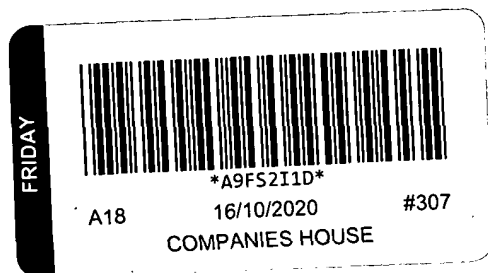


Minster Law Limited

Report and Financial Statements

Registered number 04659625

Year Ended 30 June 2020



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Company Information

Directors

I R Leech
C E Layfield
M I Warren
S Woolham
M Hume

Secretary

L Sinfield

Registered office

Kingfisher House
Peel Avenue
Wakefield
WF2 7UA

Auditor

RSM UK Audit LLP
Fifth Floor
Central Square
29 Wellington Street
Leeds
LS1 4DL

Strategic Report

Results and dividends

The Company profit for the year, after taxation, amounted to £889,000 (2019: Restated £1,805,000). The 2018/19 result has been restated for the impact of IFRS16 in order that the accounts are presented on a like for like basis for comparison purposes, however all accounting adjustments for IFRS 16 have been put through in the current year.

The directors do not recommend the payment of a dividend (2019: £nil).

Principal activities, trading review and future developments

The principal activity of the Company during the period was that of solicitors.

The Company made excellent progress in its strategic aims throughout the year with a number of new partnership arrangements secured. The financial results for the year were significantly impacted by two events:

- The first is the businesses success in securing a number of new contracts which have resulted in higher distribution costs within the year whereas the income benefit will be realised over multiple financial periods.
- The second is Covid-19 which has had a significant impact on new business volumes reflecting lower road usage. The net impact on the in year profit is estimated to be circa £1m but the impact on earnings will continue into future financial years from the lower work in progress.

The expected implementation of the government's reforms of the RTA personal injury market were again delayed with the expected implementation now in April 2021. Whilst there remains a lack of clarity on the rules, the business is confident that the investments made in technology, integration and process efficiency will allow it to succeed when, and if, the reforms are implemented. The year has seen the introduction of a market leading customer portal as the business continues its journey to become a leading legal services provider.

The Company continues to work with its partners to identify ways of managing the impact of the reforms for them and to demonstrate the benefit of a long-term relationship.

The business has long since embraced a flexible approach to working and this approach, along with a cloud based IT and telephony infrastructure, enabled a smooth transition to home working through the government's Covid-19 lockdown with minimal impact on productivity although the closure of courts and medical experts impacted the ability to move some cases forward. The business worked collaboratively with major insurers to minimise delays in on case progression and will continue to embrace change in the industry to ensure the best customer experience in future.

Despite the impact of Covid-19, the business has a strong balance sheet and will continue to invest in further organisational and business transformation, underpinned by a focus on our digital maturity to deliver a market-leading customer experience and an increasingly efficient and scalable operating model.

The Board considers the pre-tax profit on ordinary activities for the 12 months of £1,106,000 (2019: Restated £1,578,000) to be a good result given the exceptional trading environment that Covid-19 has created.

Key performance indicators

	Year ended 30 June 2020 £000	(Restated) Year ended 30 June 2019 £000
Turnover	34,133	35,112
Profit / (loss) on ordinary activities before taxation	1,106	1,578
Gross profit %	29.6%	36.1%
Administration costs as % of turnover	26.4%	31.8%

Strategic Report *(continued)*

Turnover in the year reduced due to the impact of lower case volumes from the impact on road traffic from Covid-19 lockdown measures. The business was forecasting higher turnover prior to this event.

A key success has been the continued improvement in administration cost efficiency with a further improvement of 5.4% in the ratio of administrative costs to turnover as the business realises the benefit of cost efficiency work designed to deliver a marketing leading level of efficiency. In addition, new partnerships have allowed the business to further consolidate its position in the specialist motorbike PI market.

Board decision making (Section 172 Statement)

The board has a duty to promote the success of the Company for the benefit of its members as a whole whilst also having regard to other stakeholders. The Board is responsible for leading stakeholder engagement, ensuring that we fulfil our obligations to those impacted by the business. We believe that considering our stakeholders in key business decisions is not only the right thing to do but is fundamental to our ability to drive value creation over the longer term and to differentiate Minster Law from its competitors.

The Company's majority shareholder is regularly kept informed through its representative on the Company's board who engages with them on key Company issues. The board also actively canvasses the opinion of other stakeholders through employee forums and active engagement with customers and suppliers.

The board constantly monitors financial performance through the mechanisms set out below in the section covering Financial Control. The financial year was largely defined by two key issues in year. The financial impact is covered elsewhere but the key factors in the board's decision making process were as follows:

1. New contract wins

Decision: Which new business contracts should Minster tender for in order to deliver both long term value for stakeholders and best strategic fit for future operations.

The new business contracts were considered in the context of the long term value created for shareholders weighed against the in year impact on cash and profitability from the contracts. The board considered the contracts to be consistent with its stated objective to create long term shareholder value.

In deciding to take on new contracts the board considered also the beneficial impact of greater financial certainty on existing colleagues and suppliers.

2. Covid-19

Decision: How to manage the impact of Covid-19 on the business to deliver the best outcome for all stakeholders.

