Other movements		-	-	(86,869)	86,869	-
Balance at 31 March 2022		30,456	6,440,340	175,753	(3,243,033)	3,403,516

CS Law Limited

Company statement of changes in equity
For the year ended 31 March 2022

		Share capital	Share premium account	Other reserves	Profit and loss reserves	Total
	Notes	£	£	£	£	£
Balance at 1 April 2020		30,456	6,440,340	345,354	67,775	6,883,925
Year ended 31 March 2021:						
Profit and total comprehensive income for the year		-	-	-	1,669,726	1,669,726
Dividends	10	-	-	-	(1,361,718)	(1,361,718)
Other movements		-	-	(82,732)	82,732	-
Balance at 31 March 2021		30,456	6,440,340	262,622	458,515	7,191,933
Year ended 31 March 2022:						
Profit and total comprehensive income for the year		-	-	-	1,733,939	1,733,939
Dividends	10	-	-	-	(1,352,700)	(1,352,700)
Other movements		-	-	(86,869)	86,869	-
Balance at 31 March 2022		30,456	6,440,340	175,753	926,623	7,573,172

CS Law Limited

Group statement of cash flows
For the year ended 31 March 2022

		2022	2021
	Notes	£	£
Cash flows from operating activities			
Cash generated from operations	26	2,292,076	2,042,519
Interest paid		(8,665)	(94,502)
Income taxes paid		(109,337)	(286,290)
Net cash inflow from operating activities		<u>2,174,074</u>	<u>1,661,727</u>
Investing activities			
Purchase of intangible assets		(478,860)	(299,950)
Purchase of tangible fixed assets		(91,901)	(178,679)
Proceeds on disposal of tangible fixed assets		-	62
Receipts arising from loans made		214	227
Interest received		1,383	3,741
Net cash used in investing activities		<u>(569,164)</u>	<u>(474,599)</u>
Financing activities			
Repayment of borrowings		-	(28,572)
Proceeds of new bank loans		-	1,000,000
Repayment of bank loans		(50,000)	(15,413)
Dividends paid to equity shareholders		(1,352,700)	(1,361,718)
Net cash used in financing activities		<u>(1,402,700)</u>	<u>(405,703)</u>
Net increase in cash and cash equivalents		<u>202,210</u>	<u>781,425</u>
Cash and cash equivalents at beginning of year		<u>2,781,360</u>	<u>1,999,935</u>
Cash and cash equivalents at end of year		<u><u>2,983,570</u></u>	<u><u>2,781,360</u></u>

Notes to the financial statements
For the year ended 31 March 2022

1 Accounting policies

Company information

CS Law Limited ("the company") is a private company limited by shares incorporated in England and Wales. The registered office is 1330 Montpellier Court, Gloucester Business Park, Gloucester, GL3 4AH.

The group consists of CS Law Limited and all of its subsidiaries.

1.1 Accounting convention

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 £1.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

The company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements for parent company information presented within the consolidated financial statements:

- Section 7 'Statement of Cash Flows': Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues': Interest income/expense and net gains/losses for each category of 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;
- Section 33 'Related Party Disclosures': Compensation for key management personnel.

1.2 Basis of consolidation

In the parent company financial statements, 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.

Deferred tax is recognised on differences between the value of assets (other than goodwill) and liabilities recognised in a business combination accounted for using the purchase method and the amounts that can be deducted or assessed for tax, considering the manner in which the carrying amount of the asset or liability is expected to be recovered or settled. The deferred tax recognised is adjusted against goodwill or negative goodwill.

Notes to the financial statements (continued)
For the year ended 31 March 2022

1 Accounting policies (continued)

The group financial statements incorporate those of CS Law 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 consolidated using the purchase method. Their results are incorporated from the date that control passes.

All financial statements are made up to 31 March 2022. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the group. All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation.

1.3 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

1.4 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

Revenue from contracts for the provision of legal services is recognised by reference to the stage of completion when the stage of completion, costs incurred and costs to complete can be estimated reliably. The stage of completion is calculated by reference to milestone reached in the legal services provided. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that it is probable will be recovered.

1.5 Intangible fixed assets - goodwill

Goodwill arising on the acquisition of subsidiaries represents the excess of the fair value of the consideration over the fair value of the identifiable assets and liabilities 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 5 years.

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 unit 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.

