

**REGISTERED NUMBER: 03718422 (England and Wales)**

**GROUP STRATEGIC REPORT, REPORT OF THE DIRECTORS AND  
CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022  
FOR  
DUNCAN LEWIS SOLICITORS LIMITED**

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for the Year Ended 31st March 2022

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**COMPANY INFORMATION**

for the Year Ended 31st March 2022

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**DIRECTORS:**

V Appalakondiah  
B Ata  
M K Atwal  
A H Aydeed  
T Aziz  
L Bhunndoo  
J C Bruce  
B Chikwe  
D Cowie  
G A De Freitas  
N De Freitas  
S De Silva  
H S Dhaliwal  
S V Fretten  
V Gami  
R Gray  
A S Gupta  
F Hakim  
D M Head  
T Hossain  
R Jagdev  
N Joshi  
N Khan  
M Kumari  
J M Leslie  
A Lewis  
R Mahey  
A Majeed  
E Mehmet  
D Middleton  
A Naseem  
A Okumah  
J R Packer  
K Parmar  
G Pentcheva  
S S Ponnada  
S T H Rafique  
V Ramkissoon  
C Roche  
G L P Rothwell  
C Ryan  
S Shah  
V Templeton  
R Thomas  
K K Walker  
R Wallace  
L Winarskie  
A Winfield  
S S Gupta

## DUNCAN LEWIS SOLICITORS LIMITED

### COMPANY INFORMATION

for the Year Ended 31st March 2022

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G Amare  
G Lynch  
G Nagy  
S K Sahota  
A Sandhai  
P Somel

**SECRETARY:**

S S Gupta

**REGISTERED OFFICE:**

Sackville House  
143-149 Fenchurch Street  
London  
EC3M 6BL

**REGISTERED NUMBER:**

03718422 (England and Wales)

**AUDITORS:**

Xeinadin Audit Limited  
1 City Road East  
Manchester  
M15 4PN

**GROUP STRATEGIC REPORT**

**for the Year Ended 31st March 2022**

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The directors present their strategic report of the company and the group for the year ended 31st March 2022.

**REVIEW OF BUSINESS**

The principal activity of the group is to provide legal services across England and Wales. There have been no significant changes in the group's activities during the financial year. The group has continued to maintain profitability in this challenging and changing environment and has increased turnover by 4% meaning turnover is down only 1.5% on pre-pandemic levels from 2020.

The group's turnover over the last few years is set out below:

<b>Financial Year</b>	<b>Turnover</b>
2019	£27,149,761
2020	£25,955,515
2021	£24,669,681
2022	£25,601,642

The group has maintained its focus on its business objectives by a critical analysis of its policies, procedures, costs and revenue generation and ascertaining how to enhance the quality of services provided, increase revenue streams and profitability.

In summary in the FY ended March 2022, the group's focus has remained to:

- Take on better quality and higher paid work
- Ensuring it maintained all its quality marks
- Increasing private client work
- Implement electronic case management systems
- Enhance worker performance
- Outsource more admin processes
- Establish relationship with a reliable panel of external cost draftsman
- Upgrade IT infrastructure and build robust cyber security
- Achieving recognition in the Legal 500 and The Chambers Directory of the professional quality of service provided by the group solicitors

A brief summary of the headline financial figures is as follows:

Turnover increased by 3.8% to £25.602m (2021: £24.670m).

Operating profit increased to £1.981m (2021: £1.732m).

The interest charge for the year was £0.237m (2021: £0.264m).

The profit after tax was £1.397m (2021: £1.178m).

Operational costs increased by 4.6% to £24.281m (2021: £23.204m).

Capital expenditure increased by 9.5% to £0.287m (2021: £0.262m).

The group continues to generate significant cash from operations. The group's unbilled Work In Progress (WIP) at the year-end amounted to £17.973m (2021: £18.487m). The WIP figure excludes WIP on Conditional Fee Arrangement cases.

**GROUP STRATEGIC REPORT**

**for the Year Ended 31st March 2022**

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**PRINCIPAL RISKS AND UNCERTAINTIES**

The company has responded well to the risks posed by the COVID-19 pandemic with the mitigation strategies implemented in the previous financial period having allowed the group to bounce back well after restrictions were lifted. The directors do not foresee that the pandemic will continue to pose any long term risks and uncertainties with business having returned to levels comparable to pre-pandemic.

The process of risk acceptance and risk management is addressed through a comprehensive framework of policies, procedures and internal controls. The group has in place an in-house risk and compliance team lead by experienced solicitors. All policies are subject to Board approval and on-going review by management.

The group has robust and comprehensive internal procedures to ensure the quality of service is delivered at the highest level. Periodic external audits carried out by independent auditors on behalf of Level, Investors in People and by the Legal Aid Agency, keep in check the quality of work, staff satisfaction and service being delivered.

Compliance with regulation, legal and ethical standards is a high priority for the group and the Finance Team takes on an important oversight role in this regard.

The majority of the group's income derives from Government funded legal aid schemes. The group continues to align its business strategy toward increasing the private clientele and, in turn, the private client fees generated.

**SECTION 172(1) STATEMENT**

Section 172 of the Companies Act 2006 requires a director of a company to act in the way he or she considers, in good faith, would most likely promote the success of the company for the benefit of its members as a whole. In doing this, section 172 requires a director to have regard, amongst other matters, to the:

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

In discharging our section 172 duties we have regard to the factors set out above. We also have regard to other factors which we consider relevant to the decision being made. Those factors include the interests and relationships with employees, customers and suppliers. We acknowledge that every decision we make will not necessarily result in a positive outcome for all of our stakeholders. By considering the Company's purpose, vision and values together with its strategic priorities and having a process in place for decision-making, we do, however, aim to make sure that our decisions are consistent and predictable. The Company delegates authority for day-to-day management of the Company to key management who are responsible for setting, approving and overseeing the execution of the business strategy and related policies. The Company delegates to key management to review the Company's financial and operational performance, risk and compliance, and health and safety matters.

