

**REGISTERED NUMBER: 07958416 (England and Wales)**

**DN LAW LIMITED**

**UNAUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2019**

**DN LAW LIMITED (REGISTERED NUMBER: 07958416)**

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FOR THE YEAR ENDED 31 JULY 2019**

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**STATEMENT OF FINANCIAL POSITION**  
**31 JULY 2019**

|  | Notes | 2019<br>£           | 2018<br>£            |
|--|-------|---------------------|----------------------|
| <b>Fixed assets</b>                          |       |                     |                      |
| Tangible assets                              | 4     | 3,671               | 7,557                |
| <b>Current assets</b>                        |       |                     |                      |
| Debtors                                      | 5     | 85,203              | 53,109               |
| Cash at bank and in hand                     |       | 9,420               | 9,420                |
|  |       | <u>94,623</u>       | <u>62,529</u>        |
| <b>Creditors</b>                             |       |                     |                      |
| Amounts falling due within one year          | 6     | (96,398)            | (58,387)             |
| <b>Net current (liabilities)/assets</b>      |       | <u>(1,775)</u>      | <u>4,142</u>         |
| <b>Total assets less current liabilities</b> |       | <u>1,896</u>        | <u>11,699</u>        |
| <b>Provisions for liabilities</b>            |       | <u>(682)</u>        | <u>(1,511)</u>       |
| <b>Net assets</b>                            |       | <u><u>1,214</u></u> | <u><u>10,188</u></u> |
| <b>Capital and reserves</b>                  |       |                     |                      |
| Called up share capital                      | 7     | 315                 | 445                  |
| Capital redemption reserve                   | 8     | 149                 | 19                   |
| Retained earnings                            | 8     | 750                 | 9,724                |
| <b>Shareholders' funds</b>                   |       | <u><u>1,214</u></u> | <u><u>10,188</u></u> |

The company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 July 2019.

The members have not required the company to obtain an audit of its financial statements for the year ended 31 July 2019 in accordance with Section 476 of the Companies Act 2006.

The director acknowledges his responsibilities for:

- (a) ensuring that the company keeps accounting records which comply with Sections 386 and 387 of the Companies Act 2006 and preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of each financial year and of its profit or loss for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.
- (b)

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

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

The financial statements were approved by the director and authorised for issue on 29 July 2020 and were signed by:

Mr Mohammed Afzal Anwar - Director

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JULY 2019**

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**1. Statutory information**

DN Law Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address are as below:

|                           |   |
|---------------------------|---|
| <b>Registered number:</b> | 07958416  |
| <b>Registered office:</b> | 25 Carr Road<br>Nelson<br>Lancashire<br>BB9 7JS |

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

**2. Accounting policies**

**Basis of preparing the financial statements**

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" including the provisions of Section 1A "Small Entities" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

**Critical accounting judgements and key sources of estimation uncertainty**

In the application of the company's accounting policies, the director is required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. That estimates and associated assumptions are based on experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

The valuations of unbilled revenue involve significant judgement and affects the amount of revenue recognised. The valuation is based on an estimate of the amount expected to be recoverable from clients on unbilled items based on such factors as stage of completion. The directors review historical trends to ensure that the method for accounting for the amounts recoverable on contracts is most accurate for each department.

**Turnover**

Turnover is recognised at the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

When cash inflows are deferred and represent a financing arrangement, the fair value of the consideration is the present value of the future receipts. The difference between the fair value of the consideration and the nominal amount received is recognised as interest income.

Revenue from contracts for the provision of professional services is recognised by reference to the stage of completion when the stage of completion, costs incurred and costs to complete can be estimated reliably. The stage of completion is calculated by comparing costs incurred, mainly in relation to contractual hourly staff rates and materials, as a proportion of total costs. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that it is probable will be recovered.

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 JULY 2019**

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**2. Accounting policies - continued**

**Tangible fixed assets**

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

|                       |                              |
|-----------------------|------------------------------|
| Fixtures and fittings | - 15% Straight Line          |
| Computer equipment    | - straight line over 3 years |

**Financial instruments**

A financial asset or a financial liability is recognised only when the entity becomes a party to the contractual provisions of the instrument. Basic financial instruments are initially recognised at the transaction price, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Debt instruments are subsequently measured at amortised cost.

Directors' loans (being repayable on demand), trade debtors and trade creditors are measured at the undiscounted amount of the cash or other consideration expected to be paid or received.