Notes to the financial statements (continued)
For the year ended 31 March 2022

1 Accounting policies (continued)

1.6 Intangible fixed assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Intangible assets acquired on business combinations are recognised separately from goodwill at the acquisition date where it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the fair value of the asset can be measured reliably; the intangible asset arises from contractual or other legal rights; and the intangible asset is separable from the entity.

Intangible assets arising from software are in relation to internally developed assets, not yet in use.

Amortisation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Software	5 years
----------	---------

1.7 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Leasehold improvements	Straight Line over the term of the lease
Fixtures and fittings	25% Straight Line
Computers	33% Straight Line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the income statement.

1.8 Fixed asset investments

In the parent company financial statements, investments in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses.

1.9 Impairment of fixed assets

At each reporting period end date, the group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

Notes to the financial statements (continued)
For the year ended 31 March 2022

1 Accounting policies (continued)

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

1.10 Cash at bank and in hand

Cash at bank and in hand are basic financial assets and include cash in hand and deposits held at call with banks. Bank overdrafts are shown within borrowings in current liabilities.

1.11 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 and 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, 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.

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

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.

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.

Notes to the financial statements (continued)
For the year ended 31 March 2022

1 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

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.

Derecognition of financial liabilities

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

1.12 Equity instruments

Equity instruments issued by the group are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the group.

1.13 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1 Accounting policies (continued)

1.14 Provisions

Provisions are recognised when the group has a legal or constructive present obligation as a result of a past event, it is probable that the group will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting end date, taking into account the risks and uncertainties surrounding the obligation. Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value. When a provision is measured at present value, the unwinding of the discount is recognised as a finance cost in profit or loss in the period in which it arises.

1.15 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

1.16 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.17 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

1.18 Government grants

The company applies the accruals model for grants receivable. Grants towards capital expenditure are released to the profit and loss account over the expected useful life of the assets. Grants towards revenue expenditure are released to the profit and loss account as the related expenditure is incurred.

Notes to the financial statements (continued)
For the year ended 31 March 2022

2 Critical accounting judgements and key sources of estimation uncertainty

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

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

Key areas of judgments in the financial statements include:

- The market rate of interest applied to long term financing, which has been estimated by the directors to be 5%.
- The fair values applied to net assets in the group reconstruction, accounted for using the purchase method.
- The value attributed to unbilled revenue arising from the provision of services, for which the directors use historical data and contracted milestones in the legal process.
- Capitalisation of employee wages in relation to software development.

3 Turnover and other revenue

	2022	2021
	£	£
Turnover analysed by class of business		
Legal services	13,071,004	10,936,037
	<u>13,071,004</u>	<u>10,936,037</u>
Turnover analysed by geographical market		
UK	13,071,004	10,936,037
	<u>13,071,004</u>	<u>10,936,037</u>

4 Operating profit

	2022	2021
	£	£
Operating profit for the year is stated after charging/(crediting):		
Government grants	(24,871)	(159,060)
Depreciation of owned tangible fixed assets	116,862	129,234
Profit on disposal of tangible fixed assets	-	(62)
Amortisation of intangible assets	1,684,437	1,636,667
Operating lease charges	223,004	178,888
	<u>1,800,432</u>	<u>1,575,669</u>

Notes to the financial statements (continued)
For the year ended 31 March 2022

4 Operating profit (continued)

During the year, the group received government grants totaling £nil (2021: £137,241) in relation to the Coronavirus Job Retention Scheme and £13,325 (2021: £6,600) of interest covered under the Coronavirus Business Interruption Loan Scheme. These amounts have been classified as other income in the accounts. No amounts were outstanding at the reporting date.

5 Auditor's remuneration

	2022	2021
	£	£
Fees payable to the company's auditor and associates:		
For audit services		
Audit of the financial statements of the group and company	6,400	6,650
Audit of the financial statements of the company's subsidiaries	30,000	29,950
	<u>36,400</u>	<u>36,600</u>

6 Employees

The average monthly number of persons (including directors) employed by the group and company during the year was:

Group	2021	Company	2021
2022	2021	2022	2021
Number	Number	Number	Number
139	123	23	22
<u>139</u>	<u>123</u>	<u>23</u>	<u>22</u>

Their aggregate remuneration comprised:

	Group	2021	Company	2021
	2022	2021	2022	2021
	£	£	£	£
Wages and salaries	4,360,098	3,538,711	1,232,011	1,049,321
Social security costs	493,515	293,846	134,768	123,406
Pension costs	90,722	70,477	23,990	15,570
	<u>4,944,335</u>	<u>3,903,034</u>	<u>1,390,769</u>	<u>1,188,297</u>

CS Law Limited

Notes to the financial statements (continued)
For the year ended 31 March 2022

7 Directors' remuneration

	2022	2021
	£	£
Remuneration for qualifying services	495,197	515,754
Company pension contributions to defined contribution schemes	2,937	2,043
	<u>498,134</u>	<u>517,797</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 2 (2021 - 3).