**GROUP STRATEGIC REPORT**

**for the Year Ended 31st March 2022**

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**KEY FINANCIAL PERFORMANCE INDICATORS**

The group uses a range of key performance indicators to monitor and measure the performance of the business. These include new clients achieved, chargeable hours in the year, turnover per fee earner, chargeable hours per fee earner and unbilled work per fee earner.

	<b>2022</b>	<b>2021</b>	<b>% increase/(decrease)</b>
<b>New clients</b>	9,344	10,323	(9.5%)
<b>Chargeable hours</b>	392,090	402,591	(2.6%)
<b>Turnover/fee earner</b>	58,720	56,974	3%
<b>Chargeable hours/fee earner</b>	899	929	(3.2%)
<b>Unbilled work/fee earner</b>	41,222	42,695	(3.5%)

The number of new clients taken on by the group has decreased, reflecting the group's objective to be selective and only take in higher quality work.

**ON BEHALF OF THE BOARD:**

A S Gupta - Director

23rd December 2022

**REPORT OF THE DIRECTORS**

**for the Year Ended 31st March 2022**

The directors present their report with the financial statements of the company and the group for the year ended 31st March 2022.

**DIVIDENDS**

During the period ordinary dividends were paid amounting to £150,000 (2021: £Nil).

**FUTURE DEVELOPMENTS**

The group remains the leading Civil Legal Aid provider in England & Wales and continues to focus on revenue generation from private client work. The group is well established in London and throughout England & Wales. This consolidation of the nationwide business model continues to maintain profitability and the group has coped well with the challenging business landscape as a result of Covid-19 and other recent external factors. The group has taken on additional staff subsequently and is looking to rationalise its office space after offering staff hybrid working opportunities. The group will continue to provide support to its employees to excel in their field of work in achieving Law Society panel status and/or recognition through their departments or as individuals in the Legal 500 and the Chambers Directory. The group remains committed to training a new generation of lawyers by offering up to 100 training contracts at any given time.

**Disabled employees**

The group's policy is to give full consideration to suitable applications for the employment of disabled persons. Disabled employees are eligible to participate in all career development opportunities available to staff. Opportunities exist for employees of the group who become disabled to continue in their employment.

**Greenhouse gas emissions, energy consumption and energy efficiency action**

**Environmental performance strategy**

Our environmental impacts include the use of natural resources, the consumption of energy and water, the production of a variety of waste, as well as staff and visitor travel. The table below shows the breakdown of greenhouse gas emissions for the current and previous year.

	2022	2022	2021	2021
	mWh	CO2/ton	mWh	CO2/ton
Electricity & Gas	456	103	645	141
Transport, Diesel & Business Mileage	26	3	22	6
	<u>482</u>	<u>106</u>	<u>667</u>	<u>146</u>
Emissions intensity CO2e per full time equivalent employee		0.22		0.34

**Quantification and reporting methodology**

We quantify and report our organisational GHG emissions according to the Green House Protocol using UK Government 2020 and 2019 conversion factors.

**Measures taken to improve energy efficiency**

We have installed smart meters across some sites and we are looking to install them in other branches in the nearest future. The company has recently increased video conferencing technology for staff meetings, to reduce the need for travel between sites. Our Head Office in Harrow on the Hill, our largest electricity-consuming site has the new, energy efficient lightening system installed



**REPORT OF THE DIRECTORS**

**for the Year Ended 31st March 2022**

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**DIRECTORS**

The directors shown below have held office during the whole of the period from 1st April 2021 to the date of this report.

V Appalakondiah

B Ata

M K Atwal

A H Aydeed

T Aziz

L Bhunndoo

J C Bruce

B Chikwe

D Cowie

N De Freitas

S De Silva

H S Dhaliwal

S V Fretten

R Gray

A S Gupta

F Hakim

D M Head

T Hossain

N Joshi

M Kumari

J M Leslie

A Lewis

R Mahey

A Majeed

E Mehmet

A Naseem

A Okumah

J R Packer

K Parmar

S S Ponnada

S T H Rafique

V Ramkissoo

C Roche

G L P Rothwell

S Shah

V Templeton

R Thomas

K K Walker

R Wallace

L Winarskie

A Winfield

**REPORT OF THE DIRECTORS**

**for the Year Ended 31st March 2022**

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**DIRECTORS - continued**

Other changes in directors holding office are as follows:

G A De Freitas - appointed 6th December 2021

V Gami - appointed 4th January 2022

R Jagdev - appointed 1st November 2021

N Khan - appointed 4th January 2022

D Middleton - appointed 4th January 2022

G Nagy - resigned 14th January 2022

G Pentcheva - appointed 4th January 2022

C Ryan - appointed 4th January 2022

Ms N Khakhar - resigned 4th February 2022

S S Gupta - appointed 1st October 2021

Ms B Adusei - resigned 17th December 2021

Mr A Peebles - resigned 20th August 2021

Mr A Yalchin - resigned 5th November 2021

G Amare , G Lynch , G Nagy , S K Sahota , A Sandhai and P Somel were appointed as directors after 31st March 2022 but prior to the date of this report.

Mr R Italia , Mr A Masolo , Ms R Caswell and Ms Z E Duszynska ceased to be directors after 31st March 2022 but prior to the date of this report.

**ENGAGEMENT WITH EMPLOYEES**

The group is the first law firm to achieve the IIP Gold Standard, and the group is committed to its employees through continuous investment in training and development. The group involves all employees in the performance and development of its business, its approach to employee development offers continual challenges in the job, learning opportunities and personal development.

**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The directors are responsible for preparing the Group Strategic Report, the Report of the Directors 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), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and the group 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 accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

**REPORT OF THE DIRECTORS**

**for the Year Ended 31st March 2022**

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**STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS**

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the group's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the group's auditors are aware of that information.

**AUDITORS**

Nyman Lisbon Paul LLP resigned as auditors and Xeinadin Audit Limited has been appointed in succession. In accordance with section 485 of the Companies Act 2006, Xeinadin Audit Limited will be proposed for reappointment.

