

Financial Statements
for the Year Ended 31 December 2021
for
THE LONDON COURT OF INTERNATIONAL
ARBITRATION
COMPANY LIMITED BY GUARANTEE

THE LONDON COURT OF INTERNATIONAL
ARBITRATION (REGISTERED NUMBER: 02047647)
COMPANY LIMITED BY GUARANTEE

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for the year ended 31 December 2021

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THE LONDON COURT OF INTERNATIONAL
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Company Information
for the year ended 31 December 2021

Directors:	J Gill QC P Hodges QC N Rawding QC C Style QC W K F Peter J van Haersolte-van Hof R Hill A Sheppard QC D Goldberg J Castello S Petit P Haberman D Matthews QC N Reid K H Cervantes-Knox C Partasides QC
Secretary:	J E Harrison
Registered office:	1 Paternoster Lane London EC4M 7BQ
Registered number:	02047647 (England and Wales)
Auditors:	Haines Watts Chartered Accountants Statutory Auditor Aissela 46 High Street Esher Surrey KT10 9QY
Bankers:	HSBC Bank Plc Holborn Branch 31 Holborn London EC1N 2HR

THE LONDON COURT OF INTERNATIONAL
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Balance Sheet
31 December 2021

	Notes	£	2021 £	£	2020 £
Fixed assets					
Intangible assets	5		242,472		134,578
Tangible assets	6		705,710		143,696
Investments	7		124,350		124,350
			<u>1,072,532</u>		<u>402,624</u>
Current assets					
Debtors	8	576,017		674,756	
Cash at bank	9	<u>53,286,515</u>		<u>48,212,437</u>	
		53,862,532		48,887,193	
Creditors					
Amounts falling due within one year	10	<u>46,054,915</u>		<u>41,964,012</u>	
Net current assets			<u>7,807,617</u>		<u>6,923,181</u>
Total assets less current liabilities			<u>8,880,149</u>		<u>7,325,805</u>
Provisions for liabilities	12		<u>133,385</u>		<u>52,018</u>
Net assets			<u>8,746,764</u>		<u>7,273,787</u>
Reserves					
Income and expenditure account			<u>8,746,764</u>		<u>7,273,787</u>
Members' funds			<u>8,746,764</u>		<u>7,273,787</u>

The financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies regime.

In accordance with Section 444 of the Companies Act 2006, the Income Statement has not been delivered.

The financial statements were approved by the Board of Directors and authorised for issue on 6 May 2022 and were signed on its behalf by:

J van Haersolle-van Hof - Director

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Notes to the Financial Statements
for the year ended 31 December 2021

1. Statutory information

The London Court of International Arbitration is a private company, limited by guarantee, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

The presentation currency of the financial statements is the Pound Sterling (£).

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" including the provisions of Section 1A "Small Entities" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Going concern

The financial statements have been prepared on a going concern basis. The Directors have reviewed and considered the consequences of COVID-19 and the impact on the entity over the last two years alongside other events and conditions, and have determined that they do not create a material uncertainty that casts significant doubt upon the entity's ability to continue as a going concern.

Group accounts

The company is entitled to the exemption under Section 398 of the Companies Act 2006 from the obligation to prepare group accounts.

Key sources of estimation, uncertainty and judgement

The preparation of financial statements in conformity with generally accepted accounting practice requires management to make estimates and judgements that affect the reported amounts of assets and liabilities as well as the disclosure of contingent assets and liabilities at the balance sheet date and the reported amounts of revenues and expenses during the reporting period.

There is estimation uncertainty in calculating depreciation. Whilst every attempt is made to ensure that the depreciation policy is accurate, there remains a risk that the policy does not match the useful life of the assets.

Income

Income represents the total value, excluding value added tax, of amounts generated in connection with the principal activities of the organisation.

Case work income represents the value of work done in the year, including work in progress not invoiced at the year end.

Conference and membership income represents income receivable for conferences and membership within the current year. Amounts received in advance for future conferences or membership are deferred and included in deferred income within creditors.

Other income represents income received or invoiced and receivable at the year end.

