

**COSTS LAWYER STANDARDS BOARD LIMITED**  
**UNAUDITED FINANCIAL STATEMENTS**  
**31 DECEMBER 2012**

**AGP**  
Chartered Accountants  
Sycamore House  
Sutton Quays Business Park  
Sutton Weaver  
Runcorn  
Cheshire  
WA7 3EH

# COSTS LAWYER STANDARDS BOARD LIMITED

## FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2012

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# COSTS LAWYER STANDARDS BOARD LIMITED

## THE DIRECTORS' REPORT

### YEAR ENDED 31 DECEMBER 2012

The directors have pleasure in presenting their report and the unaudited financial statements of the company for the year ended 31 December 2012.

#### PRINCIPAL ACTIVITIES

The principal activity of the company during the period was that of a regulatory body for Costs Lawyers.

#### DIRECTORS

The directors who served the company during the year were as follows:

M Brooks  
P Bellamy  
M Lockwood  
R Allen  
G R Aitken

G Milburn was appointed as a director on 4 March 2013.

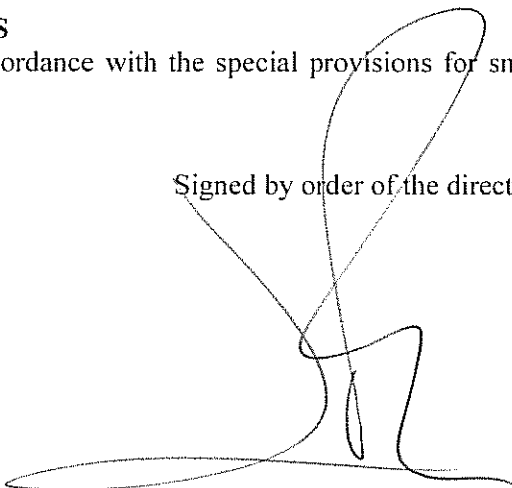
M Lockwood retired as a director on 24 January 2013.

#### SMALL COMPANY PROVISIONS

This report has been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006.

Registered office:  
Sycamore House  
Sutton Quays Business Park  
Sutton Weaver  
Runcorn  
Cheshire  
WA7 4TP

Signed by order of the directors



MS L D PLUMBLEY  
Company Secretary

Approved by the directors on 10 April 2013

# COSTS LAWYER STANDARDS BOARD LIMITED

## PROFIT AND LOSS ACCOUNT

YEAR ENDED 31 DECEMBER 2012

	Note	2012 £	2011 £
<b>TURNOVER</b>		<b>142,582</b>	125,004
Administrative expenses		<u>130,363</u>	<u>103,271</u>
<b>OPERATING PROFIT</b>	<b>2</b>	<b>12,219</b>	21,733
Interest receivable		—	1
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<b>12,219</b>	<u>21,734</u>
Tax on profit on ordinary activities		—	—
<b>RETAINED PROFIT FOR THE FINANCIAL YEAR</b>		<b>12,219</b>	21,734
Balance brought forward		<u>51,339</u>	<u>29,605</u>
Balance carried forward		<u><u>63,558</u></u>	<u><u>51,339</u></u>

The notes on pages 4 to 6 form part of these financial statements.

# COSTS LAWYER STANDARDS BOARD LIMITED

## BALANCE SHEET

31 DECEMBER 2012

	Note	2012 £	2011 £
<b>FIXED ASSETS</b>			
Tangible assets	4	<u>900</u>	<u>830</u>
<b>CURRENT ASSETS</b>			
Debtors	5	2,842	2,225
Cash at bank		<u>187,519</u>	<u>240,640</u>
		<u>190,361</u>	<u>242,865</u>
<b>CREDITORS: Amounts falling due within one year</b>	6	<u>112,703</u>	<u>177,356</u>
<b>NET CURRENT ASSETS</b>		<u>77,658</u>	<u>65,509</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>78,558</u>	<u>66,339</u>
<b>CAPITAL AND RESERVES</b>			
Called-up equity share capital	8	15,000	15,000
Profit and loss account		<u>63,558</u>	<u>51,339</u>
<b>SHAREHOLDERS' FUNDS</b>		<u>78,558</u>	<u>66,339</u>

The directors are satisfied that the company is entitled to exemption from the provisions of the Companies Act 2006 (the Act) relating to the audit of the financial statements for the year by virtue of section 477, and that no member or members have requested an audit pursuant to section 476 of the Act.