The board have received regular updates on the businesses strategy to deal with the impact of Covid-19 related restrictions and the long term implications for the business. In agreeing a strategy to deal with the issues the board has sought to consider the interests of all stakeholders and in particular:

a. Shareholders

The board has been in regular contact with shareholder representatives

b. Colleagues

The board has been mindful of the impact on colleagues' welfare and has sought to take steps to assist colleagues and give as much reassurance as possible. The business transitioned immediately on lockdown to full home working with less than 15 staff on site. In addition, the board committed that the business would not make redundancies at any point within the lockdown period related to Covid 19 and would maintain full pay for all colleagues.

c. Suppliers

The business has maintained a focus on fee recovery to ensure maximum cash resources are maintained through the instability for both the business and our disbursement suppliers. All suppliers have continued to be paid on time.

Financial control

We have defined the financial disciplines under which we will operate. We have summarised below the key areas upon which we focus:

- Ethics - Relationships and transactions are conducted to high ethical standards. Customers, staff and suppliers are treated fairly, and transactions conducted on an arm's length basis.
- Safeguarding of assets - We ensure that the assets of the business are appropriately managed and maximising long term shareholder value is at the heart of all transactions involving Company assets.
- Establishment of investment disciplines - Robust internal processes are undertaken to ensure effective use of capital ensuring an acceptable level of long term return and appropriate sensitivity analysis to enable the board to make effective decisions on the allocation of financial resources.
- Authority and accountability

The board has agreed the scope of the executive team's responsibilities and has also defined a number of matters that are reserved for the board in order to ensure it can effectively carry out its duties. The main operating budget including investment spend is reviewed and approved by the board on an annual cycle. Spend outside of this process is approved subject to appropriate justification and business case based on spend limits delegated by the board to specific individuals. Accountability for spend is ensured through regular business performance reporting, forecasting and review.

- Financial planning, reporting and monitoring

The Company runs a performance review cycle summarised below:

Q3	Strategic review and target setting for the business
Q4	Following year budget and 5 year plan review
Monthly	Executive management meetings with review of operating performance and KPIs
Half Year	Reforecast of current year out turn performance

Principal risks and uncertainties

Minster Law Limited operated as a subsidiary of BHL (UK) Holdings Limited throughout the financial year. The risks of the Company are managed locally and at a Group level.

The Company has a mature and embedded risk management framework which is focussed on the rigorous monitoring and management of the principal risks and mitigates the potential adverse effects on the Company, whilst allowing informed risks to be taken. All principal risks are owned by the Executive Team, reporting into the monthly Executive Risk Committee. The Board of Directors meets quarterly and routinely reviews all risk matters and is ultimately responsible for the oversight and management of Company's risks.

The Corporate Risk Register includes monitoring and managing risks around the following risk areas:

Financial Risk

The risk management framework has focus on the primary financial risks to the business, detailed below:

- Accurately reporting our financial position
- Prevention of internal and external fraud
- Credit and liquidity risks were reviewed monthly by management and the Risk Team

Strategic Report (continued)

Trading Risk

The Company is continually managing a variety of risks relating to the market in which it operates.

The RTA Reforms regarding soft tissue injuries and the increase to the small claims limit are expected to be implemented in the following financial year and are expected to have a material impact on the business. The Company monitors the various external market forces to manage these risks on an ongoing basis and adapts its strategy accordingly. The external market position and its impact on the Company is managed through the Company's risk management framework through the following processes:

- Regular review and monitoring of competitive threats
- New business development
- Retaining partnerships
- Small claims readiness

Operational Risk

The Company recognises the need to continuously invest in its people, systems and infrastructure to deliver the required customer, regulatory and financial outcomes. The Company monitors these risks through the risk management framework on an ongoing basis and is continually evolving its operating model to meet the desired outcomes. Risks actively monitored include:

- Customer service
- Competence and capability of colleagues
- Recruitment and retention of colleagues
- Business Change Portfolio
- IT Services
- Cyber / Information Security

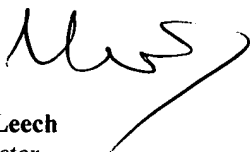
Reputational Risk

Reputational risk is the risk of adverse publicity arising from the Company's relationships with its customers, partners, suppliers and regulators. A key source of reputational risk arises around direct interaction with customers. The Company seeks to minimise reputational risk wherever possible and manages such risks where they arise through established communications and public relations channels.

Regulatory Risk

Regulatory risk is the risk that the Company will breach the requirements of its regulators. This risk is mitigated through an effective risk management framework which includes the management and monitoring of a regulatory obligations risk.

By order of the Board



I R Leech
Director

Date: 1. 10. 20

Directors' Report

The directors present their directors' report and financial statements for the year ended 30 June 2020.

Results, dividends and future developments

Details of the Company's results, dividend, principal activities, trading review (including KPIs) and future developments are set out in the Strategic Report.

Also disclosed in the Strategic Report are details of the Company's principal risks and uncertainties.