**ON BEHALF OF THE BOARD:**

A S Gupta - Director

23rd December 2022

## **REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF DUNCAN LEWIS SOLICITORS LIMITED**

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### **Opinion**

We have audited the financial statements of Duncan Lewis Solicitors Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31st March 2022 which comprise the Consolidated Profit and Loss Account, Consolidated Statement of Financial Position, Company Statement of Financial Position, Consolidated Statement of Changes in Equity, Company Statement of Changes in Equity, Consolidated Statement of Cash Flows and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent company affairs as at 31st 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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the group 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 the 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.

### **Other information**

The directors are responsible for the other information. The other information comprises the information in the Group Strategic Report and the Report of the Directors, but does not include the financial statements and our Report of the Auditors 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.

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 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.

## **REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF DUNCAN LEWIS SOLICITORS LIMITED**

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### **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 Group Strategic Report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Group Strategic Report and the Report of the Directors 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 its environment obtained in the course of the audit, we have not identified material misstatements in the Group Strategic Report or the Report of the Directors.

We have nothing to report in respect of the following matters where 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 Statement of Directors' Responsibilities set out on page eight, 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 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 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 group or the parent company or to cease operations, or have no realistic alternative but to do so.

## **REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF DUNCAN LEWIS SOLICITORS LIMITED**

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### **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 a Report of the Auditors 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.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

### **Identifying and assessing potential risks related to irregularities**

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

- The nature of the industry and sector, control environment and business performance including the company's remuneration policies, key drivers for directors remuneration, bonus levels and performance targets;
- Results of the enquiries of management about their own identification and assessment of the risks of irregularities;
- Any matters we have identified having obtained and reviewed the company's documentation of their policies and procedures relating to:
  - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non compliance;
  - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud;
  - the internal controls established to mitigate risks of fraud or non-compliance with laws and regulations;
  - the matters discussed among the audit engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud and identified the greatest potential for fraud in the following areas: timing of recognition of income and valuation of unbilled work. In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override.

We also obtained an understanding of the legal and regulatory frameworks that the company operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included UK Companies Act, employment law, health and safety, pensions legislation and tax legislation.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate or to avoid a material penalty.

### **Audit response to risks identified**

Our procedures to respond to risks identified included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- enquiring of management concerning actual and potential litigation and claims;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- reading minutes of meetings of those charged with governance and reviewing correspondence with HMRC; and
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

## **REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF DUNCAN LEWIS SOLICITORS LIMITED**

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

No instances of material non-compliance were identified. However, the likelihood of detecting irregularities, including fraud, is limited by the inherent difficulty in detecting irregularities, the effectiveness of the entity's controls, and the nature, timing and extent of the audit procedures performed. Irregularities that result from fraud might be inherently more difficult to detect than irregularities that result from error. As explained above, there is an unavoidable risk that material misstatements may not be detected, even though the audit has been planned and performed in accordance with ISAs (UK).

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

### **Use of our report**

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

Richard Lloyd (Senior Statutory Auditor)  
for and on behalf of Xeinadin Audit Limited  
1 City Road East  
Manchester  
M15 4PN

23rd December 2022

**CONSOLIDATED PROFIT AND LOSS ACCOUNT**

for the Year Ended 31st March 2022

	Notes	2022 £	2021 £
<b>TURNOVER</b>	4	<b>25,601,706</b>	24,669,681
Cost of sales		<u>(18,186,314)</u>	<u>(16,050,004)</u>
<b>GROSS PROFIT</b>		<b>7,415,392</b>	8,619,677
Administrative expenses		<u>(6,095,066)</u>	<u>(7,153,709)</u>
		<b>1,320,326</b>	1,465,968
Other operating income	5	<u>660,585</u>	266,209
<b>OPERATING PROFIT</b>	7	<b>1,980,911</b>	1,732,177
Interest receivable and similar income		<u>13,574</u>	18,175
		<b>1,994,485</b>	1,750,352
Interest payable and similar expenses	8	<u>(239,665)</u>	<u>(263,577)</u>
<b>PROFIT BEFORE TAXATION</b>		<b>1,754,820</b>	1,486,775
Tax on profit	9	<u>(391,353)</u>	<u>(308,811)</u>
<b>PROFIT FOR THE FINANCIAL YEAR</b>		<b>1,363,467</b>	1,177,964
<b>OTHER COMPREHENSIVE INCOME/(LOSS)</b>			
Currency translation differences		14,252	(22,150)
Income tax relating to other comprehensive income/(loss)		-	-
<b>OTHER COMPREHENSIVE INCOME/(LOSS)</b>			
<b>FOR THE YEAR, NET OF INCOME TAX</b>		<u>14,252</u>	<u>(22,150)</u>
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		<u><b>1,377,719</b></u>	<u>1,155,814</u>
Profit attributable to:			
Owners of the parent		<u>1,363,467</u>	<u>1,177,964</u>
Total comprehensive income attributable to:			
Owners of the parent		<u><b>1,377,719</b></u>	<u>1,155,814</u>

The notes form part of these financial statements



**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

31st March 2022

		<b>2022</b>	<b>2021</b>
	Notes	£	£
<b>FIXED ASSETS</b>			
Tangible assets	12	942,090	875,516
Investments	13	-	-
		<u>942,090</u>	<u>875,516</u>
<b>CURRENT ASSETS</b>			
Debtors	14	21,144,021	20,506,169
Cash at bank and in hand		<u>2,860,878</u>	<u>1,833,462</u>
		24,004,899	22,339,631
<b>CREDITORS</b>			
Amounts falling due within one year	15	<u>(8,576,143)</u>	<u>(6,635,774)</u>
<b>NET CURRENT ASSETS</b>		<u>15,428,756</u>	<u>15,703,857</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>16,370,846</u>	<u>16,579,373</u>
<b>CREDITORS</b>			
Amounts falling due after more than one year	16	(4,631,773)	(6,161,723)
<b>PROVISIONS FOR LIABILITIES</b>	20	<u>(186,137)</u>	<u>(92,433)</u>
<b>NET ASSETS</b>		<u>11,552,936</u>	<u>10,325,217</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	21	100,000	100,000
Foreign exchange reserve	22	(42,626)	(56,878)
Retained earnings	22	<u>11,495,562</u>	<u>10,282,095</u>
<b>SHAREHOLDERS' FUNDS</b>		<u>11,552,936</u>	<u>10,325,217</u>

