

**Costs Lawyer Standards Board Limited**  
**Unaudited Financial Statements**  
**31 December 2016**

**AGP**

Chartered accountant  
Sycamore House  
Sutton Quays Business Park  
Sutton Weaver  
Runcorn  
Cheshire  
WA7 3EH

# **Costs Lawyer Standards Board Limited**

## **Financial Statements**

**Year ended 31 December 2016**

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# Costs Lawyer Standards Board Limited

## Statement of Financial Position

31 December 2016

	Note	2016 £	£	2015 £
<b>Fixed assets</b>				
Tangible assets	7		2,471	4,114
<b>Current assets</b>				
Debtors	8	2,642		2,902
Cash at bank and in hand		310,756		300,060
		<u>313,398</u>		<u>302,962</u>
<b>Creditors: amounts falling due within one year</b>	9	<u>136,228</u>		<u>135,274</u>
<b>Net current assets</b>			<u>177,170</u>	<u>167,688</u>
<b>Total assets less current liabilities</b>			<u>179,641</u>	<u>171,802</u>
<b>Net assets</b>			<u>179,641</u>	<u>171,802</u>
<b>Capital and reserves</b>				
Called up share capital	10		15,000	15,000
Profit and loss account			164,641	156,802
<b>Members funds</b>			<u>179,641</u>	<u>171,802</u>

These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

In accordance with section 444 of the Companies Act 2006, the statement of income and retained earnings has not been delivered.

For the year ending 31 December 2016 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Directors responsibilities:

- The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476;
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of financial statements.

The statement of financial position  
continues on the following page.  
The notes on pages 3 to 7 form part of these financial statements.

# **Costs Lawyer Standards Board Limited**

## **Statement of Financial Position** *(continued)*

**31 December 2016**

These financial statements were approved by the board of directors and authorised for issue on 25 April 2017, and are signed on behalf of the board by:

S H Winfield  
Director

Company registration number: 04608905

**The notes on pages 3 to 7 form part of these financial statements.**

# Costs Lawyer Standards Board Limited

## Notes to the Financial Statements

### Year ended 31 December 2016

#### 1. General information

The company is a private company limited by shares, registered in England and Wales. The address of the registered office is Sycamore House, Sutton Quays Business Park, Sutton Weaver, Runcorn, Cheshire, WA7 3EH.

#### 2. Statement of compliance

These financial statements have been prepared in compliance with the provisions of FRS 102 Section 1A, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'.

#### 3. Accounting policies

##### Basis of preparation

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through profit or loss.

The financial statements are prepared in sterling, which is the functional currency of the entity.

##### Transition to FRS 102

The entity transitioned from previous UK GAAP to FRS 102 as at 1 January 2015. Details of how FRS 102 has affected the reported financial position and financial performance is given in note 13.

##### Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

##### Revenue recognition

Turnover is measured at the fair value of the consideration received or receivable for goods supplied and services rendered, net of discounts and Value Added Tax.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership have transferred to the buyer (usually on despatch of the goods); the amount of revenue can be measured reliably; it is probable that the associated economic benefits will flow to the entity; and the costs incurred or to be incurred in respect of the transactions can be measured reliably.

##### Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

# Costs Lawyer Standards Board Limited

## Notes to the Financial Statements *(continued)*

### Year ended 31 December 2016

#### 3. Accounting policies *(continued)*

##### Tangible assets *(continued)*

An increase in the carrying amount of an asset as a result of a revaluation, is recognised in other comprehensive income and accumulated in equity, except to the extent it reverses a revaluation decrease of the same asset previously recognised in profit or loss. A decrease in the carrying amount of an asset as a result of revaluation, is recognised in other comprehensive income to the extent of any previously recognised revaluation increase accumulated in equity in respect of that asset. Where a revaluation decrease exceeds the accumulated revaluation gains accumulated in equity in respect of that asset, the excess shall be recognised in profit or loss.

##### Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Fixtures and fittings	-	over 3 years
Equipment	-	over 3 years

##### Financial instruments

The company only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of banks loans which are subsequently measured at amortised cost using the effective interest method.

##### Defined contribution plans

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund.

When contributions are not expected to be settled wholly within 12 months of the end of the reporting date in which the employees render the related service, the liability is measured on a discounted present value basis. The unwinding of the discount is recognised as a finance cost in profit or loss in the period in which it arises.

##### Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

##### Creditors

Short term trade 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.

# Costs Lawyer Standards Board Limited

## Notes to the Financial Statements *(continued)*

### Year ended 31 December 2016

#### 4. Operating profit

Operating profit or loss is stated after charging:

	<b>2016</b>	2015
	£	£
Depreciation of tangible assets	<b><u>2,191</u></b>	<b><u>1,877</u></b>

#### 5. Taxation

No provision for corporation tax has been included in the accounts as the company is a professional association which derives its income from members' subscriptions. As such the directors consider that the company is not carrying on a trade and therefore not liable to corporation tax.

