

GLOBAL COUNSEL LTD

UNAUDITED

FINANCIAL STATEMENTS

INFORMATION FOR FILING WITH THE REGISTRAR

FOR THE YEAR ENDED 31 DECEMBER 2022

BALANCE SHEET
AS AT 31 DECEMBER 2022

	Note	2022 £	As restated 2021 £
Fixed assets			
Intangible assets	4	17,066	22,765
Tangible assets	5	383,386	346,137
Investments	6	96,625	96,625
		<u>497,077</u>	<u>465,527</u>
Current assets			
Debtors: amounts falling due after more than one year	7	69,370	32,301
Debtors: amounts falling due within one year	7	3,835,617	2,589,731
Cash at bank and in hand	8	45,514	534,278
		<u>3,950,501</u>	<u>3,156,310</u>
Creditors: amounts falling due within one year	9	(5,399,323)	(3,508,459)
Net current liabilities		<u>(1,448,822)</u>	<u>(352,149)</u>
Total assets less current liabilities		<u>(951,745)</u>	<u>113,378</u>
Creditors: amounts falling due after more than one year	10	(150,000)	(264,352)
Net liabilities		<u><u>(1,101,745)</u></u>	<u><u>(150,974)</u></u>
Capital and reserves			
Called up share capital		100	100
Share premium account		200,000	200,000
Profit and loss account		(1,301,845)	(351,074)
		<u><u>(1,101,745)</u></u>	<u><u>(150,974)</u></u>

BALANCE SHEET (CONTINUED)
AS AT 31 DECEMBER 2022

The directors consider that the Company is entitled to exemption from audit under section 477 of the Companies Act 2006 and members have not required the Company to obtain an audit for the year in question in accordance with section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

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

The Company has opted not to file the statement of comprehensive income in accordance with provisions applicable to companies subject to the small companies' regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

B C Wegg-Prosser
Director

Date: 21 December 2023

The notes on pages 4 to 16 form part of these financial statements.

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2022**

	Called up share capital	Share premium account	Profit and loss account	Total equity
	£	£	£	£
At 1 January 2021	100	200,000	187,969	388,069
Comprehensive income for the year				
Loss for the year	-	-	(323,043)	(323,043)
Total comprehensive income for the year	-	-	(323,043)	(323,043)
Contributions by and distributions to owners				
Dividends: Equity capital	-	-	(216,000)	(216,000)
Total transactions with owners	-	-	(216,000)	(216,000)
At 1 January 2022 (as previously stated)	100	200,000	671,898	871,998
Prior year adjustment - correction of error	-	-	(1,022,972)	(1,022,972)
At 1 January 2022 (as restated)	100	200,000	(351,074)	(150,974)
Comprehensive income for the year				
Loss for the year	-	-	(950,771)	(950,771)
Total comprehensive income for the year	-	-	(950,771)	(950,771)
Total transactions with owners	-	-	-	-
At 31 December 2022	100	200,000	(1,301,845)	(1,101,745)

The notes on pages 4 to 16 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

1. General information

Global Counsel Ltd was incorporated as Global Counsel Consulting Ltd, a private company limited by shares in England & Wales, registered number 10533767, on 20 December 2016 changing its name by special resolution on 17 January 2017.

The company's registered office is at 6th Floor, 2 London Wall Place, London, EC2Y 5AU.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The following principal accounting policies have been applied:

2.2 Exemption from preparing consolidated financial statements

The Company, and the Group headed by it, qualify as small as set out in section 383 of the Companies Act 2006 and the parent and Group are considered eligible for the exemption to prepare consolidated accounts.

2.3 Going concern

A provision of £889,320 has been made against advances made to one of the company's subsidiaries which has contributed significantly to the deficit on reserves. This is not expected to recur and results since the end of the financial year and the company's forecasting indicates a return to profitability such that the directors believe that the company will continue as a going concern.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

2. Accounting policies (continued)

2.4 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Statement of comprehensive income within 'finance income or costs'. All other foreign exchange gains and losses are presented in profit or loss within 'other operating income'.

2.5 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

2. Accounting policies (continued)

2.6 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to profit or loss on a straight-line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight-line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

2.7 Finance costs

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.8 Borrowing costs

All borrowing costs are recognised in profit or loss in the year in which they are incurred.

2.9 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Balance sheet. The assets of the plan are held separately from the Company in independently administered funds.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

2. Accounting policies (continued)

2.10 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the Company can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

2.11 Exceptional items

Exceptional items are transactions that fall within the ordinary activities of the Company but are presented separately due to their size or incidence.

2.12 Intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

2.13 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is 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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

2. Accounting policies (continued)

2.13 Tangible fixed assets (continued)

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Office equipment	- four years
Computer equipment	- three years

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

2.14 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.15 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.

2.16 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.17 Creditors

Short-term 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.

2.18 Financial instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or in case of an

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

2. Accounting policies (continued)**2.18 Financial instruments (continued)**

out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of comprehensive income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the balance sheet date.