Going concern

The Company's business activities, together with factors likely to affect its future development, performance and position are set out in the Strategic Report. The financial position of the Company is disclosed on the balance sheet on page 15. The directors have reviewed the budget and cash flow forecasts of the Company for a period of not less than 12 months from the date of approving these financial statements. The directors are satisfied that the Company has adequate resources to continue in operational existence as outlined in note 1 and have not identified any material uncertainties that would cast significant doubt on the ability of the business to operate as a going concern. In addition, they have obtained written confirmation that balances due from its Parent Company will be repaid on demand if required. Due consideration has been made for the potential impacts of the Civil Liability Bill implementation expected in April 2021 on the Company's cashflow and reserves. Accordingly, the directors continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Directors

The directors who held office during the year, and to the date of this report, were as follows:

I R Leech *(Chairman)*
M I Warren *(Non-executive)*
C E Layfield *(Non-executive)*
S Woolham
M Hume
R Di Clemente *(resigned 4 December 2019)*

Directors' indemnity provision

In accordance with the Company's Articles of Association, the Company has indemnified the directors of the Company against liability in respect of proceedings brought by third parties, subject to the conditions set out in the Companies Act 2006. Such qualifying third-party indemnity provision was in force during the year and is still in place as at the date of this report.

Disabled employees

The Company gives full consideration to applications for employment from disabled persons where the requirements of the job can be adequately fulfilled by a disabled person. Where existing colleagues become disabled, it is the Company's policy wherever practicable to provide continuing employment under normal terms and conditions and to provide training and career development and promotion to disabled colleagues wherever appropriate.

Directors' report *(continued)*

Colleague Engagement

The Directors recognise the importance of colleague engagement in making sound business decisions and achieving positive business outcomes. They have continued their focus on creating an environment and culture of openness and of shared information; and have used that to provide continuous improvement for colleagues.

Minster focus on 10 drivers of engagement which focusses on ensuring colleagues understand the strategic objectives and how they contribute, continuous learning and development to improve retention, motivation and career development, celebrating success through reward and recognition, improving and enhancing the quality of life for our colleagues through agile working, celebrating culture and diversity and ensuring colleagues feel involved and included and strong communication channels so that colleagues understand the strategic business objectives and how they contribute.

Feedback is collected through various channels, the most recent being a colleague listening group, which is a formal vehicle to regularly consult on colleague issues or suggestions affecting the business. On a broader business scale, feedback is collected through a Colleague Opinion survey to garner greater insight into colleague sentiment and identify opportunities for further improvements. A colleague engagement committee with representatives from the business sit monthly to discuss the outputs of the feedback and create opportunities for real time continuous improvement.

In support of their broader strategic goals and recognition of the views and feedback from colleagues, the business has developed new corporate values to support further improvements in their corporate culture and behaviour. Coupled with a fresh approach to cascading the business strategy, personal objective setting has further enabled the organisation to build a common, unified understanding of the strategic direction of the business.

The focus on these initiatives this year has seen a significant increase in Minster's engagement scores from 67% to 74% in the last year.

Minster were also awarded a Platinum status accreditation by Investors in People (IIP) in 2020, demonstrating our commitment to high performance through good people management and a strong company culture. A 'platinum' award has only been given to 0.8% of the companies who have taken the IIP assessment and we are incredibly proud of achieving platinum accreditation on the first attempt.

Corporate social responsibility

Corporate Social responsibility remains a key focus for Minster Law, the business continues to strive to generate value and improve the lives of people living in the local community. As a business it is a fundamental part of our identity and what it means to work for Minster Law.

We recognise and understand the significant difference our contribution makes to the local community within which we operate. This year we aimed to enhance our CSR proposition and contribution by creating a supplementary pledge to 'share our skills' alongside our traditional volunteering, sponsorship and fundraising. Colleagues were encouraged to undertake 'giving back opportunities' and share their individual skill set to better the local community in whatever way they saw fit.

In 19/20, we supported 21 local charities making a total of £34,529.50 in financial donations. A further £13,172.00 was raised internally by Minster Law colleagues and 185 volunteering activities were completed with value of £22,980.90 generated as a result. Our commitment to our longstanding charity partner Fare Share

Directors' report *(continued)*

meant the Leeds warehouse has been able to redistribute 960 tonnes of surplus food, the equivalent of 270,000 trays of food, otherwise costing vital frontline provisions £1.6M at retail. Since the start of pandemic lockdown, the 'Minster Law van' (paid for by donations from Minster Law) has delivered 169 tonnes of food worth approximately £133,700. Together with the additional £3,951.72 that has been donated to food banks across the local area including St Catherine's, Pontefract and Knottingley, this has created the capacity for over 7900 donations to those in need in our local area.

Streamlined Energy and Carbon Reporting

For the purposes of the streamlined energy and carbon reporting requirements the Company is a qualifying subsidiary of BHL (UK) Holdings Limited and has taken the exemption not to disclose this information in the Company Financial Statements. The relevant disclosures are presented within the Group's report of the directors.

Disclosure of information to auditor

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware; and each director has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Auditor

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and RSM UK Audit LLP will therefore continue in office.

By order of the Board



I R Leech
Director

Kingfisher House
Peel Avenue
Wakefield
WF2 7UA

Date: 6, 10, 20

Statement of Directors' Responsibilities

The directors are responsible for preparing the Strategic Report, the Directors' Report 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 101: Reduced Disclosure Framework ("FRS 101").

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 of the profit or loss of the company for that period.

In preparing those 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 UK Accounting Standards, including FRS 101, 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 transactions and disclose with reasonable accuracy at any time the financial position of the company 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 hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Please refer to Strategic Report and Section 172 Statement for additional Directors' responsibility reporting.

Independent Auditor's Report to the Members of Minster Law Limited

Opinion

We have audited the financial statements of Minster Law Limited (the 'Company') for the year ended 30 June 2020 which comprise the Profit and Loss Account, Statement of Comprehensive Income, Balance Sheet, Statement of Changes in Equity 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 FRS 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Company's affairs as at 30 June 2020 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- 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 Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company 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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. 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 there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we

Independent Auditor's Report to the Members of Minster Law Limited (continued)

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.