The directors acknowledge their responsibilities for:

- (i) ensuring that the company keeps adequate accounting records which comply with section 386 of the Act, and
- (ii) preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its profit or loss for the financial year in accordance with the requirements of section 393, and which otherwise comply with the requirements of the Act relating to financial statements, so far as applicable to the company.

These financial statements have been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006 and with the Financial Reporting Standard for Smaller Entities (effective April 2008).

These financial statements were approved by the directors and authorised for issue on 10 April 2013, and are signed on their behalf by:

G R Aitken

Director

Company Registration Number: 04608905

The notes on pages 4 to 6 form part of these financial statements.

# **COSTS LAWYER STANDARDS BOARD LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED 31 DECEMBER 2012**

### **1. ACCOUNTING POLICIES**

#### **Basis of accounting**

The financial statements have been prepared under the historical cost convention, and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008).

#### **Turnover**

The turnover shown in the profit and loss account represents amounts invoiced during the year.

#### **Fixed assets**

All fixed assets are initially recorded at cost.

#### **Depreciation**

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

Equipment - over 3 years

#### **Operating lease agreements**

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

#### **Financial instruments**

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 entity after deducting all of its financial liabilities.

Where the contractual obligations of financial instruments (including share capital) are equivalent to a similar debt instrument, those financial instruments are classed as financial liabilities. Financial liabilities are presented as such in the balance sheet. Finance costs and gains or losses relating to financial liabilities are included in the profit and loss account. Finance costs are calculated so as to produce a constant rate of return on the outstanding liability.

Where the contractual terms of share capital do not have any terms meeting the definition of a financial liability then this is classed as an equity instrument. Dividends and distributions relating to equity instruments are debited direct to equity.

# COSTS LAWYER STANDARDS BOARD LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2012

### 2. OPERATING PROFIT

Operating profit is stated after charging:

	2012	2011
	£	£
Directors' remuneration	9,700	13,250
Staff pension contributions	6,424	2,835
Depreciation of owned fixed assets	561	321

### 3. 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.

### 4. TANGIBLE FIXED ASSETS

	Equipment £
<b>COST</b>	
At 1 January 2012	1,334
Additions	631
<b>At 31 December 2012</b>	<u>1,965</u>
<b>DEPRECIATION</b>	
At 1 January 2012	504
Charge for the year	561
<b>At 31 December 2012</b>	<u>1,065</u>
<b>NET BOOK VALUE</b>	
<b>At 31 December 2012</b>	<u>900</u>
At 31 December 2011	<u>830</u>

### 5. DEBTORS

	2012	2011
	£	£
Prepayments and accrued income	2,842	2,225

# COSTS LAWYER STANDARDS BOARD LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2012

### 6. CREDITORS: Amounts falling due within one year

	2012	2011
	£	£
Amounts owed to group undertakings	–	77,600
Other creditors	452	1,286
Accruals and deferred income	<u>112,251</u>	<u>98,470</u>
	<u>112,703</u>	<u>177,356</u>

### 7. 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.

During the year, the balance of the 2012 subscriptions for The Association of Law Costs Draftsmen Limited (trading as Association of Costs Lawyers), amounting to £35,400 (2011 - £77,600) were collected by the company and paid over to The Association of Law Costs Draftsmen Limited (trading as Association of Costs Lawyers). As at the year end, there were no balances outstanding to be paid over to The Association of Law Costs Draftsmen Limited (trading as Association of Costs Lawyers) (2011 - £77,600.)

### 8. SHARE CAPITAL

Allotted, called up and fully paid:

	2012		2011	
	No	£	No	£
15,000 Ordinary shares of £1 each	<u>15,000</u>	<u>15,000</u>	<u>15,000</u>	<u>15,000</u>

### 9. ULTIMATE PARENT COMPANY

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.



