

REGISTERED NUMBER: 08802975 (England and Wales)

**GROUP STRATEGIC REPORT,
REPORT OF THE DIRECTORS AND
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022
FOR
LEAP LEGAL SOFTWARE LTD**

SATURDAY



A08 *AC4F3TTK* #80
27/05/2023
COMPANIES HOUSE

**CONTENTS OF THE CONSOLIDATED FINANCIAL STATEMENTS
for the Year Ended 30 June 2022**

	Page
Company Information	1
Group Strategic Report	2
Report of the Directors	4
Report of the Independent Auditors	6
Consolidated Statement of Profit or Loss	10
Consolidated Statement of Profit or Loss and Other Comprehensive Income	11
Consolidated Statement of Financial Position	12
Company Statement of Financial Position	14
Consolidated Statement of Changes in Equity	16
Company Statement of Changes in Equity	17
Consolidated Statement of Cash Flows	18
Notes to the Consolidated Statement of Cash Flows	19
Notes to the Consolidated Financial Statements	20

LEAP LEGAL SOFTWARE LTD

COMPANY INFORMATION
for the Year Ended 30 June 2022

DIRECTORS: R D Hugo-Hamman
C M Beck
J Espley

REGISTERED OFFICE: 10 John Street
London
WC1N 2EB

REGISTERED NUMBER: 08802975 (England and Wales)

AUDITORS: Oury Clark Chartered Accountants
Statutory Auditors
Herschel House
58 Herschel Street
Slough
Berkshire
SL1 1PG

LEAP LEGAL SOFTWARE LTD (REGISTERED NUMBER: 08802975)

**GROUP STRATEGIC REPORT
for the Year Ended 30 June 2022**

The directors present their strategic report of the company and the group for the year ended 30 June 2022.

LEAP Legal Software Limited's principal activity is the provision of cloud-based practice management software for small to mid-sized firms.

REVIEW OF BUSINESS

FY22 was another strong year for the business. Just over 3000 net new users subscribed to LEAP's flagship product, further consolidating our position as the leading provider of cloud practice management software.

During the year a further 2 competitor acquisitions were made; both based in the Republic of Ireland. The acquisitions further enlarge LEAP's already fast-growing footprint in Ireland by adding another 2500 users to the subscriber base. We expect a significant portion of these users to switch to the flagship LEAP product over the next financial year.

Significant momentum exists in the UK and Irish LEAP's businesses, which we plan to capitalise further on in FY23 and beyond.

PRINCIPAL RISKS AND UNCERTAINTIES

The principal risks which LEAP group face, reside around the strength of the UK economy including the impact of Brexit, inflation, & the overall health of the property market. The turbulence created by these macro factors and whether there is a direct impact on a law firms' ability and desire to invest in premium technology has not yet been observed but remains an area of vigilance.

Irrespective of the UK's wider economic performance firms continue to invest in LEAP to increase efficiency and with a diverse client base practising in a variety of different areas of law, the business is well insulated against any future market turbulence or slowdown in the property market.

STRATEGY

LEAP Group aims to further consolidate its position in the market by maximising growth and expanding market share.

This will be done primarily through continuous R&D investment and enhancement of the core software, customer service excellence and effective articulation of our value proposition to prospective and existing customers.

RESULTS & PERFORMANCE

The results of the group for the year, as set out on page 10 show a profit before tax of £4.5m (2021: £5.1m) and an increase in revenue of 29% from the previous year to £24.4m.

The main driver of growth remains the continuing expansion of the subscriber base, through new sales and existing customer growth. Growth was further aided by competitor acquisitions since FY21.

LEAP LEGAL SOFTWARE LTD (REGISTERED NUMBER: 08802975)

**GROUP STRATEGIC REPORT
for the Year Ended 30 June 2022**

BUSINESS ENVIRONMENT

The market for practice management software is highly competitive with several long-established companies and new start-up entrants offering products in LEAP's target market.

Threats from the competition are mitigated by positioning LEAP as the premium solution thereby differentiating ourselves from low-cost providers and newer entrants.

ON BEHALF OF THE BOARD:



.....
J Espley - Director

May 25, 2023
Date:

LEAP LEGAL SOFTWARE LTD (REGISTERED NUMBER: 08802975)

**REPORT OF THE DIRECTORS
for the Year Ended 30 June 2022**

The directors present their report with the financial statements of the company and the group for the year ended 30 June 2022.

DIVIDENDS

No dividends will be distributed for the year ended 30 June 2022.