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 strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report 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 Company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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 directors' responsibilities statement set out on page 9, 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 is 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 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 Company or to cease operations, or have no realistic alternative but to do so.

Auditor's 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 an auditor's report 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.

Independent Auditor's Report to the Members of Minster Law Limited (continued)

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities> This description forms part of our auditor's report.

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 an auditor's 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 members as a body, for our audit work, for this report, or for the opinions we have formed.

RSM UK Audit LLP

HUGH FAIRCLOUGH (Senior Statutory Auditor)

For and on behalf of RSM UK Audit LLP, Statutory Auditor

Chartered Accountants

Central Square

5th Floor

29 Wellington Street

Leeds

LS1 4DL

7 October 2020

Profit and Loss Account
for the year ended 30 June 2020

	<i>Note</i>	Year ended 30 June 2020 £000	<i>(Restated)</i> Year ended 30 June 2019 £000
Turnover	3	34,133	35,112
Cost of sales		(24,027)	(22,432)
Gross profit		10,106	12,680
Administrative expenses		(9,015)	(11,153)
Operating profit		1,091	1,527
Interest payable	8	(103)	(110)
Interest receivable	7	118	161
Profit before taxation	4-6	1,106	1,578
Tax on profit	9	(217)	227
Profit for the financial year		889	1,805

The operating profit for the year arises from the Company's continuing operations.

The notes on pages 17 to 31 form part of these financial statements.

Statement of Comprehensive Income
for the year ended 30 June 2020

	Year ended June 2020 £000	<i>(Restated)</i> Year ended June 2019 £000
Profit for the financial year	889	1,805
Total comprehensive income relating to the financial year	889	1,805

The notes on pages 17 to 31 form an integral part of these financial statements.

Balance Sheet
at 30 June 2020

	<i>Note</i>	30 June 2020 £000	<i>(Restated)</i> 30 June 2019 £000
Fixed assets			
Intangible assets	<i>10</i>	498	546
Tangible assets	<i>11</i>	1,384	1,683
Right to use assets	<i>12</i>	3,331	3,788
		<hr/> 5,213	<hr/> 6,017
Current assets			
Debtors	<i>13</i>	50,495	55,910
Amount due from parent company		14,629	15,475
Cash at bank and in hand		5,663	3,308
		<hr/> 70,787	<hr/> 74,693
Creditors: amounts falling due within one year	<i>14</i>	(27,104)	(32,292)
Net current assets		<hr/> 43,683	<hr/> 42,401
Total assets less current liabilities		<hr/> 48,896	<hr/> 48,418
Creditors: amounts falling due after more than one year			
Provisions	<i>15</i>	(550)	(550)
Lease liabilities	<i>16</i>	(2,770)	(3,181)
		<hr/> 45,576	<hr/> 44,687
Net assets		<hr/> 45,576	<hr/> 44,687
Capital and reserves			
Called up share capital	<i>17</i>	20	20
Share premium account	<i>18</i>	11,590	11,590
Profit and loss account	<i>19</i>	33,966	33,077
		<hr/> 45,576	<hr/> 44,687
Shareholders' funds		<hr/> 45,576	<hr/> 44,687

These financial statements were approved by the board of directors on 1.10.20 and were signed on its behalf by:


I R Leech
Director

The notes on pages 17 to 31 form an integral part of these financial statements.

Statement of Changes in Equity
as at 30 June 2020

	Called up share capital £000	Share Premium £000	Profit and loss account £000	Shareholders' funds £000
Restated Balance as at 30 June 2018	20	11,590	31,272	42,882
Restated Profit and total comprehensive income for the year	-	-	1,805	1,805
Restated balance as at 30 June 2019	20	11,590	33,077	44,687
Profit and total comprehensive income for the year	-	-	889	889
Balance as at 30 June 2020	20	11,590	33,966	45,576

The notes on pages 17 to 31 form an integral part of these financial statements.

Notes

(forming part of the financial statements)

1 Accounting policies

Basis of preparation

The Company, a private company, limited by shares and incorporated and domiciled in England and Wales, has elected to prepare its financial statements in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework' (FRS 101).

The address of the Company's registered office and principal place of business is Kingfisher House, Peel Avenue, Wakefield, WF2 7UA.

In preparing these financial statements, the Company applies the recognition and measurement requirements of International Financial Reporting Standards as adopted by the EU (IFRS), but makes amendments where necessary in order to comply with Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

The Company's parent undertaking is BHL (UK) Holdings Limited. This Company includes the Company in its consolidated financial statements. The consolidated financial statements of BHL (UK) Holdings Limited are prepared in accordance with International Financial Reporting Standards as adopted by the EU and are available to the public and may be obtained from Companies House. Consequently, in these financial statements, the Company has applied the exemptions available under FRS 101 in respect of the following disclosures:

- Presentation of a Statement of Cash Flows and related notes;
- Revenue disclosures, including:
 - Description of when performance obligations are satisfied, significant payment terms, and the nature of goods and services to be transferred;
 - Aggregate transaction price allocated to unsatisfied performance obligations and when revenue is expected to be recognised;
 - Significant judgements in determining the amount and timing of revenue recognition and the amount of capitalised costs to obtain or fulfil a contract;
 - Methods used to recognise revenue over time, determine transaction price and amounts allocated to performance obligations and determine amortisation of capitalised cost to obtain or fulfil a contract;
- Financial instrument disclosures, including:
 - Carrying amounts and fair values of financial instruments by category and information about the nature and extent of risks arising on financial instruments;
 - Income, expenses, gains and losses on financial instruments;
- Disclosure of the future impact of new International Financial Reporting Standards in issue but not yet effective at the reporting date;
- Disclosure of the objectives, policies and processes for managing capital;
- Comparative period reconciliations for the carrying amounts of property, plant and equipment and intangible assets;
- Disclosure of key management personnel compensation, and amounts incurred for the provision of key management personnel services by a separate management entity;
- Disclosures required by IFRS 13 Fair Value Measurement and the disclosures required by IFRS 7 Financial Instruments Disclosures.