The financial statements were approved by the Board of Directors and authorised for issue on 23rd December 2022 and were signed on its behalf by:

A S Gupta - Director

**COMPANY STATEMENT OF FINANCIAL POSITION**

**31st March 2022**

		<b>2022</b>	<b>2021</b>
	<b>Notes</b>	<b>£</b>	<b>£</b>
<b>FIXED ASSETS</b>			
Tangible assets	12	<b>877,041</b>	819,923
Investments	13	<b>1,200</b>	1,200
		<b>878,241</b>	821,123
<b>CURRENT ASSETS</b>			
Debtors	14	<b>21,155,138</b>	20,524,738
Cash at bank and in hand		<b>2,858,870</b>	1,781,032
		<b>24,014,008</b>	22,305,770
<b>CREDITORS</b>			
Amounts falling due within one year	15	<b>(8,593,830)</b>	(6,599,388)
<b>NET CURRENT ASSETS</b>		<b>15,420,178</b>	15,706,382
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>16,298,419</b>	16,527,505
<b>CREDITORS</b>			
Amounts falling due after more than one year	16	<b>(4,631,773)</b>	(6,161,723)
<b>PROVISIONS FOR LIABILITIES</b>	20	<b>(186,137)</b>	(92,433)
<b>NET ASSETS</b>		<b>11,480,509</b>	10,273,349
<b>CAPITAL AND RESERVES</b>			
Called up share capital	21	<b>100,000</b>	100,000
Retained earnings	22	<b>11,380,509</b>	10,173,349
<b>SHAREHOLDERS' FUNDS</b>		<b>11,480,509</b>	10,273,349
Company's profit for the financial year		<b>1,357,160</b>	1,150,159

The financial statements were approved by the Board of Directors and authorised for issue on 23rd December 2022 and were signed on its behalf by:

A S Gupta - Director

The notes form part of these financial statements

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

for the Year Ended 31st March 2022

	Called up share capital £	Retained earnings £	Foreign exchange reserve £	Total equity £
<b>Balance at 1st April 2020</b>	100,000	9,104,131	(34,728)	9,169,403
Profit for the year	-	1,177,964	-	1,177,964
Other comprehensive income	-	-	(22,150)	(22,150)
Total comprehensive income	-	1,177,964	(22,150)	1,155,814
<b>Balance at 31st March 2021</b>	100,000	10,282,095	(56,878)	10,325,217
Profit for the year	-	1,363,467	-	1,363,467
Other comprehensive income	-	-	14,252	14,252
Total comprehensive income	-	1,363,467	14,252	1,377,719
Dividends	-	(150,000)	-	(150,000)
<b>Balance at 31st March 2022</b>	100,000	11,495,562	(42,626)	11,552,936

The notes form part of these financial statements

**COMPANY STATEMENT OF CHANGES IN EQUITY**

for the Year Ended 31st March 2022

	Called up share capital £	Retained earnings £	Total equity £
<b>Balance at 1st April 2020</b>	100,000	9,023,190	9,123,190
Profit for the year	-	1,150,159	1,150,159
Total comprehensive income	-	1,150,159	1,150,159
<b>Balance at 31st March 2021</b>	100,000	10,173,349	10,273,349
Profit for the year	-	1,357,160	1,357,160
Total comprehensive income	-	1,357,160	1,357,160
Dividends	-	(150,000)	(150,000)
<b>Balance at 31st March 2022</b>	100,000	11,380,509	11,480,509

The notes form part of these financial statements

**CONSOLIDATED STATEMENT OF CASH FLOWS**

for the Year Ended 31st March 2022

		<b>2022</b>	<b>2021</b>
	Notes	£	£
<b>Cash flows from operating activities</b>			
Cash generated from operations	25	2,654,989	2,898,904
Tax paid		(200,242)	(619,127)
Foreign exchange differences		14,252	(18,344)
Net cash from operating activities		<u>2,468,999</u>	<u>2,261,433</u>
<b>Cash flows from investing activities</b>			
Purchase of tangible fixed assets		(123,804)	(103,996)
Sale of tangible fixed assets		4,461	444
Interest received		13,574	18,175
Net cash from investing activities		<u>(105,769)</u>	<u>(85,377)</u>
<b>Cash flows from financing activities</b>			
New loans in year		-	1,791,734
Loan repayments in year		(605,622)	(989,647)
Repayment of finance leases		(120,989)	(126,052)
Interest paid		(231,979)	(266,233)
HP interest paid		(7,686)	(4,918)
Equity dividends paid		(150,000)	-
Net cash from financing activities		<u>(1,116,276)</u>	<u>404,884</u>
<b>Increase in cash and cash equivalents</b>		<u>1,246,954</u>	<u>2,580,940</u>
<b>Cash and cash equivalents at beginning of year</b>	26	1,613,924	(967,016)
<b>Cash and cash equivalents at end of year</b>	26	<u>2,860,878</u>	<u>1,613,924</u>

The notes form part of these financial statements

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

for the Year Ended 31st March 2022

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**1. STATUTORY INFORMATION**

Duncan Lewis Solicitors Limited ("the Company") and its subsidiaries (together "the Group") provide legal services to clients for legal aid, certificated and private cases.

The Company is a private company limited by shares and incorporated in England & Wales. Its registered office address and principal place of business is Sackville House, 143 -149 Fenchurch Street, London EC3M 6BN.

**2. ACCOUNTING POLICIES**

**Basis of preparing the financial statements**

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

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

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

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Comprehensive Income in these financial statements.

The following principal accounting policies have been applied:

**Basis of consolidation**

The consolidated financial statements present the results of the company and its own subsidiaries ("the Group") as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the Statement of Financial Position, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the Consolidated Statement of Comprehensive Income from the date on which control is obtained. They are deconsolidated from the date control ceases.

**Going concern**

The Group meets its day to day working capital requirements through its bank facilities.

After reviewing the Group's forecasts and projections, the directors consider that the Group has adequate resources to continue in operational existence for the foreseeable future. The Group therefore continues to adopt the going concern basis in preparing its financial statements.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued**

**for the Year Ended 31st March 2022**

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**2. ACCOUNTING POLICIES - continued**

**Revenue recognition**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

Revenue principally consists of income relating to the provision of legal services to clients for legal aid, certificated and private clients.