EVENTS SINCE THE END OF THE YEAR

Information relating to events since the end of the year is given in the notes to the financial statements.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 July 2021 to the date of this report.

R D Hugo-Hamman
C M Beck
J Espley

POLITICAL DONATIONS AND EXPENDITURE

During the year, total donations of £nil (2021: £100) were made to various charities.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Group Strategic Report, the Report of the Directors 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 UK-adopted international accounting standards. 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 the group and of the profit or loss of the group for that period. In preparing these 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;
- 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 and the group's transactions and disclose with reasonable accuracy at any time the financial position of the company and the group 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 the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the group's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the group's auditors are aware of that information.

LEAP LEGAL SOFTWARE LTD (REGISTERED NUMBER: 08802975)

**REPORT OF THE DIRECTORS
for the Year Ended 30 June 2022**

AUDITORS

The auditors, Oury Clark Chartered Accountants, are deemed to be re-appointed under Section 487 (2) of the Companies Act 2006.

ON BEHALF OF THE BOARD:



.....
J Espley - Director

May 25, 2023
Date:

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
LEAP LEGAL SOFTWARE LTD**

Opinion

We have audited the financial statements of Leap Legal Software Ltd (the 'parent company') and its subsidiaries (the 'group') for the year ended 30 June 2022 which comprise the Consolidated Statement of Profit or Loss, the Consolidated Statement of Profit or Loss and Other Comprehensive Income, the Consolidated Statement of Financial Position, the Company Statement of Financial Position, the Consolidated Statement of Changes in Equity, the Company Statement of Changes in Equity, the Consolidated Statement of Cash Flows and Notes to the Consolidated Statement of Cash Flows, 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 International Financial Reporting Standards (IFRSs) as adopted by the UK.

In our opinion:

- the financial statements give a true and fair view of the state of the group's and of the parent company's affairs as at 30 June 2022 and of the group's profit for the year then ended;
- the group financial statements have been properly prepared in accordance with IFRSs as adopted by the UK;
- the parent company financial statements have been properly prepared in accordance with IFRSs as adopted by the UK and as applied in accordance with the provisions of the Companies Act 2006; and
- the financial statements 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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the group 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

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's and the parent company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The directors are responsible for the other information. The other information comprises the information in the Report of the Directors and Group Strategic Report, but does not include the financial statements and our Report of the Auditors thereon.

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 inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be misstated. If we identify such inconsistencies or apparent misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
LEAP LEGAL SOFTWARE LTD**

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 Group Strategic Report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Group Strategic Report and the Report of the Directors have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the group and its environment obtained in the course of the audit, we have not identified any matters in the Report of the Directors and Group Strategic Report that are inconsistent with our overall view of the financial statements.

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

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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 Statement of Directors' Responsibilities set out on page four, 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 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 group's and the parent 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 group or the parent company or to cease operations, or have no realistic alternative but to do so.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
LEAP LEGAL SOFTWARE LTD**

Auditors' 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 a Report of the Auditors 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.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Identifying and assessing potential irregularities, including fraud

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- Considering the nature of the industry, sector, control environment and current business activities, including possible performance targets and subsequent remuneration

- Enquiring of management concerning policies and procedures relating to:

1. Complying with laws and regulations and whether there were any instances of non-compliance

2. Mitigating, detecting and responding to fraud risk and whether there has been any actual or possible instances of fraud

- Discussing within the engagement team and internal specialists where necessary, regarding how and where fraud may occur in the financial statements along with the possible indicators of fraud. We identified the following areas most likely to be susceptible to fraud:

1. Revenue recognition

2. Management override

3. Inappropriate suppliers

4. False employee expenses

5. Employee existence

- Discussing within the engagement team and internal specialists where necessary, the legal and regulatory framework in which the group operates and in particular those which would have an impact on the financial statements. The key laws and regulations considered were the Companies Act 2006, UK tax legislation and UK employment law.

Audit response to the risks identified

As noted above, we identified revenue recognition, management override, inappropriate suppliers, false employee expense claims and employee existence as matters that would most likely be susceptible to fraud. Our procedures to respond to these risks included the following:

- Reviewing a sample of sales contracts and invoices to ensure sales are legitimate and recognised in the correct accounting period.

- Review of journals posted in the year to ensure there was no evidence of management override.

- Review of a sample of suppliers to ensure they appeared legitimate.