The Company adopts the reduced disclosure framework of FRS 101 in its financial statements.

The financial statements are stated in sterling, which is the Company's functional and presentation currency.

The Company's significant accounting policies relating to specific financial statement items, together with a description of the accounting estimates and judgements that were critical to preparing them, are set out below.

Notes (continued)

1 Accounting policies (continued)

Measurement convention

The financial statements have been prepared on the historical cost basis.

Going concern

The directors have continued to prepare the financial statements on a going concern basis. The directors have reviewed the budget and cash flow forecasts of the Company for a period of not less than 12 months from the date of approving these financial statements. In addition, they have obtained written confirmation that balances due from its Parent Company will be repaid on demand if required. After making these considerations, the Directors are confident that they show the Company will have sufficient resources to meet its liabilities as they fall due. Due consideration has been made for the potential impacts of the Civil Liability Bill implementation expected in April 2021 on the Company's cashflow and reserves, when making this judgement.

Accordingly, the directors believe that it remains appropriate to prepare the financial statements on a going concern basis.

Turnover

Revenue is recognised to the extent that the economic benefits associated with the transaction will flow to the entity and the amount of revenue can be measured reliably, in line with IFRS 15 "Revenue from Contracts with Customers". The following specific recognition criteria must also all be met before revenue is recognised: the outcome can be reliably measured, the stage of completion can be reliably measured, positive admission of liability has been received from the third party insurer.

Turnover is shown exclusive of value added tax.

Property, plant and equipment

On initial recognition, items of property, plant and equipment are recognised at cost, which includes the purchase price as well as any costs 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. After initial recognition, items of property, plant and equipment are carried at cost less any accumulated depreciation and impairment losses. Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over its useful economic life as follows:

Leasehold improvements	-	over the life of lease
Fixtures and fittings	-	20% straight line
Computer hardware	-	33% straight line
Motor vehicles	-	33% straight line
Right to use assets	-	over the life of lease

IFRS 16 "Leases" is effective for accounting periods commencing on or after 1 January 2019, so has been adopted by the Company for the first time in the current accounts. IFRS 16 "Leases" replaces IAS 17 'Leases'. Year end 30 June 2019 has been restated in order to provide a meaningful comparison for yearend 30 June 2020. The group has applied IFRS 16 retrospectively to all leases.

The main change on application of IFRS 16 is the accounting for 'operating leases' where rentals payable (as adjusted for lease incentives) were previously expensed under IAS 17 on a straight-line basis over the lease term. The lease liability is initially measured at the present value of the lease payments during the lease term discounted using the interest rate implicit in the lease, or the incremental borrowing rate. An estimate of costs to be incurred in restoring the leased asset to the condition required under the terms and conditions of the lease is recognised as part of the cost of the right-of-use asset when the Company incurs the obligation for these costs.

Notes (continued)

1 Accounting policies (continued)

Under IFRS 16 a right-of-use asset and a lease liability are recognised for all leases except 'low-value' and 'short' term leases where lease payments are recognised on a straight-line basis over the lease term.

A mobile contract for 61 i-Phones, where no financial obligation exists at the end of the contract, has been considered for IFRS 16 and has been deemed to be a 'Low Value' lease and therefore out of scope.

Intangible assets

On initial recognition, intangible assets acquired separately are measured at cost. The cost of a separately acquired intangible asset comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates and any directly attributable cost of preparing the asset for its intended use.

Development costs represent typical internally generated intangible assets of relevance for the Company. Costs incurred in relation to individual projects are capitalised only when the future economic benefit of the project is probable and the following main conditions are met: (i) the development costs can be measured reliably, (ii) the technical feasibility of the product has been ascertained and (iii) management has the intention and ability to complete the intangible asset and use or sell it.

For intangible assets with finite useful lives, amortisation is calculated so as to write off the cost of the asset, less its estimated residual value, over its useful economic life as follows:

Computer software	-	33% straight line
Internally generated intangible assets	-	20% - 33% straight line

Non-derivative financial instruments

Non-derivative financial instruments comprise trade and other debtors, cash and cash equivalents, loans and borrowings, and trade and other creditors.

Trade and other debtors

Trade and other debtors are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses.

Work in Progress

Trade debtors include unbilled amounts for work performed in relation to legal services contracts where the fee has yet to be agreed. These unbilled amounts for client work are stated at a percentage completion for fixed fee work or time spent for more complex cases (in accordance with the revenue recognition policy) less provision for foreseeable losses and net of amounts billed on account. A number of assumptions around profitability, drop off and work complete are incorporated into the calculation. No work in progress is recognised until a positive admission of liability has been received from the third-party insurer. This treatment is consistent with the requirements of IFRS 15 – Revenue from Contracts with Customers.