**COSTS LAWYER STANDARDS BOARD LIMITED**

**MANAGEMENT INFORMATION**

**YEAR ENDED 31 DECEMBER 2012**

**The following pages do not form part of the statutory financial statements.**

# COSTS LAWYER STANDARDS BOARD LIMITED

## CHARTERED ACCOUNTANTS' REPORT TO THE BOARD OF DIRECTORS ON THE UNAUDITED FINANCIAL STATEMENTS OF COSTS LAWYER STANDARDS BOARD LIMITED

YEAR ENDED 31 DECEMBER 2012

In accordance with our terms of engagement, and in order to assist you to fulfil your duties under the Companies Act 2006, we have compiled the financial statements of the company which comprise the Profit and Loss Account, Balance Sheet and the related notes from the accounting records and information and explanations you have given to us.

This report is made to the Company's Board of Directors, as a body, in accordance with the terms of our engagement. Our work has been undertaken so that we might compile the financial statements that we have been engaged to compile, report to the Company's Board of Directors that we have done so, and state those matters that we have agreed to state to them in this 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 Company and the Company's Board of Directors, as a body, for our work or for this report.

We have carried out this engagement in accordance with technical guidance issued by the Institute of Chartered Accountants in England and Wales and have complied with the ethical guidance laid down by the Institute relating to members undertaking the compilation of financial statements.

You have acknowledged on the balance sheet as at 31 December 2012 your duty to ensure that the company has kept adequate accounting records and to prepare financial statements that give a true and fair view under the Companies Act 2006. You consider that the company is exempt from the statutory requirement for an audit for the year.

We have not been instructed to carry out an audit of the financial statements. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the financial statements.



AGP  
Chartered Accountants

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

10 April 2013

# COSTS LAWYER STANDARDS BOARD LIMITED

## DETAILED PROFIT AND LOSS ACCOUNT

YEAR ENDED 31 DECEMBER 2012

	2012	2011
	£	£
<b>TURNOVER</b>	<b>142,582</b>	<b>125,004</b>
<b>OVERHEADS</b>		
Administrative expenses	<u>130,363</u>	<u>103,271</u>
<b>OPERATING PROFIT</b>	<b>12,219</b>	<b>21,733</b>
Bank interest receivable	<u>—</u>	<u>1</u>
<b>PROFIT ON ORDINARY ACTIVITIES</b>	<b><u>12,219</u></b>	<b><u>21,734</u></b>

**COSTS LAWYER STANDARDS BOARD LIMITED**  
**NOTES TO THE DETAILED PROFIT AND LOSS ACCOUNT**  
**YEAR ENDED 31 DECEMBER 2012**

	2012		2011
	£	£	£
<b>ADMINISTRATIVE EXPENSES</b>			
<b>Personnel costs</b>			
Directors salaries	9,700		13,250
Directors national insurance contributions	–		22
Wages and salaries	45,287		46,738
Employers national insurance contributions	5,115		5,230
Staff pension contributions	6,424		2,835
Healthcare	752		527
		<u>67,278</u>	<u>68,602</u>
<b>Establishment expenses</b>			
Rent and room hire	2,902		3,532
Insurance	2,219		2,283
Repairs and maintenance	249		311
IT and database costs	2,640		947
		<u>8,010</u>	<u>7,073</u>
<b>General expenses</b>			
Travel and subsistence	7,836		9,887
Telephone	654		602
Printing, stationery and postage	5,138		4,024
Staff training	1,338		–
Sundry expenses	1,457		584
Use of home as office	156		156
Advertising	–		2,340
Legal and professional fees	13,630		7,023
Legal Services Board levy	16,164		–
Legal Ombudsman levy	1,135		–
Education audit fee	4,800		–
Accountancy fees	2,110		2,659
Depreciation	561		321
		<u>54,979</u>	<u>27,596</u>
<b>Financial costs</b>			
Bank charges		96	–
		<u>130,363</u>	<u>103,271</u>
<b>INTEREST RECEIVABLE</b>			
Bank interest receivable		–	1