- Reviewing a sample of employee expense claims to ensure expenses reimbursed are in line with the activities of the business and that expense claims have supporting receipts that have been authorised by management.

- Reviewing payroll records and supporting documentation to confirm employee existence.

Further, we also identified compliance with the Companies Act 2006, UK tax legislation and employment law as being key areas where there may be possible non-compliance. Our procedures to respond to these risks included the following:

- Review the financial statement disclosures with completion of a disclosure checklist and testing to supporting documentation to assess compliance with the Companies Act 2006;

- Review the corporation tax return to ensure it complies with UK tax legislation and completion of our detailed corporation tax checklist;

- Employee contracts and right to work were reviewed to ensure compliance with employment law;

- A safeguard review of the corporation tax computation by someone independent of the audit team and CTA qualified.

The above matters and identified laws and regulations and potential fraud risks were communicated to all engagement team members and internal specialists where necessary, in order to enable the team to have the ability to identify such risks. The whole team remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
LEAP LEGAL SOFTWARE LTD**

There are inherent limitations in the audit procedures described above and the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Auditors.

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 a Report of the Auditors 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.

E Crowley

Emma Crowley (Senior Statutory Auditor)
for and on behalf of Oury Clark Chartered Accountants
Statutory Auditors
Herschel House
58 Herschel Street
Slough
Berkshire
SL1 1PG
May 26, 2023

Date:

LEAP LEGAL SOFTWARE LTD (REGISTERED NUMBER: 08802975)

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS
for the Year Ended 30 June 2022**

	Notes	30.6.22 £	30.6.21 £
CONTINUING OPERATIONS			
Revenue		24,478,885	18,923,060
Cost of sales		(221,214)	(146,171)
GROSS PROFIT		<u>24,257,671</u>	<u>18,776,889</u>
<i>Other operating income</i>		1,127	44,252
Administrative expenses		(18,042,109)	(12,332,765)
OPERATING PROFIT		<u>6,216,689</u>	<u>6,488,376</u>
Finance costs	5	(2,347,915)	(1,990,103)
Finance income	5	604,602	608,320
PROFIT BEFORE INCOME TAX	6	<u>4,473,376</u>	<u>5,106,593</u>
Income tax	7	(958,527)	(592,503)
PROFIT FOR THE YEAR		<u><u>3,514,849</u></u>	<u><u>4,514,090</u></u>
Profit attributable to: Owners of the parent		<u><u>3,514,849</u></u>	<u><u>4,514,090</u></u>

The notes form part of these financial statements

LEAP LEGAL SOFTWARE LTD (REGISTERED NUMBER: 08802975)

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
for the Year Ended 30 June 2022**

	30.6.22 £	30.6.21 £
PROFIT FOR THE YEAR	3,514,849	4,514,090
OTHER COMPREHENSIVE INCOME	-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>3,514,849</u>	<u>4,514,090</u>
Total comprehensive income attributable to: Owners of the parent	<u>3,514,849</u>	<u>4,514,090</u>

The notes form part of these financial statements

LEAP LEGAL SOFTWARE LTD (REGISTERED NUMBER: 08802975)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
30 June 2022

	Notes	30.6.22 £	30.6.21 £
ASSETS			
NON-CURRENT ASSETS			
Goodwill	10	326,118	586,987
Owned			
Intangible assets	11	7,791,636	2,336,804
Property, plant and equipment	12	245,384	143,731
Right-of-use			
Property, plant and equipment	12, 21	784,742	854,818
Investments	13	-	-
Loans and other financial assets	14	-	49,620
Trade and other receivables	15	16,920,517	9,764,639
		<u>26,068,397</u>	<u>13,736,599</u>
CURRENT ASSETS			
Trade and other receivables	15	4,706,146	4,866,310
Cash and cash equivalents	16	5,004,591	4,165,604
		<u>9,710,737</u>	<u>9,031,914</u>
TOTAL ASSETS		<u><u>35,779,134</u></u>	<u><u>22,768,513</u></u>
EQUITY			
SHAREHOLDERS' EQUITY			
Called up share capital	17	14,795	14,795
Share premium	18	171,840	171,840
Foreign exchange reserve	18	(156,885)	-
Retained earnings	18	(496,241)	(4,011,090)
TOTAL EQUITY		<u>(466,491)</u>	<u>(3,824,455)</u>

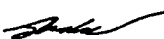
The notes form part of these financial statements

LEAP LEGAL SOFTWARE LTD (REGISTERED NUMBER: 08802975)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION - continued
30 June 2022