Financial assets and liabilities are offset and the net amount reported in the Balance sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

2.19 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

3. Employees

The average monthly number of employees, including the directors, during the year was as follows:

	2022	2021
	No.	No.
Directors	3	3
Other personnel	79	55
	82	58

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

4. Intangible assets

	Patents £
Cost	
At 1 January 2022	59,221
At 31 December 2022	<u>59,221</u>
Amortisation	
At 1 January 2022	36,456
Charge for the year on owned assets	5,699
At 31 December 2022	<u>42,155</u>
Net book value	
At 31 December 2022	<u><u>17,066</u></u>
At 31 December 2021	<u><u>22,765</u></u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

5. Tangible fixed assets

	Office equipment £	Computer equipment £	Total £
Cost or valuation			
At 1 January 2022	328,069	42,933	371,002
Additions	58,695	31,580	90,275
At 31 December 2022	<u>386,764</u>	<u>74,513</u>	<u>461,277</u>
Depreciation			
At 1 January 2022	23,406	1,459	24,865
Charge for the year on owned assets	34,761	18,265	53,026
At 31 December 2022	<u>58,167</u>	<u>19,724</u>	<u>77,891</u>
Net book value			
At 31 December 2022	<u>328,597</u>	<u>54,789</u>	<u>383,386</u>
At 31 December 2021	<u>304,663</u>	<u>41,474</u>	<u>346,137</u>

6. Fixed asset investments

	Investments in subsidiary companies £	Trade investments £	Total £
Cost or valuation			
At 1 January 2022	46,625	50,000	96,625
At 31 December 2022	<u>46,625</u>	<u>50,000</u>	<u>96,625</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

7. Debtors

	2022	2021
	£	£
Due after more than one year		
Other debtors	39,663	26,163
Deferred tax asset	29,707	6,138
	<u>69,370</u>	<u>32,301</u>
	2022	As restated 2021
	£	£
Due within one year		
Trade debtors	3,108,754	1,250,069
Amounts owed by group undertakings	32,452	65,440
Other debtors	130,047	147,027
Prepayments and accrued income	518,167	1,080,998
Tax recoverable	46,197	46,197
	<u>3,835,617</u>	<u>2,589,731</u>

Included within other debtors due within one year are advances made to B C Wegg-Prosser, a director, amounting to £120,500 (2021 - £80,500).

Such amounts will be repaid out of future dividends correctly voted and payable.

8. Cash and cash equivalents

	2022	2021
	£	£
Cash at bank and in hand	45,514	534,278
	<u>45,514</u>	<u>534,278</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

9. Creditors: Amounts falling due within one year

	2022	As restated 2021
	£	£
Bank loans	113,439	151,600
Other loans	932,383	-
Trade creditors	1,237,678	365,028
Amounts owed to group undertakings	217,897	413,309
Corporation tax	60,495	26,163
Other taxation and social security	1,886,986	1,807,279
Other creditors	30,079	30,080
Accruals and deferred income	920,366	715,000
	<u>5,399,323</u>	<u>3,508,459</u>

The following liabilities were secured by the company:

	2022	2021
	£	£
Bank loans	113,439	151,600
Other loans	541,583	-
	<u>655,022</u>	<u>151,600</u>

Details of security provided:

Fixed and floating charges over the assets of the company.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

10. Creditors: Amounts falling due after more than one year

	2022	2021
	£	£
Bank loans	150,000	264,352
	<u>150,000</u>	<u>264,352</u>

The following liabilities were secured by the company:

	2022	2021
	£	£
Bank loans	150,000	264,352
	<u>150,000</u>	<u>264,352</u>

Details of security provided:

Fixed and floating charges over the assets of the company.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

11. Loans

Analysis of the maturity of loans is given below:

	2022 £	2021 £
Amounts falling due within one year		
Bank loans	113,439	151,600
Other loans	932,383	-
	<u>1,045,822</u>	<u>151,600</u>
Amounts falling due 1-2 years		
Bank loans	100,000	114,352
	<u>100,000</u>	<u>114,352</u>
Amounts falling due 2-5 years		
Bank loans	50,000	150,000
	<u>50,000</u>	<u>150,000</u>
	<u>1,195,822</u>	<u>415,952</u>

12. Prior year adjustment

The company's 2021 statutory accounts were approved prior to the approval of one of the overseas subsidiary company's accounts for the year to 2021. Restatement for costs incurred by the subsidiary company and recharged to the company has been made in the sum of £617,981.

Following a review of the company's payroll costs, it has been determined that bonuses paid to staff during 2022 related to service in the previous year. Accordingly, the accrual as at 31 December 2021 has been restated and increased by £644,408.

The resulting reduction in the company's corporation tax liability and claims for repayment based on carry back of losses are, in aggregate, £239,417.

The overall reduction in net assets and profit after tax of the prior year adjustments is £1,022,972.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

13. Pension commitments

The Company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £434,141 (2021: £309,159). Contributions totalling £156,357 (2021: £32,310) were payable to the fund at the balance sheet date and are included in accruals and deferred income.

14. Related party transactions

Aggregate dividends paid to the directors during the year amounted to £Nil (2021: £216,000).

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.