Trade and other creditors

Trade and other creditors are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method.

Client Account Balances are presented on balance sheet with corresponding liabilities to those clients and disbursement suppliers, however the Company cannot and does not use those monies

Provisions

A provision is recognised in the balance sheet when the Company has a present legal or constructive obligation as a result of a past event, that can be reliably measured and it is probable that an outflow of economic benefits will be

Notes (continued)

1 Accounting policies (continued)

required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects risks specific to the liability.

Post-retirement benefits

The Company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The amount charged to the profit and loss account represents the contributions payable to the scheme in respect of the accounting period.

Taxation

Tax currently payable is calculated using the tax rates in force or substantively enacted at the reporting date. Taxable profit differs from accounting profit either because some income and expenses are never taxable or deductible, or because the time pattern that they are taxable or deductible differs between tax law and their accounting treatment.

Deferred tax is recognised in respect of all temporary differences between the carrying value of assets and liabilities in the financial statements and the corresponding tax base. Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the reporting date. Deferred tax assets are recognised only to the extent that the Company considers that it is probable (ie more likely than not) that there will be sufficient taxable profits available for the asset to be utilised within the same tax jurisdiction. This is in accordance with IAS 12.

Classification of financial instruments issued by the Company

The classification of financial assets under IFRS 9 is based on whether the contractual cash flows of the instrument are solely payments of principal and interest, and whether the business model is to collect those contractual cash flows and/or sell the financial assets. All the Company's financial assets are classified as assets at amortised cost under IFRS 9.

2 Key sources of judgement and estimation uncertainty

Work in Progress

The Company recognises revenue on work performed during the reporting period on legal claims based on the stage of work complete and an assessment of the ultimate value of these cases. A number of judgements, assumptions and estimates are made by management in determining whether to recognise legal claims as part of revenue and in estimation of the value of the work carried out in the period. Management determine the key assumptions attributed to the stage of completion of each case, by reference to key milestones in the process, the percentage of cases that will ultimately be settled in our clients' favour, and the expected consideration receivable by the Company in relation to each case, all supported by historical settlement patterns. Income is only recognised on cases where an admission of liability has been received from the third-party insurer, as this gives more certainty to the Company as to recoverability of its costs.

The ultimate outcome in relation to each of these assumptions may differ from the estimates made by management and, as a result, the total consideration receivable will vary. The carrying value of work in progress at the year-end was £15,806,000 (2019: £17,395,000).

3 Turnover

The total turnover of the Company for the period has been derived from its principal activity which is wholly undertaken in the UK.

Notes (continued)

4 Expenses and auditor remuneration

	Year ended 30 June 2020 £000	(Restated) Year ended 30 June 2019 £000
<i>Included in profit / (loss) are the following:</i>		
Depreciation and other amounts written off owned tangible fixed assets	369	412
Depreciation and other amounts written off right to use assets	457	665
Amortisation and other amounts written off owned intangible fixed assets	233	357
Auditor's remuneration		
- Audit of these financial statements	48	45
- Taxation compliance services	-	-
- Other assurance services	14	15
	<hr/>	<hr/>

5 Staff numbers and costs

The average number of persons employed by the Company (including directors) during the period, analysed by category, was as follows:

	Year ended 30 June 2020 No.	Year ended 30 June 2019 No.
Fee earners	218	230
Support staff	237	234
	<hr/>	<hr/>
	455	464
	<hr/>	<hr/>

The aggregate payroll costs of these persons were as follows:

	Year ended 30 June 2020 £000	Year ended 30 June 2019 £000
Wages and salaries	14,798	15,471
Social security costs	1,310	1,328
Other pension costs	590	532
	<hr/>	<hr/>
	16,698	17,331
	<hr/>	<hr/>

The Company operates a defined contribution pension scheme. Contributions amounting to £90,330 (2019: £84,891) were payable to the scheme at the year end and are included in creditors.

6 Remuneration of directors

	Year ended 30 June 2020 £000	Year ended 30 June 2019 £000
Directors' emoluments	632	670
Company contributions to money purchase pension schemes	34	68
	<hr/>	<hr/>
	666	738
	<hr/>	<hr/>

Notes (continued)

Emoluments for the highest paid director:

	Year ended 30 June 2020 £000	Year ended 30 June 2019 £000
Total emoluments (excluding pension contributions)	327	239
Company contributions to money purchase pension schemes	10	53
	<u>337</u>	<u>292</u>

Retirement benefits are accruing to the following number of directors under:

	Year ended 30 June 2020 No.	Year ended 30 June 2019 No.
Money purchase schemes	<u>2</u>	<u>3</u>

7 Interest receivable

	Year ended 30 June 2020 £000	Year ended 30 June 2019 £000
Bank interest receivable	34	43
Interest receivable from BHL Holdings Limited group companies	84	118
	<u>118</u>	<u>161</u>

8 Interest payable

	Year ended 30 June 2020 £000	(Restated) Year ended 30 June 2019 £000
Interest payable on Lease Liabilities	103	110
	<u>103</u>	<u>110</u>

Notes (continued)

9 Taxation

Analysis of charge / (credit):

	Year ended 30 June 2020 £000	Year ended 30 June 2019 £000
<i>UK corporation tax</i>		
Current tax on income for the period	230	213
Adjustments in respect of prior periods	(13)	(440)
Total current tax	217	(227)
<i>Deferred tax</i>		
Origination and reversal of timing differences	-	-
Total deferred tax	-	-
Tax on profit / (loss) on ordinary activities	217	(227)