Intangible fixed assets

Copyrights are valued at cost less accumulated amortisation. Amortisation is calculated to write off the cost in equal annual instalments over their estimated useful life of 4 years.

Computer software are valued at cost less accumulated amortisation. Amortisation is calculated to write off the cost in equal annual instalments over their estimated useful life of 3 years once they have been brought into use.

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Notes to the Financial Statements - continued
for the year ended 31 December 2021

2. Accounting policies - continued

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Fixtures and fittings	- 20% on cost
Computer equipment	- 33% on cost

Financial instruments

Financial assets such as cash and debtors are measured at the present value of the amounts receivable, less an allowance for the expected level of doubtful receivables. Financial liabilities such as trade creditors are measured at the present value of the obligation.

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at the operating result.

Leasing commitments

Rentals payable under operating leases are charged against income on a straight line basis over the term of the lease.

Pension costs

The company provides the Director General and employees with the benefit of a defined contribution pension which is paid into either the company pension scheme or a scheme of their choice. The schemes are managed by, and their assets are held by, independent managers. The pension charge represents contributions due from the company and amounted to £180,955 (2020 - £176,332).

Contributions payable to the company's pension scheme are charged in the period to which they relate.

Investments

Investments in subsidiary undertakings are recognised at cost less any provision for impairment.

The other fixed asset investments are stated at cost, taking consideration of diminution in value, until a reliable measure of fair value becomes available.

3. Employees and directors

The average number of employees during the year was 37 (2020 - 38).

4. Auditors' remuneration

Fees payable to the company's auditors for the audit of the company's financial statements are £12,250 (2020: £11,250)

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Notes to the Financial Statements - continued
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5. **Intangible fixed assets**

	Copyright £	Computer software £	Totals £
Cost			
At 1 January 2021	146,640	141,800	288,440
Additions	-	151,225	151,225
At 31 December 2021	<u>146,640</u>	<u>293,025</u>	<u>439,665</u>
Amortisation			
At 1 January 2021	146,640	7,222	153,862
Amortisation for year	-	43,331	43,331
At 31 December 2021	<u>146,640</u>	<u>50,553</u>	<u>197,193</u>
Net book value			
At 31 December 2021	<u>-</u>	<u>242,472</u>	<u>242,472</u>
At 31 December 2020	<u>-</u>	<u>134,578</u>	<u>134,578</u>

6. **Tangible fixed assets**

	Short leasehold £	Fixtures and fittings £	Computer equipment £	Totals £
Cost				
At 1 January 2021	-	267,947	115,958	383,905
Additions	477,435	195,457	35,829	708,721
Disposals	-	(266,177)	(17,537)	(283,714)
At 31 December 2021	<u>477,435</u>	<u>197,227</u>	<u>134,250</u>	<u>808,912</u>
Depreciation				
At 1 January 2021	-	160,657	79,552	240,209
Charge for year	8,234	35,769	22,498	66,501
Eliminated on disposal	-	(186,011)	(17,497)	(203,508)
At 31 December 2021	<u>8,234</u>	<u>10,415</u>	<u>84,553</u>	<u>103,202</u>
Net book value				
At 31 December 2021	<u>469,201</u>	<u>186,812</u>	<u>49,697</u>	<u>705,710</u>
At 31 December 2020	<u>-</u>	<u>107,290</u>	<u>36,406</u>	<u>143,696</u>

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7. Fixed asset investments

	Shares in group undertakings £	Other investments £	Totals £
Cost			
At 1 January 2021 and 31 December 2021	1,330,368	123,350	1,453,718
Provisions			
At 1 January 2021 and 31 December 2021	1,329,368	-	1,329,368
Net book value			
At 31 December 2021	1,000	123,350	124,350
At 31 December 2020	1,000	123,350	124,350

The group undertakings comprises LCIA (India) Private Limited at a cost of £1,329,368 and LCIA (Overseas) Limited at a cost of £1,000.

The investment in LCIA (India) Private Limited has been valued by the directors at £Nil (2020: £Nil) as the subsidiary is operating on a reduced number of cases and it is not expected to produce a profit.