#### 6. Staff costs

The average number of persons employed by the company during the year, including the directors, amounted to 6 (2015: 6).

#### 7. Tangible assets

	Fixtures and fittings £	Equipment £	Total £
<b>Cost</b>			
At 1 January 2016	2,910	6,939	<b>9,849</b>
Additions	168	380	<b>548</b>
<b>At 31 December 2016</b>	<b><u>3,078</u></b>	<b><u>7,319</u></b>	<b><u>10,397</u></b>
<b>Depreciation</b>			
At 1 January 2016	2,352	3,383	<b>5,735</b>
Charge for the year	540	1,651	<b>2,191</b>
<b>At 31 December 2016</b>	<b><u>2,892</u></b>	<b><u>5,034</u></b>	<b><u>7,926</u></b>
<b>Carrying amount</b>			
<b>At 31 December 2016</b>	<b><u>186</u></b>	<b><u>2,285</u></b>	<b><u>2,471</u></b>
At 31 December 2015	<u>558</u>	<u>3,556</u>	<u>4,114</u>

#### 8. Debtors

	<b>2016</b>	2015
	£	£
Prepayments and accrued income	<b><u>2,642</u></b>	<b><u>2,902</u></b>

# Costs Lawyer Standards Board Limited

## Notes to the Financial Statements *(continued)*

### Year ended 31 December 2016

#### 9. Creditors: amounts falling due within one year

	2016	2015
	£	£
Accruals and deferred income	134,973	135,259
Credit card	494	15
Other creditors	761	–
	<u>136,228</u>	<u>135,274</u>

#### 10. Called up share capital

##### Issued, called up and fully paid

	2016		2015	
	No.	£	No.	£
Ordinary shares of £1 each	<u>15,000</u>	<u>15,000</u>	<u>15,000</u>	<u>15,000</u>

#### 11. Related party transactions

The company was under the control of The Association of Law Costs Draftsmen Limited (trading as Association of Costs Lawyers) throughout the current and previous year.

In a previous year, The Association of Law Costs Draftsmen Limited (trading as Association of Costs Lawyers) made a contribution to Costs Lawyer Standards Board Limited of £25,000 towards a joint project for entity regulation and ABS licensing. The amount has been contributed towards the costs of the project and is not expected to be repayable unless Costs Lawyer Standards Board Limited do not spend £50,000 or more. At the year end, £14,370 (2015 - £14,370) of this contribution was included within deferred income.

#### 12. Controlling party

The directors regard The Association of Law Costs Draftsmen Limited (trading as Association of Costs Lawyers) to be the ultimate parent company by virtue of its ownership of 100% of the issued share capital of the company. However, pursuant to the Legal Services Act 2007 the two companies act separately.

The ultimate parent company is a company limited by guarantee registered in England & Wales, company number 01330762. The registered office is 26 Red Lion Square, London, WC1R 4AG.

#### 13. Transition to FRS 102

These are the first financial statements that comply with FRS 102. The company transitioned to FRS 102 on 1 January 2015.

# Costs Lawyer Standards Board Limited

## Notes to the Financial Statements *(continued)*

### Year ended 31 December 2016

#### 13. Transition to FRS 102 *(continued)*

##### Reconciliation of equity

	1 January 2015			31 December 2015		
	As previously stated £	Effect of transition £	FRS 102 (as restated) £	As previously stated £	Effect of transition £	FRS 102 (as restated) £
Fixed assets	2,691	–	2,691	4,114	–	4,114
Current assets	273,614	–	273,614	302,962	–	302,962
Creditors: amounts falling due within one year	(142,966)	(1,595)	(144,561)	(133,201)	(2,073)	(135,274)
Net current assets	130,648	(1,595)	129,053	169,761	(2,073)	167,688
Total assets less current liabilities	133,339	(1,595)	131,744	173,875	(2,073)	171,802
Net assets	<u>133,339</u>	<u>(1,595)</u>	<u>131,744</u>	<u>173,875</u>	<u>(2,073)</u>	<u>171,802</u>
Capital and reserves	<u>133,339</u>	<u>(1,595)</u>	<u>131,744</u>	<u>173,875</u>	<u>(2,073)</u>	<u>171,802</u>

##### Reconciliation of profit or loss for the year

	Year ended 31 December 2015		
	As previously stated £	Effect of transition £	FRS 102 (as restated) £
Turnover	157,197	–	157,197
Administrative expenses	(116,661)	(478)	(117,139)
Operating profit	<u>40,536</u>	<u>(478)</u>	<u>40,058</u>

In order to comply with the transition to FRS 102, the company has recognised a provision for annual leave accrued by employees as a result of services rendered in the current period, and which employees are entitled to carry forward and use within the next 12 months. The provision is measured at the salary cost payable for the period of absence.