Reconciliation of effective tax rate:

	Year ended 30 June 2020 £000	Year ended 30 June 2019 £000
Profit / (Loss) on ordinary activities before tax	1,106	1,624
<i>Effects of:</i>		
Current tax at 19% (2019: 19%)	210	308
Expenses not deductible for tax purposes	29	28
Current year deferred tax not recognised	(9)	(62)
Rate difference on deferred tax (current year)	-	-
Losses b/f	-	(61)
Adjustment in respect of prior periods	(13)	(440)
Total tax charge / (credit) (see above)	217	(227)

Reductions in the UK corporation tax rate from 20% (effective from 1 April 2016) to 19% (effective from 1 April 2017) and to 18% (effective 1 April 2020) were substantively enacted on 26 October 2015. An additional reduction to 17% (effective from 1 April 2020) was enacted on 6 September 2016. However ultimately, the corporation tax rate has remained at 19%.

Unrecognised deferred tax (at rate of 17% for 2019, 19% for 2020):

	30 June 2020 £000	30 June 2019 £000
Accelerated capital allowances	153	171
Short term timing differences	140	83
Taxable losses not recognised	-	-
Unrecognised asset carried forward	293	254

The deferred tax asset has not been recognised on the grounds that there is insufficient certainty of taxable profits in the short term.

Notes (continued)

10 Intangible Fixed Assets

	Computer Software £000
Cost	
At 1 July 2019	5,232
Additions	185
Disposals	(1,472)
At 30 June 2020	3,945
Amortisation	
At 1 July 2019	4,686
Charge for the period	233
Disposals	(1,472)
At 30 June 2020	3,447
Net book value	
At 30 June 2020	498
At 30 June 2019	546

11 Tangible Fixed assets

	Leasehold improvements £000	Fixtures and fittings £000	Computer hardware £000	Motor vehicles £000	Total £000
Cost					
At 1 July 2019	1,478	78	906	29	2,491
Additions	14	9	47	-	70
Disposals	-	-	(49)	-	(49)
At 30 June 2020	1,492	87	904	29	2,512
Depreciation					
At 1 July 2019	186	22	574	26	808
Charge for the period	153	17	196	3	369
Disposals	-	-	(49)	-	(49)
At 30 June 2020	339	39	721	29	1,128
Net book value					
At 30 June 2020	1,153	48	183	-	1,384
At 30 June 2019	1,292	56	332	3	1,683

Notes (continued)

12 Right to Use assets

	(Restated) Buildings £000	(Restated) Printers £000	(Restated) Total £000
Cost			
At 1 July 2019	4,343	110	4,453
Additions			
Disposals			
At 30 June 2020	4,343	110	4,453
Depreciation			
At 1 July 2019	658	7	665
Charge for the period	435	22	457
Disposals			
At 30 June 2020	1,093	29	1,122
Net book value			
At 30 June 2020	3,250	81	3,331
At 30 June 2019	3,685	103	3,788

Notes (continued)

13 Debtors

	30 June 2020 £000	(Restated) 30 June 2019 £000
Trade debtors	48,114	54,615
Prepayments and accrued income	2,377	1,291
Amounts owed by BHL Holdings Limited group companies	4	4
	<u>50,495</u>	<u>55,910</u>

Trade debtors include work in progress relating to legal services contracts of £15,806,000 (2019: £17,395,000). The valuation of this balance is subject to estimation uncertainty as disclosed in note 2. These contracts relate to work done on behalf of our clients. Materially, the responsibility for payment sits with major insurance companies and, as such, the Directors consider that there is no significant uncertainty around the successful settlement and recoverability of these amounts.

Certain unbilled disbursements are disclosed net in the financial statements. This is in accordance with contracts with those suppliers where disbursements only become payable when recovered; hence the Company is not obliged to support any losses and nor does it intend to do so. At 30 June 2020 £24,679,000 (2019: £30,403,000) remained within trade debtors after £4,429,000 (2019: £4,773,000) had been offset with trade creditors.

There is no material difference between the fair value of receivables and their carrying amount.

14 Creditors: amounts falling due within one year

	30 June 2020 £000	(Restated) 30 June 2019 £000
Trade creditors	17,024	22,517
Other taxation and social security	1,993	1,894
Accruals and deferred income	5,072	3,608
Lease liabilities	411	518
Amounts owed to BHL Holdings Limited group companies	2,374	3,542
Corporation tax	230	213
	<u>27,104</u>	<u>32,292</u>

Trade creditors include £21,097,000 (2019: £22,486,000) in respect of disbursements where there is a contractual obligation to pay the supplier regardless of whether the disbursement is recovered.

There is no material difference between the fair value of trade and other payables, accruals, deferred income and amounts due to group companies and their carrying amount.

Notes (continued)

15 Provisions – Dilapidations

	<i>(Restated)</i> Buildings £000
Balance at 1 July 2019	550
Provisions made during the year	-
Provisions utilised during the year	-
Balance at 30 June 2020	550

Provision relates to the estimated cost for restoring the Wakefield Office back to its original state under the terms of the Lease agreement as calculated as part of the initial measurement of the Right to Use Asset under IFRS16.

16 Lease Liabilities

The Company has lease liabilities recognised under IFRS16 as set out below. Calculations provided are based on the leases running for their full term. The Wakefield Building has a break clause after five years at the end of 2022, however the full term of 10 years has been assumed below. During the current year the business had total cash outflows for leases of £620,000. The operating lease commitment previously disclosed for the year ended 30 June 2019 was £4,164,000.