	Notes	30.6.22 £	30.6.21 £
LIABILITIES			
NON-CURRENT LIABILITIES			
Trade and other payables	19	15,424,986	10,827,009
Financial liabilities - borrowings			
Interest bearing loans and borrowings	20	846,548	649,569
Deferred tax	22	29,698	39,944
		<u>16,301,232</u>	<u>11,516,522</u>
CURRENT LIABILITIES			
Trade and other payables	19	18,652,386	14,549,699
Financial liabilities - borrowings			
Interest bearing loans and borrowings	20	363,912	326,550
Tax payable		928,095	200,197
		<u>19,944,393</u>	<u>15,076,446</u>
TOTAL LIABILITIES		<u>36,245,625</u>	<u>26,592,968</u>
TOTAL EQUITY AND LIABILITIES		<u>35,779,134</u>	<u>22,768,513</u>

The financial statements were approved by the Board of Directors and authorised for issue on
and were signed on its behalf by: May 25, 2023


.....
J Espley - Director

The notes form part of these financial statements

LEAP LEGAL SOFTWARE LTD (REGISTERED NUMBER: 08802975)

COMPANY STATEMENT OF FINANCIAL POSITION
30 June 2022

	Notes	30.6.22 £	30.6.21 £
ASSETS			
NON-CURRENT ASSETS			
Goodwill	10	-	-
Owned			
Intangible assets	11	2,198,211	2,336,804
Property, plant and equipment	12	226,668	145,568
Right-of-use			
Property, plant and equipment	12, 21	737,466	854,818
Investments	13	340,720	601,590
Loans and other financial assets	14	-	49,620
Trade and other receivables	15	21,796,938	9,764,639
		<u>25,300,003</u>	<u>13,753,039</u>
CURRENT ASSETS			
Trade and other receivables	15	4,223,514	5,059,934
Cash and cash equivalents	16	4,284,942	3,949,055
		<u>8,508,456</u>	<u>9,008,989</u>
TOTAL ASSETS		<u><u>33,808,459</u></u>	<u><u>22,762,028</u></u>
EQUITY			
SHAREHOLDERS' EQUITY			
Called up share capital	17	14,795	14,795
Share premium	18	171,840	171,840
Retained earnings	18	128,621	(3,846,392)
TOTAL EQUITY		<u>315,256</u>	<u>(3,659,757)</u>

The notes form part of these financial statements

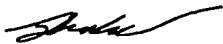
LEAP LEGAL SOFTWARE LTD (REGISTERED NUMBER: 08802975)

COMPANY STATEMENT OF FINANCIAL POSITION - continued
30 June 2022

	Notes	30.6.22 £	30.6.21 £
LIABILITIES			
NON-CURRENT LIABILITIES			
Trade and other payables	19	14,104,563	10,827,009
Financial liabilities - borrowings			
Interest bearing loans and borrowings	20	511,066	647,187
Deferred tax	22	29,892	39,722
		<u>14,645,521</u>	<u>11,513,918</u>
CURRENT LIABILITIES			
Trade and other payables	19	17,649,733	14,414,071
Financial liabilities - borrowings			
Interest bearing loans and borrowings	20	282,864	312,981
Tax payable		915,085	180,815
		<u>18,847,682</u>	<u>14,907,867</u>
TOTAL LIABILITIES		<u>33,493,203</u>	<u>26,421,785</u>
TOTAL EQUITY AND LIABILITIES		<u>33,808,459</u>	<u>22,762,028</u>

May 25, 2023

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



.....
J Espley - Director

The notes form part of these financial statements

LEAP LEGAL SOFTWARE LTD (REGISTERED NUMBER: 08802975)

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
for the Year Ended 30 June 2022

	Called up share capital £	Retained earnings £	Share premium £	Foreign exchange reserve £	Total equity £
Balance at 1 July 2020	14,795	(8,525,180)	171,840	-	(8,338,545)
Changes in equity					
Total comprehensive income	-	4,514,090	-	-	4,514,090
Balance at 30 June 2021	<u>14,795</u>	<u>(4,011,090)</u>	<u>171,840</u>	<u>-</u>	<u>(3,824,455)</u>
Changes in equity					
Total comprehensive income	-	3,514,849	-	(156,885)	3,357,964
Balance at 30 June 2022	<u>14,795</u>	<u>(496,241)</u>	<u>171,840</u>	<u>(156,885)</u>	<u>(466,491)</u>

