

**MATTHEWS LEGAL LIMITED**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MAY 2021**

**MATTHEWS LEGAL LIMITED**

**COMPANY INFORMATION**

|                          |  |
|--------------------------|--|
| <b>Directors</b>         | P J Baxter<br>H G Fox<br>P A H Matthews<br>P M Murray (resigned 24 February 2021)<br>N J Da Prato                |
| <b>Registered number</b> | SC497784   |
| <b>Registered office</b> | Bank of Scotland Buildings<br>37 Albert Street<br>Newton Stewart<br>DG8 6EG                                      |
| <b>Accountants</b>       | EQ Accountants LLP<br>Chartered Accountants<br>Pentland House<br>Saltire Centre<br>Glenrothes<br>Fife<br>KY6 2AH |

STATEMENT OF FINANCIAL POSITION  
AS AT 31 MAY 2021

|  |   | 2021<br>£        | 2020<br>£        |
|--|---|------------------|------------------|
| <b>Fixed assets</b>                            |   |                  |                  |
| Tangible assets                                | 4 | 12,193           | 15,858           |
|  |   | <u>12,193</u>    | <u>15,858</u>    |
| <b>Current assets</b>                          |   |                  |                  |
| Debtors: amounts falling due within one year   | 5 | 3,950,004        | 5,226,624        |
| Cash at bank and in hand                       |   | 635,670          | 385,258          |
|  |   | <u>4,585,674</u> | <u>5,611,882</u> |
| Creditors: amounts falling due within one year | 6 | (3,844,761)      | (5,136,810)      |
|  |   | <u>740,913</u>   | <u>475,072</u>   |
| <b>Net current assets</b>                      |   |                  |                  |
|  |   | <u>740,913</u>   | <u>475,072</u>   |
| <b>Total assets less current liabilities</b>   |   | <u>753,106</u>   | <u>490,930</u>   |
| <b>Provisions for liabilities</b>              |   |                  |                  |
| Deferred tax                                   |   | (1,787)          | (2,366)          |
|  |   | <u>(1,787)</u>   | <u>(2,366)</u>   |
| <b>Net assets</b>                              |   | <u>751,319</u>   | <u>488,564</u>   |
| <b>Capital and reserves</b>                    |   |                  |                  |
| Called up share capital                        | 7 | 100              | 100              |
| Profit and loss account                        |   | 751,219          | 488,464          |
|  |   | <u>751,319</u>   | <u>488,564</u>   |

**STATEMENT OF FINANCIAL POSITION (CONTINUED)**  
**AS AT 31 MAY 2021**

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 income and retained earnings 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:

P J Baxter  
**Director**

Date: 8 December 2021

The notes on pages 3 to 7 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MAY 2021**

**1. General information**

Matthews Legal Limited is limited by shares and incorporated in Scotland with registration number SC497784. The address of the registered office is Bank of Scotland Buildings, 37 Albert Street, Newton Stewart, United Kingdom, DG8 6EG.

The financial statements are presented in Sterling which is the functional currency of the company and rounded to the nearest £.

**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 Turnover**

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the Company and the turnover can be reliably measured. Turnover 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 turnover is recognised:

**Rendering of services**

Turnover 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 turnover 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.

**2.3 Government grants**

Grants are accounted under the accruals model as permitted by FRS 102. Grants relating to expenditure on tangible fixed assets are credited to profit or loss at the same rate as the depreciation on the assets to which the grant relates. The deferred element of grants is included in creditors as deferred income.

Grants of a revenue nature are recognised in the Statement of income and retained earnings in the same period as the related expenditure.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MAY 2021**

**2. Accounting policies (continued)**

**2.4 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 Statement of financial position. The assets of the plan are held separately from the Company in independently administered funds.

**2.5 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 tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting 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 Statement of financial position 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; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

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 reporting date.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MAY 2021

2. Accounting policies (continued)

2.6 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.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, on a reducing balance basis.

Depreciation is provided on the following basis:

|                  |   |     |                  |
|------------------|---|-----|------------------|
| Office equipment | - | 25% | reducing balance |
|------------------|---|-----|------------------|

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.

2.7 Holiday pay accrual

A liability is recognised to the extent of any unused holiday pay entitlement which is accrued at the Statement of financial position date and carried forward to future periods. This is measured at the undiscounted salary cost of the future holiday entitlement so accrued at the Statement of financial position date.

2.8 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.

2.9 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 directors, during the year was 29 (2020 - 29).

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MAY 2021

4. Tangible fixed assets

|                                     | Office<br>equipment<br>£ |
|-------------------------------------|--------------------------|
| <b>Cost or valuation</b>            |                          |
| At 1 June 2020                      | 48,416                   |
| Additions                           | 401                      |
| At 31 May 2021                      | 48,817                   |
| <b>Depreciation</b>                 |                          |
| At 1 June 2020                      | 32,558                   |
| Charge for the year on owned assets | 4,066                    |
| At 31 May 2021                      | 36,624                   |
| <b>Net book value</b>               |                          |
| At 31 May 2021                      | 12,193                   |
| <i>At 31 May 2020</i>               | <i>15,858</i>            |

5. Debtors

|  | 2021<br>£        | 2020<br>£        |
|--|------------------|------------------|
| Trade debtors                              | 93,755           | 118,707          |
| Other debtors                              | 3,676,616        | 4,974,328        |
| Prepayments and accrued income             | 27,715           | 32,957           |
| Amounts recoverable on long term contracts | 151,918          | 100,632          |
|  | <u>3,950,004</u> | <u>5,226,624</u> |

6. Creditors: Amounts falling due within one year

|                                    | 2021<br>£        | 2020<br>£        |
|------------------------------------|------------------|------------------|
| Other taxation and social security | 157,380          | 143,764          |
| Other creditors                    | 3,632,306        | 4,945,069        |
| Accruals and deferred income       | 55,075           | 47,977           |
|                                    | <u>3,844,761</u> | <u>5,136,810</u> |



NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MAY 2021

7. Share capital

|   | 2021<br>£  | 2020<br>£  |
|---|------------|------------|
| <b>Allotted, called up and fully paid</b>             |            |            |
| 25 (2020 - 25) A Ordinary Shares shares of £1.00 each | 25         | 25         |
| 25 (2020 - 25) B Ordinary Shares shares of £1.00 each | 25         | 25         |
| 25 (2020 - 25) C Ordinary Shares shares of £1.00 each | 25         | 25         |
| 25 (2020 - 25) D Ordinary Shares shares of £1.00 each | 25         | 25         |
|   | <hr/>      | <hr/>      |
|   | <b>100</b> | <b>100</b> |
|   | <hr/>      | <hr/>      |

8. Commitments under operating leases

At 31 May 2021 the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

|  | 2021<br>£     | 2020<br>£     |
|--|---------------|---------------|
| Not later than 1 year                        | 6,500         | 9,783         |
| Later than 1 year and not later than 5 years | 7,308         | 1,480         |
|  | <hr/>         | <hr/>         |
|  | <b>13,808</b> | <b>11,263</b> |
|  | <hr/>         | <hr/>         |

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