Remuneration disclosed above includes the following amounts paid to the highest paid director:

	2022	2021
	£	£
Remuneration for qualifying services	157,500	152,885

8 Interest payable and similar expenses

	2022	2021
	£	£
Interest on bank overdrafts and loans	21,990	11,770
Unwinding of discounted interest free loan	86,869	82,732
	<u>108,859</u>	<u>94,502</u>

9 Taxation

	2022	2021
	£	£
Current tax		
UK corporation tax on profits for the current period	156,963	194,638
Adjustments in respect of prior periods	(69,350)	(64,023)
	<u>87,613</u>	<u>130,615</u>

Notes to the financial statements (continued)
For the year ended 31 March 2022

9 Taxation

	2022	2021
	£	£ (continued)
Deferred tax		
Origination and reversal of timing differences	112,052	8,053
Changes in tax rates	8,794	-
Adjustment in respect of prior periods	5,426	-
	<u>126,272</u>	<u>8,053</u>
Total deferred tax	<u>126,272</u>	<u>8,053</u>
	<u>213,885</u>	<u>138,668</u>
Total tax charge	<u>213,885</u>	<u>138,668</u>

The actual charge for the year can be reconciled to the expected charge for the year based on the profit or loss and the standard rate of tax as follows:

	2022	2021
	£	£
Profit before taxation	<u>298,480</u>	<u>81,165</u>
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2021: 19.00%)	56,711	15,421
Tax effect of expenses that are not deductible in determining taxable profit	6,304	4,084
Change in unrecognised deferred tax assets	(17,384)	-
Adjustments in respect of prior years	(64,193)	(64,023)
Effect of change in corporation tax rate	58,994	-
Amortisation on assets not qualifying for tax allowances	310,761	310,761
Research and development tax credit	(137,308)	(127,669)
Other differences	-	94
	<u>213,885</u>	<u>138,668</u>
Taxation charge	<u>213,885</u>	<u>138,668</u>

CS Law Limited

Notes to the financial statements (continued)
For the year ended 31 March 2022

10 Dividends

	2022	2021
	£	£
Final paid	1,352,700	1,361,718

After the reporting date, dividends totalling £420,840 (2020: £240,480) were declared and paid by the company.

11 Intangible fixed assets

Group	Goodwill	Software	Total
	£	£	£
Cost			
At 1 April 2021	8,177,919	401,812	8,579,731
Additions - internally developed	-	478,860	478,860
Disposals	-	(7,800)	(7,800)
At 31 March 2022	8,177,919	872,872	9,050,791
Amortisation and impairment			
At 1 April 2021	3,475,767	1,083	3,476,850
Amortisation charged	1,635,584	48,853	1,684,437
Disposals	-	(7,800)	(7,800)
At 31 March 2022	5,111,351	42,136	5,153,487
Carrying amount			
At 31 March 2022	3,066,568	830,736	3,897,304
At 31 March 2021	4,702,152	400,729	5,102,881

The company had no intangible fixed assets at 31 March 2022 or 31 March 2021.

Included within Software are development costs totalling £nil (2021: £394,012) which are not yet amortised.

CS Law Limited

Notes to the financial statements (continued)
For the year ended 31 March 2022

12 Tangible fixed assets

Group	Leasehold improve-ments	Fixtures and fittings	Computers	Total
	£	£	£	£
Cost				
At 1 April 2021	254,833	224,162	362,992	841,987
Additions	-	689	91,212	91,901
Disposals	-	(88,643)	(151,278)	(239,921)
At 31 March 2022	254,833	136,208	302,926	693,967
Depreciation and impairment				
At 1 April 2021	223,420	185,105	242,565	651,090
Depreciation charged in the year	16,767	15,352	84,743	116,862
Eliminated in respect of disposals	-	(88,643)	(151,278)	(239,921)
At 31 March 2022	240,187	111,814	176,030	528,031
Carrying amount				
At 31 March 2022	14,646	24,394	126,896	165,936
At 31 March 2021	31,413	39,057	120,427	190,897

CS Law Limited

Notes to the financial statements (continued)