The other investment is in a company providing a London based international hearing centre, the International Dispute Resolution Centre.

8. Debtors: amounts falling due within one year

	2021 £	2020 £
Trade debtors	19,526	32,544
Amounts owed by group undertakings	1,305	1,305
Amount recoverable on casework	38,918	14,536
Other debtors	116,898	151,709
Prepayments and accrued income	399,370	474,662
	<u>576,017</u>	<u>674,756</u>

9. Cash at bank

£	£	2021	2020
Office accounts		8,094,360	6,929,844
Third party funds held for proceedings under LCIA 2020 rules		8,626,834	755,843
Third party funds held in trust		36,565,321	40,526,750
		<u>53,286,515</u>	<u>48,212,437</u>

See note 15 for details of third party funds held.

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10. **Creditors: amounts falling due within one year**

	2021	2020
£		
Trade creditors	79,544	199,031
Amounts owed to group undertakings	1,000	1,000
Corporation tax	87,393	146,411
Social security and other taxes	78,839	78,598
 Client accounts	 36,033,041	 39,953,533
Amounts received in advance for payment of costs	8,626,834	755,843
Pensions costs	19,918	16,403
Accruals and deferred income	1,128,346	813,193
	<u>46,054,915</u>	<u>41,964,012</u>
 Client accounts represent third party funds held in trust as follows:		
- Cash at bank	36,565,321	40,526,750
- Less funds held on account of work in progress	(532,280)	(573,217)
	<u>36,033,041</u>	<u>39,953,533</u>

See note 15 for details of third party funds held.

11. **Leasing agreements**

Minimum lease payments under non-cancellable operating leases fall due as follows:

	2021	2020
£		
Within one year	3,154	162,814
Between one and five years	788,115	-
In more than five years	3,127,227	-
	<u>3,918,496</u>	<u>162,814</u>

12. **Provisions for liabilities**

	2021	2020
£		
Deferred tax	<u>133,385</u>	<u>52,018</u>
		Deferred tax
		£
Balance at 1 January 2021		52,018
Provided during year		81,367
Balance at 31 December 2021		<u>133,385</u>

13. **Disclosure under Section 444(5B) of the Companies Act 2006**

The Report of the Auditors was unqualified.

Paul Hodgett (Senior Statutory Auditor)
for and on behalf of Haines Watts

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14. Ultimate controlling party

The company is limited by guarantee, there is no controlling member.

15. Limited by guarantee

The company is limited by guarantee and the guarantee amounts to £100 per member.

16. Third party funds held

In accordance with the express provisions of the LCIA Rules, to which parties subscribe when referring their disputes to the LCIA for arbitration or mediation, the parties must lodge funds on account of the fees and expenses of the tribunal and of the LCIA, to allow the matter to proceed. These funds are held in client bank accounts which are controlled by reference to each individual case and disbursed by the LCIA, in settlement of the costs of the arbitration, in accordance with its rules. In the event that funds lodged by the parties exceed those costs at the conclusion of the proceedings, surplus monies will be returned to the parties.

A change in LCIA Rules came into force from 1 October 2020 requiring that funds lodged for new cases are treated as an advance payment of costs and held in separate LCIA client bank accounts on a debtor creditor basis. At the year end there was £8,626,834 (2020: £755,183) held as amounts received in advance re payment of costs. For deposits placed under the old LCIA Rules, these monies are held on trust in client bank accounts. As at the year end £23,684,725 (2020 - £28,085,098) was held on account by the LCIA for these purposes. There were also deposits held at the year end of £322,490 (2020 - £1,820,643) as security for the value of claims to be determined.

A parallel service is offered in arbitrations that are not conducted pursuant to the LCIA Rules, but in which, with the agreement of the parties and the tribunal, the LCIA is designated as fund holder, holding such funds on the same basis as in LCIA cases and distributing them on the order of the tribunal. As at the year end, £12,558,106 (2020 - £10,621,009) was held on account by the LCIA for these purposes.

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.