The following criteria must also be met before revenue is recognised:

**Professional services**

Revenue arising from professional services is recognised as the services are provided, assessed at fair value.

**Contingent fee arrangements**

On matters where the Group provides services on a contingent fee arrangement basis, revenue is recognised only when it is certain that the Group is due to receive the fees.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued**

for the Year Ended 31st March 2022

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**2. ACCOUNTING POLICIES - continued**

**Tangible fixed assets**

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

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives.

Depreciation is provided on the following basis:

Long-term leasehold property	- Straight line over the period of the lease
Plant and machinery	- 20% reducing balance or straight line
Motor vehicles	- 25% reducing balance

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

**Derecognition**

Tangible fixed assets are derecognised on disposal or when no future economic benefits are expected. On disposal, the difference between the net disposal proceeds and the carrying amount is recognised through profit or loss.

**Impairment of non-financial assets**

At each reporting date non-financial assets that are not carried at fair value are assessed to determine whether there is any indication that those assets have suffered an impairment loss. If there is an indication of possible impairment, the recoverable amount of any affected asset is estimated and compared with its carrying amount. If the estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately through profit or loss.

If an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but not in excess of the amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately through profit or loss.

**Government grants**

Government grants received are in respect of the Coronavirus Retention Scheme and Kickstart Scheme and are credited to the Statement of Comprehensive Income in the same period as the related expenditure is incurred.



**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued**

**for the Year Ended 31st March 2022**

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**2. ACCOUNTING POLICIES - continued**

**Financial instruments**

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

Debt instruments that are payable or receivable within one year, typically trade payables or receivables, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration, expected to be paid or received.

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

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Group would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position when there is an 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.

**Current and deferred taxation**

The tax expense for the year comprises current and deferred tax.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the group operates and generates income.

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

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and

- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have met.

Deferred tax balances are not recognised in respect of permanent differences. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued**

for the Year Ended 31st March 2022

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**2. ACCOUNTING POLICIES - continued**

**Foreign currencies**

**Functional and presentation currency**

The company's functional and presentational currency is GBP.

**Transactions and balances**

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Consolidated Statement of Comprehensive Income within 'finance income or costs'. All other foreign exchange gains and losses are presented in profit or loss within 'other operating income'.

On consolidation, the results of overseas operations are translated into Sterling at rates approximating to those ruling when the transactions took place. All assets and liabilities of overseas operations are translated at the rate ruling at the reporting date. Exchange differences arising on translating the opening net assets at opening rate and the results of overseas operations at actual rate are recognised in other comprehensive income.

**Leased assets**

**Financed leased assets**

Leases of assets that transfer substantially all the risks and rewards incidental to ownership are classified as finance leases.

Finance leases are capitalised at commencement of the lease at the fair value of the leased asset or, if lower, the present value of the minimum lease payments calculated using the interest rate implicit in the lease. Where the implicit rate cannot be determined, the company's incremental borrowing rate is used. Incremental direct costs, incurred in negotiating and arranging the lease, are included in the cost of the asset.

Assets are depreciated over the shorter of the lease term and the estimate useful life of the asset. Assets are assessed for impairment at each reporting date.

The capital element of the lease obligations is recorded as a liability on inception of the arrangement. Lease payments are apportioned between capital repayment and finance charge, using the effective interest method, to produce a constant rate of charge on the balance of capital repayments outstanding.

**Operating leased assets**

Leases that do not transfer all of the risks and rewards of ownership are classified as operating leases. Payments under operating leases are charged to profit or loss on a straight-line basis over the period of the lease.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued**

**for the Year Ended 31st March 2022**

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**2. ACCOUNTING POLICIES - continued**

**Defined contribution pension plan**

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

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

**Finance costs**

**Bank overdraft**

Finance costs incurred on bank overdrafts are recognised through profit and loss in the period in which they are charged.

**Bank loans**

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

**Trade and other debtors**

Short term debtors are measured at transaction price, less any impairment.

Amounts due arising from work performed that have been invoiced as at the reporting date are disclosed as 'trade debtors'. Amounts due that have not been invoiced at the reporting date are disclosed as 'unbilled work'.

**Trade and other creditors**

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

**Cash and cash equivalents**

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

In the Consolidated Statement of Cash Flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Group's cash management.

**Related party transactions**

The Group discloses transactions with related parties.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued

for the Year Ended 31st March 2022

## 3. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

**Tangible fixed assets**

Tangible fixed assets are depreciated over their useful lives taking into account residual values where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending upon a number of factors. In re-assessing the assets' lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account.

**Impairment of debtors**

The Group makes an estimate of the recoverable value of trade debtors and unbilled work. When assessing impairment, management considers factors including the potential for an under recovery on legal cases and also where additional time has been billed to a case which has been concluded.

## 4. TURNOVER

The turnover and profit before taxation are attributable to the one principal activity of the group.

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

	2022 £	2021 £
Professional services	<b>25,601,706</b>	24,669,681
	<b>25,601,706</b>	24,669,681

## 5. OTHER OPERATING INCOME

	2022 £	2021 £
Government grants	<b>660,585</b>	266,209

## 6. EMPLOYEES AND DIRECTORS

Staff costs, including directors' remuneration, were as follows:

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Wages and salaries	<b>14,063,718</b>	12,892,762	<b>13,594,081</b>	12,481,242
Social security costs	<b>1,150,719</b>	1,037,644	<b>1,150,719</b>	1,037,644
Cost of defined contribution scheme	<b>280,218</b>	265,786	<b>280,218</b>	265,786
	<b>15,494,655</b>	14,196,192	<b>15,025,018</b>	13,784,672

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued

for the Year Ended 31st March 2022

The average number of employees, including directors, during the year was as follows:

			Group 2022	Group 2021	Company 2022	Company 2021
	£	£	£	£		
Employees			<u>609</u>	<u>551</u>	<u>476</u>	<u>432</u>
Directors' remuneration						

			2022	2021
	£	£		
Directors' remuneration			<u>3,296,688</u>	<u>3,054,274</u>

The highest paid director received remuneration of £109,960 (2021: £148,344).