For the year ended 31 March 2022

12 Tangible fixed assets (continued)

Company	Computers £
Cost	
At 1 April 2021	11,184
Additions	3,167
	<hr/>
At 31 March 2022	14,351
	<hr/>
Depreciation and impairment	
At 1 April 2021	1,881
Depreciation charged in the year	4,398
	<hr/>
At 31 March 2022	6,279
	<hr/>
Carrying amount	
At 31 March 2022	8,072
	<hr/>
At 31 March 2021	9,303
	<hr/>

CS Law Limited

Notes to the financial statements (continued)
For the year ended 31 March 2022

13 Fixed asset investments

		Group 2022	2021	Company 2022	2021
	Notes	£	£	£	£
Investments in subsidiaries	14	-	-	8,411,546	8,411,546

Movements in fixed asset investments

Company	Shares in group undertakings
	£
Cost or valuation	
At 1 April 2021 and 31 March 2022	8,411,546
Carrying amount	
At 31 March 2022	8,411,546
At 31 March 2021	8,411,546

CS Law Limited**Notes to the financial statements (continued)**
For the year ended 31 March 2022**14 Subsidiaries**

Details of the company's subsidiaries at 31 March 2022 are as follows:

Name of undertaking	Registered office key	Nature of business	Class of shares held	% Held	
				Direct	Indirect
Equilaw Limited	1330 Montpellier Court, Gloucester Business Park, Gloucester, GL3 4AH	Legal services	Ordinary shares	100	0
TBD Legal Limited	Brunswick House, 1310 Gloucester Business Park, Gloucester, GL3 4AA	Legal services	Ordinary shares	100	0
Novex Software Limited	1330 Montpellier Court, Gloucester Business Park, Gloucester, GL3 4AH	Computer software	Ordinary shares	100	0

The investments in subsidiaries are stated at cost.

15 Debtors

	Group 2022	2021	Company 2022	2021
Amounts falling due within one year:	£	£	£	£
Trade debtors	140,263	102,478	-	-
Gross amounts owed by contract customers	692,225	308,204	-	-
Corporation tax recoverable	96,184	63,496	-	-
Amounts owed by group undertakings	-	-	1,003,431	541,782
Other debtors	77,636	228,494	7,217	2,267
Prepayments and accrued income	523,528	430,088	17,464	18,764
	<u>1,529,836</u>	<u>1,132,760</u>	<u>1,028,112</u>	<u>562,813</u>

CS Law Limited

Notes to the financial statements (continued)
For the year ended 31 March 2022

16 Creditors: amounts falling due within one year

		Group		Company	
		2022	2021	2022	2021
	Notes	£	£	£	£
Bank loans	18	200,000	66,667	200,000	66,667
Trade creditors		643,282	419,939	29,693	32,774
Corporation tax payable		10,964	-	5,514	-
Other taxation and social security		670,718	822,266	119,161	86,498
Other creditors		170,749	43,408	5,765	3,935
Accruals and deferred income		734,322	487,502	87,611	57,463
		<u>2,430,035</u>	<u>1,839,782</u>	<u>447,744</u>	<u>247,337</u>

17 Creditors: amounts falling due after more than one year

		Group		Company	
		2022	2021	2022	2021
	Notes	£	£	£	£
Bank loans and overdrafts	18	750,000	933,333	750,000	933,333
Other borrowings	18	1,824,247	1,737,378	1,824,247	1,737,378
		<u>2,574,247</u>	<u>2,670,711</u>	<u>2,574,247</u>	<u>2,670,711</u>

18 Loans and overdrafts

		Group		Company	
		2022	2021	2022	2021
		£	£	£	£
Bank loans		950,000	1,000,000	950,000	1,000,000
Loans from related parties		1,824,247	1,737,378	1,824,247	1,737,378
		<u>2,774,247</u>	<u>2,737,378</u>	<u>2,774,247</u>	<u>2,737,378</u>
Payable within one year		200,000	66,667	200,000	66,667
Payable after one year		<u>2,574,247</u>	<u>2,670,711</u>	<u>2,574,247</u>	<u>2,670,711</u>

Notes to the financial statements (continued)
For the year ended 31 March 2022

18 Loans and overdrafts (continued)

NatWest hold debentures over all the assets of the company.

Bank loans consist of an amount held under the Coronavirus Business Interruption Loan Scheme. This loan has a term of 6 years from draw down and accrues an interest rate of 1.88% above base rate. The interest for the first 12 months is covered by the UK government.