	<i>Land and buildings</i> <i>(Restated)</i>		<i>Printers</i> <i>(Restated)</i>	
	30 June 2020	30 June 2019	30 June 2020	30 June 2019
	£000	£000	£000	£000
Lease liabilities:				
Less than one year	390	497	21	21
Between one year and five years	1,678	1,629	57	79
Over five years	1,035	1,474	-	-
	3,103	3,600	78	100

17 Share capital

Called up share capital – ordinary shares of £1 each	2020 £000	2019 £000
Balance at 1 July 2019	20	20
Issued during year	-	-
Balance at 30 June 2020	20	20

Notes (continued)

18 Share premium

	2020 £000	2019 £000
Balance at 1 July 2019	11,590	11,590
Issued during the year	-	-
Balance at 30 June 2020	11,590	11,590

The share premium represents consideration received for shares issued above their nominal value net of transaction costs.

19 Profit and loss account

	30 June 2020 £000	(Restated) 30 June 2019 £000
At the beginning of the year	33,077	31,272
Profit / (loss) for the financial year	889	1,805
At the end of the year	33,966	33,077

The profit and loss account represents cumulative profit and loss net of distributions to owners.

20 Related Party Transactions

The following transactions took place during the financial year with related parties:

Related Party	Type of Service	30 June 2020 £000	30 June 2019 £000
BGL Group Limited	Building and services	68	48
BHL (UK) Holdings Limited	Loan interest receivable & services	121	131
Coral Insurance Services Limited	Support services	92	343
ACM ULR Limited	Legal services	557	650
Total Income		838	1,172

Notes (continued)

Related Party	Type of Service	30 June 2020	30 June 2019
		£000	£000
Charles Layfield (Non Exec Director)	Consultancy	29	46
BHL (UK) Holdings Limited	Support services	138	141
ACM ULR Limited	Cost of sales	5,507	4,640
Coral Insurance Services Limited	Cost of sales	2,100	3,051
Total Expenditure		7,774	7,832

The following balances were outstanding at the year-end:

Related Party	Type of Service	30 June 2020	30 June 2019
		£000	£000
BGL Group Limited	Building and services	4	4
BHL (UK) Holdings Limited	Loan	14,629	15,475
Current Asset		14,633	15,479

Invoices raised to BGL Group Limited are repayable on 30 day terms; the loan with BHL (UK) Limited is repayable on demand.

Related Party	Type of Service	30 June 2020	30 June 2019
		£000	£000
ACM ULR Limited	Cost of sales	2,314	3,392
Coral Insurance Services Limited	Cost of sales	60	150
Current Liability		2,374	3,542

Invoices received from ACM ULR Limited are payable on 9 month terms from the date of service; all other invoices are payable on 30 day terms.

Notes (continued)

21 IFRS 16: Restatement of 30 June 2019

Profit and Loss Account
for the year ended 30 June 2019

	<i>Published</i> Year ended 30 June 2019 £000	IFRS 16 Adjustment	<i>Restated</i> Year ended 30 June 2019 £000
Turnover	35,112		35,112
Cost of sales	(22,432)		(22,432)
Gross profit	12,680		12,680
Administrative expenses	(11,217)	64	(11,153)
Operating profit	1,463	64	1,527
Interest payable		(110)	(110)
Interest receivable	161		161
Profit before taxation	1,624	(46)	1,578
Tax on profit	227		227
Profit for the financial year	1,851	(46)	1,805

Balance Sheet
at 30 June 2019

	<i>Published</i> Year ended 30 June 2019 £000	IFRS 16 Adjustment	<i>Restated</i> Year ended 30 June 2019 £000
Fixed assets			
Intangible assets	546		546
Tangible assets	1,683		1,683
Right to use assets	-	3,788	3,788
	2,229	3,788	6,017
Current assets			
Debtors	55,914	(4)	55,910
Amount due from parent company	15,475		15,475
Cash at bank and in hand	3,308		3,308
	74,697	(4)	74,693

Notes (continued)

Creditors: amounts falling due within one year	(32,088)	(204)	(32,292)
	<hr/>	<hr/>	<hr/>
Net current assets	42,609	(208)	42,401
	<hr/>	<hr/>	<hr/>
Total assets less current liabilities	44,838	3,580	48,418
Creditors: amounts falling due after more than one year			
Provisions Dilapidations	(191)	(359)	(550)
Lease Liabilities		(3,181)	(3,181)
	<hr/>	<hr/>	<hr/>
Net assets	44,647	40	44,687
	<hr/>	<hr/>	<hr/>
Capital and reserves			
Called up share capital	20		20
Share premium account	11,590		11,590
Profit and loss account	33,037	40	33,077
	<hr/>	<hr/>	<hr/>
Shareholders' funds	44,647	40	44,687
	<hr/>	<hr/>	<hr/>

22 Ultimate parent company

The Company's immediate parent company is BHL (UK) Holdings Limited. The Company's ultimate controlling party is BHL Holdings Limited.

The largest group in which the results of the Company are consolidated is that headed by BHL Holdings Limited, incorporated in Guernsey. The smallest group in which they are consolidated is that headed by BHL (UK) Holdings Limited, incorporated in England and Wales. The consolidated financial statements of BHL Holdings Limited are not publicly available. The financial statements of BHL (UK) Holdings Limited can be obtained from Companies House.