

Costs Lawyer Standards Board Limited
Unaudited Financial Statements
31 December 2019

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 2019

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Costs Lawyer Standards Board Limited

Directors' Report

Year ended 31 December 2019

The directors present their report and the unaudited financial statements of the company for the year ended 31 December 2019.

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:

| | |
|--------------|-----------------------------|
| G Milburn | |
| S H Winfield | |
| T Ayliffe | |
| S McIntosh | |
| P McCarthy | (Appointed 24 January 2019) |
| R Allen | (Resigned 24 January 2019) |

Small company provisions

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

This report was approved by the board of directors on and signed on behalf of the board by:

K Wellington
Company Secretary

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

Costs Lawyer Standards Board Limited

Statement of Income and Retained Earnings

Year ended 31 December 2019

| | Note | 2019 £ | 2018 £ |
|---|------|-----------------|----------------|
| Turnover | | 176,863 | 178,313 |
| Gross profit | | <u>176,863</u> | <u>178,313</u> |
| Administrative expenses | | 223,669 | 153,916 |
| Other operating income | | 14,370 | — |
| Operating (loss)/profit | | <u>(32,436)</u> | <u>24,397</u> |
| (Loss)/profit before taxation | 6 | <u>(32,436)</u> | <u>24,397</u> |
| Tax on (loss)/profit | | — | — |
| (Loss)/profit for the financial year and total comprehensive income | | <u>(32,436)</u> | <u>24,397</u> |
| Retained earnings at the start of the year | | <u>206,529</u> | <u>182,132</u> |
| Retained earnings at the end of the year | | <u>174,093</u> | <u>206,529</u> |

All the activities of the company are from continuing operations.

The notes on pages 4 to 7 form part of these financial statements.

Costs Lawyer Standards Board Limited

Statement of Financial Position

31 December 2019

| | Note | 2019 £ | £ | 2018 £ |
|---|------|----------------|----------------|----------------|
| Fixed assets | | | | |
| Tangible assets | 7 | | 709 | 1,318 |
| Current assets | | | | |
| Debtors | 8 | 2,132 | | 2,629 |
| Cash at bank and in hand | | <u>315,910</u> | | <u>367,063</u> |
| | | 318,042 | | 369,692 |
| Creditors: amounts falling due within one year | 9 | <u>129,658</u> | | <u>149,481</u> |
| Net current assets | | | 188,384 | <u>220,211</u> |
| Total assets less current liabilities | | | 189,093 | <u>221,529</u> |
| Net assets | | | 189,093 | <u>221,529</u> |
| Capital and reserves | | | | |
| Called up share capital | 10 | | 15,000 | 15,000 |
| Profit and loss account | | | <u>174,093</u> | <u>206,529</u> |
| Shareholders funds | | | 189,093 | <u>221,529</u> |

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with Section 1A of FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

For the year ending 31 December 2019 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.

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

S H Winfield
Director

Company registration number: 04608905

The notes on pages 4 to 7 form part of these financial statements.

Costs Lawyer Standards Board Limited

Notes to the Financial Statements

Year ended 31 December 2019

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 Section 1A of FRS 102, '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.

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.

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.

Costs Lawyer Standards Board Limited

Notes to the Financial Statements *(continued)*

Year ended 31 December 2019

3. Accounting policies *(continued)*

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 |

Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that largely independent of the cash inflows from other assets or groups of assets.

For impairment testing of goodwill, the goodwill acquired in a business combination is, from the acquisition date, allocated to each of the cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the company are assigned to those units.

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.

Costs Lawyer Standards Board Limited

Notes to the Financial Statements *(continued)*

Year ended 31 December 2019

3. Accounting policies *(continued)*

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.

4. 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.

5. Employee numbers

The average number of persons employed by the company during the year amounted to 4 (2018: 6).

6. Profit before taxation

Profit before taxation is stated after charging:

| | 2019 £ | 2018 £ |
|---------------------------------|------------|--------------|
| Depreciation of tangible assets | <u>842</u> | <u>1,384</u> |

7. Tangible assets

| | Fixtures and fittings £ | Equipment £ | Total £ |
|----------------------------|-------------------------------|----------------|-----------------------|
| Cost | | | |
| At 1 January 2019 | 1,793 | 6,554 | 8,347 |
| Additions | 144 | 859 | 1,003 |
| Disposals | <u>(1,937)</u> | <u>(2,111)</u> | <u>(4,048)</u> |
| At 31 December 2019 | <u>–</u> | <u>5,302</u> | <u>5,302</u> |
| Depreciation | | | |
| At 1 January 2019 | 1,533 | 5,496 | 7,029 |
| Charge for the year | 168 | 674 | 842 |
| Disposals | <u>(1,701)</u> | <u>(1,577)</u> | <u>(3,278)</u> |
| At 31 December 2019 | <u>–</u> | <u>4,593</u> | <u>4,593</u> |
| Carrying amount | | | |
| At 31 December 2019 | <u>–</u> | <u>709</u> | <u>709</u> |
| At 31 December 2018 | <u>260</u> | <u>1,058</u> | <u>1,318</u> |

Costs Lawyer Standards Board Limited

Notes to the Financial Statements *(continued)*

Year ended 31 December 2019

8. Debtors

| | 2019 | 2018 |
|---------------|--------------|--------------|
| | £ | £ |
| Other debtors | <u>2,132</u> | <u>2,629</u> |

9. Creditors: amounts falling due within one year

| | 2019 | 2018 |
|-----------------|----------------|----------------|
| | £ | £ |
| Other creditors | <u>129,658</u> | <u>149,481</u> |

10. Called up share capital

Issued, called up and fully paid

| | 2019 | | 2018 | |
|----------------------------|---------------|---------------|---------------|---------------|
| | 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

In March 2013, Costs Lawyer Standards Board Limited received a contribution of £25,000 towards a joint project. The amount was not expected to be repayable, however a financial provision was made to account for any potential claim for repayment. During the year ended 31 December 2019 the sixth anniversary of the contribution being received passed and therefore the balance of £14,370 that was previously shown as deferred income as at 31 December 2018 has now been written off to other operating income during the year. This is on the basis that any contractual claim on the money would now be time barred.

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 16 Broad Street, Eye, Suffolk IP23 7AF.