Loans from related parties consists of an interest free loan with a capital balance of £2,000,000. This has been discounted at a market rate of interest which the directors have assessed at 5%. The balance of the interest has been recognised as a capital contribution in reserves.

19 Provisions for liabilities

	Group		Company	
	2022	2021	2022	2021
	£	£	£	£
Dilapidation provision	16,792	-	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

Movements on provisions:

	Dilapidation provision
Group	£
Additional provisions in the year	16,792
	<u> </u>

20 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the group and company, and movements thereon:

	Liabilities	Liabilities
	2022	2021
Group	£	£
Accelerated capital allowances	38,120	25,784
Fixed asset timing differences	113,936	-
	<u> </u>	<u> </u>
	152,056	25,784
	<u> </u>	<u> </u>

CS Law Limited

Notes to the financial statements (continued)
For the year ended 31 March 2022

20 Deferred taxation (continued)

	Liabilities 2022 £	Liabilities 2021 £
Company		
Accelerated capital allowances	1,659	2,243
	<u> </u>	<u> </u>
	Group 2022 £	Company 2022 £
Movements in the year:		
Liability at 1 April 2021	25,784	2,243
Charge/(credit) to profit or loss	126,272	(584)
	<u> </u>	<u> </u>
Liability at 31 March 2022	152,056	1,659
	<u> </u>	<u> </u>

The majority of the deferred tax liability set out above is expected to reverse within 12 months and relates to accelerated capital allowances.

21 Retirement benefit schemes

	2022 £	2021 £
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	90,722	70,477
	<u> </u>	<u> </u>

A defined contribution pension scheme is operated for all qualifying employees. The assets of the scheme are held separately from those of the group in an independently administered fund.

22 Share capital

Group and company	2022 Number	2021 Number	2022 £	2021 £
Ordinary share capital				
Issued and fully paid				
Ordinary shares of £1 each	20,060	20,060	20,060	20,060
Ordinary A shares of £1 each	10,000	10,000	10,000	10,000
Ordinary B shares of £1 each	396	396	396	396
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	30,456	30,456	30,456	30,456
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

Notes to the financial statements (continued)
For the year ended 31 March 2022

22 Share capital (continued)

20,060 Ordinary share have full voting, dividend and capital distribution rights.

10,000 Ordinary A shares have voting, dividends and capital distribution rights. Voting rights are limited to 40% of the voting rights of all shares. These shares also confer the right to receive a dividend in preference to the holders of the ordinary shares.

396 Ordinary B shares have capital distribution rights but carry no voting or dividend rights.

23 Reserves

Share premium

Share premium brought forward related to the issue of 10,000 Ordinary A shares issued on 19 February 2019 and 60 Ordinary shares issued on 26 June 2019.

Capital contribution reserve

The capital contribution reserve arose from the discounting of the interest free loan, referred to in note 18.

24 Operating lease commitments

Lessee

At the reporting end date the group had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	Group		Company	
	2022	2021	2022	2021
	£	£	£	£
Within one year	185,515	222,502	-	-
Between two and five years	73,344	239,819	-	-
	<u>258,859</u>	<u>462,321</u>	<u>-</u>	<u>-</u>

25 Related party transactions

Dividends paid to the directors during the period were £902,700 (2021: £908,718).

CS Law Limited

Notes to the financial statements (continued)
For the year ended 31 March 2022

26 Cash generated from group operations

	2022 £	2021 £
Profit/(loss) for the year after tax	84,595	(57,503)
Adjustments for:		
Taxation charged	213,885	138,668
Finance costs	108,859	94,502
Investment income	(1,383)	(3,741)
Gain on disposal of tangible fixed assets	-	(62)
Amortisation and impairment of intangible assets	1,684,437	1,636,667
Depreciation and impairment of tangible fixed assets	116,862	129,234
Increase in provisions	16,792	-
Movements in working capital:		
Increase in debtors	(364,602)	(389,149)
Increase in creditors	432,631	493,903
Cash generated from operations	2,292,076	2,042,519

27 Analysis of changes in net funds - group

	1 April 2021 £	Cash flows £	Non-cash movements £	31 March 2022 £
Cash at bank and in hand	2,781,360	202,210	-	2,983,570
Borrowings excluding overdrafts	(2,737,378)	50,000	(86,869)	(2,774,247)
	<u>43,982</u>	<u>252,210</u>	<u>(86,869)</u>	<u>209,323</u>

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