**Key management personnel**

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

	2022	2021
	£	£
Salaries and benefits	3,805,611	3,522,441
Paid to third parties	-	53,307
	<u>3,805,611</u>	<u>3,575,748</u>

**7. OPERATING PROFIT**

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

	2022	2021
	£	£
Hire of plant and machinery	140,526	340,395
Other operating leases	672,421	888,264
Depreciation - owned assets	203,677	216,204
(Profit)/loss on disposal of fixed assets	(75,389)	155,134
Auditors' remuneration	28,000	22,000
Auditors' remuneration for non audit work	9,750	11,250
Foreign exchange differences	<u>24,515</u>	<u>(7,164)</u>

**8. INTEREST PAYABLE AND SIMILAR EXPENSES**

	2022	2021
	£	£
Bank overdraft interest	2,633	36,461
Bank loan interest	224,081	215,144
Other interest paid	5,265	7,054
Hire purchase	<u>7,686</u>	<u>4,918</u>
	<u>239,665</u>	<u>263,577</u>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued

for the Year Ended 31st March 2022

## 9. TAXATION

**Analysis of the tax charge**

The tax charge on the profit for the year was as follows:

	2022 £	2021 £
Current tax:		
UK corporation tax	292,015	296,065
Corporation tax prior years	-	12,031
Foreign taxation	5,633	6,202
Total current tax	297,648	314,298
Deferred tax	93,705	(5,487)
Tax on profit	391,353	308,811

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

The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The difference is explained below:

	2022 £	2021 £
Profit before tax	1,754,820	1,486,775
Profit multiplied by the standard rate of corporation tax in the UK of 19 % (2021 - 19 %)	333,416	282,487
Effects of:		
Expenses not deductible for tax purposes	2,096	7,344
Adjustments to tax charge in respect of previous periods	(599)	12,031
Depreciation on ineligible assets	3,845	7,208
Higher rate taxes on overseas earnings	(2,634)	(259)
Superdeduction on assets	(11,444)	-
Change in tax rate	44,674	-
Other	21,999	-
Total tax charge	391,353	308,811

**Tax effects relating to effects of other comprehensive income**

	2022 Gross £	2022 Tax £	Net £
Currency translation differences	14,252	-	14,252

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued

for the Year Ended 31st March 2022

## 9. TAXATION - continued

	Gross £	2021 Tax £	Net £
Currency translation differences	<u>(22,150)</u>	<u>-</u>	<u>(22,150)</u>

## 10. INDIVIDUAL PROFIT AND LOSS ACCOUNT

As permitted by Section 408 of the Companies Act 2006, the Profit and Loss Account of the parent company is not presented as part of these financial statements.

## 11. DIVIDENDS

During the period ordinary dividends were paid amounting to £150,000 (2021: £Nil).

## 12. TANGIBLE FIXED ASSETS

## Group

	Leasehold improvements £	Plant and machinery £	Motor vehicles £	Totals £
<b>COST</b>				
At 1st April 2021	539,549	1,423,223	17,460	1,980,232
Additions	4,555	262,461	19,706	286,722
Disposals	-	(79,720)	(17,460)	(97,180)
At 31st March 2022	<u>544,104</u>	<u>1,605,964</u>	<u>19,706</u>	<u>2,169,774</u>
<b>DEPRECIATION</b>				
At 1st April 2021	411,449	679,426	13,841	1,104,716
Charge for year	20,236	180,262	3,179	203,677
Eliminated on disposal	-	(66,563)	(14,146)	(80,709)
At 31st March 2022	<u>431,685</u>	<u>793,125</u>	<u>2,874</u>	<u>1,227,684</u>
<b>NET BOOK VALUE</b>				
At 31st March 2022	<u>112,419</u>	<u>812,839</u>	<u>16,832</u>	<u>942,090</u>
At 31st March 2021	<u>128,100</u>	<u>743,797</u>	<u>3,619</u>	<u>875,516</u>

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

	£	£	2022	2021
Plant and machinery			<u>294,415</u>	<u>365,065</u>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued

for the Year Ended 31st March 2022

## 12. TANGIBLE FIXED ASSETS - continued

Company	Leasehold improvements £	Plant and machinery £	Motor vehicles £	Totals £
<b>COST</b>				
At 1st April 2021	539,549	1,333,738	17,460	1,890,747
Additions	4,555	234,402	19,706	258,663
Disposals	-	(78,720)	(17,460)	(96,180)
At 31st March 2022	<u>544,104</u>	<u>1,489,420</u>	<u>19,706</u>	<u>2,053,230</u>
<b>DEPRECIATION</b>				
At 1st April 2021	411,449	645,534	13,841	1,070,824
Charge for year	20,236	162,659	3,179	186,074
Eliminated on disposal	-	(66,563)	(14,146)	(80,709)
At 31st March 2022	<u>431,685</u>	<u>741,630</u>	<u>2,874</u>	<u>1,176,189</u>
<b>NET BOOK VALUE</b>				
At 31st March 2022	<u>112,419</u>	<u>747,790</u>	<u>16,832</u>	<u>877,041</u>
At 31st March 2021	<u>128,100</u>	<u>688,204</u>	<u>3,619</u>	<u>819,923</u>

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

	£	£	2022	2021
Plant and machinery			<u>294,415</u>	<u>365,065</u>

## 13. FIXED ASSET INVESTMENTS

Company	Shares in group undertakings £
<b>COST</b>	
At 1st April 2021 and 31st March 2022	<u>1,200</u>
<b>NET BOOK VALUE</b>	
At 31st March 2022	<u>1,200</u>
At 31st March 2021	<u>1,200</u>



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued

for the Year Ended 31st March 2022

## 13. FIXED ASSET INVESTMENTS - continued

The following were subsidiary undertakings of the company:

Name	Country of incorporation	Class of shares	Holding	Principal Activity
Vertico BPO Private Limited	India	Ordinary	99.99%	Back office support

The registered office for the above company is 2nd & 3rd Floor, H.I.G. 6/A, fifth Phase, KPHB Colony, Kukatpally, Hyderabad, Telangana, India, 500085.