Financial assets that are measured at cost or amortised cost are reviewed for objective evidence of impairment at the end of each reporting date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss immediately.

Any reversals of impairment are recognised in profit or loss immediately, to the extent that the reversal does not result in a carrying amount of the financial asset that exceeds what the carrying amount would have been had the impairment not previously been recognised.

**Taxation**

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

Current or deferred taxation assets and liabilities are not discounted.

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

**Deferred tax**

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

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

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

**Hire purchase and leasing commitments**

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

**Pension costs and other post-retirement benefits**

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to profit or loss in the period to which they relate.

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED 31 JULY 2019**
**2. Accounting policies - continued**
**Amount recoverable on contracts**

Unbilled fees, where the ability to recover fees on a matter is non-contingent, are recognised on the basis of time spent and are valued at the amount expected to be billed in respect of that time. They are included as part of Current Assets.

**Impairment**

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

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

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

**3. Employees and directors**

The average number of employees during the year was 9 (2018 - 11) .

**4. Tangible fixed assets**

|                       | <b>Fixtures<br/>and<br/>fittings<br/>£</b> | <b>Computer<br/>equipment<br/>£</b> | <b>Totals<br/>£</b> |
|-----------------------|--|-------------------------------------|---------------------|
| <b>Cost</b>           |  |                                     |                     |
| At 1 August 2018      | 17,562                                     | 12,160                              | 29,722              |
| Additions             | 83   | -                                   | 83                  |
| At 31 July 2019       | <u>17,645</u>                              | <u>12,160</u>                       | <u>29,805</u>       |
| <b>Depreciation</b>   |  |                                     |                     |
| At 1 August 2018      | 11,327                                     | 10,838                              | 22,165              |
| Charge for year       | 2,647                                      | 1,322                               | 3,969               |
| At 31 July 2019       | <u>13,974</u>                              | <u>12,160</u>                       | <u>26,134</u>       |
| <b>Net book value</b> |  |                                     |                     |
| At 31 July 2019       | <u>3,671</u>                               | <u>-</u>                            | <u>3,671</u>        |
| At 31 July 2018       | <u>6,235</u>                               | <u>1,322</u>                        | <u>7,557</u>        |

NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 JULY 2019

## 5. Debtors: amounts falling due within one year

|                                     | 2019<br>£     | 2018<br>£     |
|-------------------------------------|---------------|---------------|
| Trade debtors                       | 15,743        | 15,758        |
| Amounts recoverable<br>on contracts | 58,250        | 26,075        |
| Other debtors                       | 11,210        | 11,276        |
|                                     | <u>85,203</u> | <u>53,109</u> |

## 6. Creditors: amounts falling due within one year

|                              | 2019<br>£     | 2018<br>£     |
|------------------------------|---------------|---------------|
| Bank loans and overdrafts    | 31,038        | 17,011        |
| Taxation and social security | 33,776        | 24,188        |
| Other creditors              | 31,584        | 17,188        |
|                              | <u>96,398</u> | <u>58,387</u> |

## 7. Called up share capital

## Allotted, issued and fully paid:

| Number:              | Class:     | Nominal<br>value:<br>£1 | 2019<br>£  | 2018<br>£  |
|----------------------|------------|-------------------------|------------|------------|
| NIL<br>(2018 - 130 ) | Ordinary A | £1                      | -          | 130        |
| 199                  | Ordinary B | £1                      | 199        | 199        |
| 100                  | Ordinary C | £1                      | 100        | 100        |
| 16                   | Ordinary D | £1                      | 16         | 16         |
|                      |            |                         | <u>315</u> | <u>445</u> |

## 8. Reserves

|                        | Retained<br>earnings<br>£ | Capital<br>redemption<br>reserve<br>£ | Totals<br>£ |
|------------------------|---------------------------|---------------------------------------|-------------|
| At 1 August 2018       | 9,724                     | 19                                    | 9,743       |
| Profit for the year    | 24,206                    |                                       | 24,206      |
| Dividends              | (3,180)                   |                                       | (3,180)     |
| Purchase of own shares | (30,000)                  | 130                                   | (29,870)    |
| At 31 July 2019        | <u>750</u>                | <u>149</u>                            | <u>899</u>  |

## 9. Related party disclosures

At 30 September 2019 company owed £4,189 to a director (2018: £4,189). No interest has been charged to the company in respect of this loan which is repayable on demand and classified in creditors due within one year.

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.