All above company has been included in these consolidated financial statements.

## 14. DEBTORS

	Group		Company	
	2022	2021	2022	2021
	£	£	£	£
Amounts falling due within one year:				
Trade debtors	1,912,203	1,139,104	1,912,203	1,139,104
Amounts owed by group undertakings	-	-	55,000	55,000
Unbilled work	16,175,596	16,638,519	16,175,596	16,638,519
Other debtors	134,959	77,154	91,076	40,723
Directors' current accounts	158,986	232,118	158,986	232,118
Prepayments	881,077	486,638	881,077	486,638
	<u>19,262,821</u>	<u>18,573,533</u>	<u>19,273,938</u>	<u>18,592,102</u>
Amounts falling due after more than one year:				
Unbilled work	1,797,288	1,848,724	1,797,288	1,848,724
Other debtors	83,912	83,912	83,912	83,912
	<u>1,881,200</u>	<u>1,932,636</u>	<u>1,881,200</u>	<u>1,932,636</u>
Aggregate amounts	<u>21,144,021</u>	<u>20,506,169</u>	<u>21,155,138</u>	<u>20,524,738</u>

Trade debtors and unbilled work are stated after provisions for impairment of £1,996,987 (2021: £1,850,367).

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued

for the Year Ended 31st March 2022

## 15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2022	2021	2022	2021
	£	£	£	£
Bank loans and overdrafts (see note 17)	1,426,321	721,902	1,426,321	721,902
Hire purchase contracts (see note 18)	157,871	115,571	157,871	115,571
Trade creditors	3,966,215	3,054,927	4,027,318	3,059,191
Tax	435,577	338,171	429,500	332,219
Social security and other taxes	598,354	647,072	598,354	647,072
VAT	508,069	757,683	508,069	757,683
Other creditors	1,045,674	906,783	1,008,335	872,085
Accrued expenses	438,062	93,665	438,062	93,665
	<u>8,576,143</u>	<u>6,635,774</u>	<u>8,593,830</u>	<u>6,599,388</u>

The bank loans and overdraft are secured by a debenture creating a fixed and floating charge over the assets of the company and a personal guarantee given by AS Gupta, limited to £1 m.

Amounts due in respect of finance leases and hire purchase contracts are secured on the underlying assets.

## 16. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Group		Company	
	2022	2021	2022	2021
	£	£	£	£
Bank loans (see note 17)	4,420,035	5,949,614	4,420,035	5,949,614
Hire purchase contracts (see note 18)	211,738	212,109	211,738	212,109
	<u>4,631,773</u>	<u>6,161,723</u>	<u>4,631,773</u>	<u>6,161,723</u>

The bank loans and overdraft are secured by a debenture creating a fixed and floating charge over the assets of the company and a personal guarantee given by AS Gupta, limited to £1 m.

Amounts due in respect of finance leases and hire purchase contracts are secured on the underlying assets.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued

for the Year Ended 31st March 2022

## 17. LOANS

An analysis of the maturity of loans is given below:

	Group		Company	
	2022	2021	2022	2021
	£	£	£	£
Amounts falling due within one year or on demand:				
Bank overdrafts	-	219,538	-	219,538
Secured bank loans and overdrafts	<u>1,426,321</u>	<u>502,364</u>	<u>1,426,321</u>	<u>502,364</u>
	<u>1,426,321</u>	<u>721,902</u>	<u>1,426,321</u>	<u>721,902</u>
Amounts falling due between one and two years:				
Secured bank loans	<u>1,588,085</u>	<u>2,243,199</u>	<u>1,588,085</u>	<u>2,243,199</u>
Amounts falling due between two and five years:				
Secured bank loans	<u>2,831,950</u>	<u>1,452,366</u>	<u>2,831,950</u>	<u>1,452,366</u>
Amounts falling due in more than five years:				
Repayable by instalments				
Bank loans more 5 yr by instal	<u>-</u>	<u>2,254,049</u>	<u>-</u>	<u>2,254,049</u>

Amounts falling due after more than five years are repayable by installments. Interest is calculated at 4% (2021: 4%) above LIBOR

## 18. LEASING AGREEMENTS

Minimum lease payments fall due as follows:

Group	Hire purchase contracts	
	2022	2021
	£	£
Net obligations repayable:		
Within one year	157,871	115,571
Between one and five years	<u>211,738</u>	<u>212,109</u>
	<u>369,609</u>	<u>327,680</u>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued

for the Year Ended 31st March 2022

## 18. LEASING AGREEMENTS - continued

## Company

	Hire purchase contracts 2022 £	2021 £
Net obligations repayable:		
Within one year	157,871	115,571
Between one and five years	211,738	212,109
	<u>369,609</u>	<u>327,680</u>

At 31 March 2022 the Group and the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

<u>Land and Buildings</u>	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Not later than 1 year	792,505	595,504	792,505	595,504
Later than 1 year and not later than 5 years	2,738,218	2,133,418	2,738,218	2,133,418
Later than 5 years	2,520,254	2,183,041	2,520,254	2,183,041
	<u>6,050,977</u>	<u>4,911,963</u>	<u>6,050,977</u>	<u>4,911,963</u>
<u>Other</u>	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Not later than 1 year	187,893	270,700	187,893	270,700
Later than 1 year and not later than 5 years	173,636	369,231	173,636	369,231
	<u>361,529</u>	<u>639,931</u>	<u>361,529</u>	<u>639,931</u>

## 19. FINANCIAL INSTRUMENTS

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
<b>Financial assets</b>				
Financial instruments that are debt instruments measured at amortised cost	<u>1,999,404</u>	<u>1,935,014</u>	<u>2,010,521</u>	<u>1,953,583</u>
<b>Financial liabilities</b>				
Financial liabilities measured at amortised cost	<u>(10,182,180)</u>	<u>(10,054,123)</u>	<u>(10,243,283)</u>	<u>(10,058,387)</u>
Financial assets measured at amortised cost comprise trade debtors and certain other debtors.				

Financial liabilities measured at amortised cost comprise bank loans and overdrafts, net obligations under finance leases, trade creditors and certain other creditors.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued

for the Year Ended 31st March 2022

## 20. PROVISIONS FOR LIABILITIES

	Group		Company	
	2022	2021	2022	2021
	£	£	£	£
Deferred tax	<u>186,137</u>	<u>92,433</u>	<u>186,137</u>	<u>92,433</u>
<b>Group</b>				
				Deferred tax
				£
Balance at 1st April 2021				92,433
Provided during year				49,031
Due to change in tax rate				44,673
Balance at 31st March 2022				<u>186,137</u>
<b>Company</b>				
				Deferred tax
				£
Balance at 1st April 2021				92,433
Provided during year				49,031
Due to change in tax rate				44,673
Balance at 31st March 2022				<u>186,137</u>

## 21. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:				
Number:	Class:	Nominal value:	2022	2021
			£	£
10,000,000	Ordinary	0.01	<u>100,000</u>	<u>100,000</u>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued

for the Year Ended 31st March 2022

## 22. RESERVES

## Group

	Retained earnings £	Foreign exchange reserve £	Totals £
At 1st April 2021	10,282,095	(56,878)	10,225,217
Profit for the year	1,363,467		1,363,467
Dividends	(150,000)		(150,000)
Current year movement	-	14,252	14,252
At 31st March 2022	<u>11,495,562</u>	<u>(42,626)</u>	<u>11,452,936</u>

## Company

	Retained earnings £
At 1st April 2021	10,173,349
Profit for the year	1,357,160
Dividends	<u>(150,000)</u>
At 31st March 2022	<u>11,380,509</u>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued**

**for the Year Ended 31st March 2022**

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**23. RELATED PARTY DISCLOSURES**

During the year, Ickston Limited, a company of which S Ponnada is a director, received consultancy fees of £Nil (2021: £9,149) from the company. At the reporting date, the company was owed £147 (2021: £147) by Ickston Limited.

During the year, Domville Properties Limited, a company of which a close family member of A S Gupta is a director, received property maintenance fees of £Nil (2021: £81,450) from the company. At the reporting date, the company owed £Nil (2021: £10,500) to Domville Properties Limited.

During the year, Singlesaint Limited, a company of which a close family member of A S Gupta is a director, received professional fees of £Nil (2021: £4,525) from the company. At the reporting date, the company was owed £425 (2021: £75 was owed by the company) to Singlesaint Limited.

At the reporting date, the company was owed £206,744 (2021: £232,118) by A S Gupta, a director of the company, and a close family member.

The company's bank loans and overdraft are secured, in part, by a charge over life policies in respect of A S Gupta.

M S Bharj is a member of the company's key management personnel. He is a director of Kingsley Brackmann Limited and Pennyviews Limited. In addition, members of his close family are directors of Kingsley Professional Services Limited, Legal Costing Services Limited, Cost Law Services Limited and Docsol Limited. During the year the company was charged fees by these companies, as follows:

Kingsley Brackmann Limited £Nil (2021: £41,300);  
Kingsley Professional Services Limited £645,000 (2021: £545,000);  
Pennyviews Limited £Nil (2021: £17,250);  
Legal Costing Services Limited £272,000 (2021: £333,000);  
Cost Law Services Limited £1,240,000 (2021: £1,126,000);  
Docsol Limited £88,000 (2021: £191,000).

At the reporting date, the following amounts were owed to these companies:

Kingsley Brackmann Limited £Nil (2021: £Nil);  
Kingsley Professional Services Limited £160,429 (2021: £153,602);  
Pennyviews Limited £Nil (2021: £Nil);  
Legal Costing Services Limited £85,013 (2021: £80,613);  
Cost Law Services Limited £221,389 (2021: £251,389);  
Docsol Limited £36,468 (2021: £50,368).

**24. ULTIMATE CONTROLLING PARTY**

The ultimate controlling party is A S Gupta by virtue of his controlling interest in the entity.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued

for the Year Ended 31st March 2022

## 25. RECONCILIATION OF PROFIT BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS

	2022	2021
	£	£
Profit before taxation	1,754,820	1,486,775
Depreciation charges	204,051	299,205
Loss on disposal of fixed assets	11,638	72,133
Finance costs	239,665	263,577
Finance income	(13,574)	(18,175)
	<u>2,196,600</u>	<u>2,103,515</u>
(Increase)/decrease in trade and other debtors	(637,855)	2,634,628
Increase/(decrease) in trade and other creditors	<u>1,096,244</u>	<u>(1,839,239)</u>
<b>Cash generated from operations</b>	<b><u>2,654,989</u></b>	<b><u>2,898,904</u></b>

## 26. CASH AND CASH EQUIVALENTS

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:

## Year ended 31st March 2022

	31/3/22	1/4/21
	£	£
Cash and cash equivalents	2,860,878	1,833,462
Bank overdrafts	-	(219,538)
	<u>2,860,878</u>	<u>1,613,924</u>

## Year ended 31st March 2021

	31/3/21	1/4/20
	£	£
Cash and cash equivalents	1,833,462	-
Bank overdrafts	(219,538)	(967,016)
	<u>1,613,924</u>	<u>(967,016)</u>



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued

for the Year Ended 31st March 2022

## 27. ANALYSIS OF CHANGES IN NET DEBT

	At 1/4/21 £	Cash flow £	New finance leases £	At 31/3/22 £
<b>Net cash</b>				
Cash at bank and in hand	1,833,462	1,027,416	-	2,860,878
Bank overdrafts	(219,538)	219,538	-	-
	<u>1,613,924</u>	<u>1,246,954</u>	<u>-</u>	<u>2,860,878</u>
<b>Debt</b>				
Finance leases	(327,680)	120,875	(162,804)	(369,609)
Debts falling due within 1 year	(502,364)	(923,957)	-	(1,426,321)
Debts falling due after 1 year	(5,949,614)	1,529,579	-	(4,420,035)
	<u>(6,779,658)</u>	<u>726,497</u>	<u>(162,804)</u>	<u>(6,215,965)</u>
<b>Total</b>	<u>(5,165,734)</u>	<u>1,973,451</u>	<u>(162,804)</u>	<u>(3,355,087)</u>

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.