The notes form part of these financial statements

LEAP LEGAL SOFTWARE LTD (REGISTERED NUMBER: 08802975)

COMPANY STATEMENT OF CHANGES IN EQUITY
for the Year Ended 30 June 2022

	Called up share capital £	Retained earnings £	Share premium £	Total equity £
Balance at 1 July 2020	14,795	(8,306,540)	171,840	(8,119,905)
Changes in equity				
Total comprehensive income	-	4,460,148	-	4,460,148
Balance at 30 June 2021	<u>14,795</u>	<u>(3,846,392)</u>	<u>171,840</u>	<u>(3,659,757)</u>
Changes in equity				
Total comprehensive income	-	3,975,013	-	3,975,013
Balance at 30 June 2022	<u>14,795</u>	<u>128,621</u>	<u>171,840</u>	<u>315,256</u>

The notes form part of these financial statements

LEAP LEGAL SOFTWARE LTD (REGISTERED NUMBER: 08802975)

CONSOLIDATED STATEMENT OF CASH FLOWS
for the Year Ended 30 June 2022

		30.6.22	30.6.21
		£	£
Cash flows from operating activities			
Cash generated from operations	1	9,696,210	7,521,275
Interest paid		(2,195,501)	(1,828,683)
Lease interest paid		(152,414)	(161,420)
Tax paid		(240,875)	281,361
		<u>7,107,420</u>	<u>5,812,533</u>
Net cash from operating activities			
Cash flows from investing activities			
Purchase of goodwill		-	(585,070)
Purchase of intangible fixed assets		(6,343,988)	(2,170,200)
Purchase of tangible fixed assets		(228,335)	(84,787)
Sale of tangible fixed assets		9,198	11,466
Loan asset repaid		49,620	-
Interest received		604,602	608,320
		<u>(5,908,903)</u>	<u>(2,220,271)</u>
Net cash from investing activities			
Cash flows from financing activities			
New loan made in the year		-	15,951
Loan repayments in year		(15,951)	-
Payment of lease liabilities		(344,706)	(369,001)
Government grants		1,127	44,294
		<u>(359,530)</u>	<u>(308,756)</u>
Net cash from financing activities			
Increase in cash and cash equivalents		<u>838,987</u>	<u>3,283,506</u>
Cash and cash equivalents at beginning of year	2	4,165,604	882,098
		<u>5,004,591</u>	<u>4,165,604</u>
Cash and cash equivalents at end of year	2		

The notes form part of these financial statements

NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS
for the Year Ended 30 June 2022

1. RECONCILIATION OF PROFIT BEFORE INCOME TAX TO CASH GENERATED FROM OPERATIONS

	30.6.22	30.6.21
	£	£
Profit before income tax	4,473,376	5,106,593
Depreciation charges	635,270	584,127
Loss on disposal of fixed assets	-	2,712
Impairment of intangible assets	667,767	144,000
Impairment of goodwill	260,869	-
Foreign exchange reserve	(156,885)	-
Government grants	(1,127)	(44,294)
Finance costs	2,347,915	1,990,103
Finance income	(604,602)	(608,320)
	<u>7,622,583</u>	<u>7,174,921</u>
Increase in trade and other receivables	(6,995,714)	(4,863,051)
Increase in trade and other payables	9,069,341	5,209,405
	<u>9,696,210</u>	<u>7,521,275</u>
Cash generated from operations	<u>9,696,210</u>	<u>7,521,275</u>

2. CASH AND CASH EQUIVALENTS

The amounts disclosed on the Statement of Cash Flows in respect of cash and cash equivalents are in respect of these Statement of Financial Position amounts:

Year ended 30 June 2022

	30.6.22	1.7.21
	£	£
Cash and cash equivalents	<u>5,004,591</u>	<u>4,165,604</u>

Year ended 30 June 2021

	30.6.21	1.7.20
	£	£
Cash and cash equivalents	<u>4,165,604</u>	<u>882,098</u>

The notes form part of these financial statements

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the Year Ended 30 June 2022

1. STATUTORY INFORMATION

Leap Legal Software Ltd is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the General Information page.

The company's trading address is; Level 1, Regal House, 70 London Road, Twickenham. TW1 3QS.

2. ACCOUNTING POLICIES

Basis of preparation

These financial statements have been prepared in accordance with UK-adopted international accounting standards and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS. The financial statements have been prepared under the historical cost convention.

After making enquiries, the directors have reasonable expectation that the group has adequate resources to continue in operational existence and meet its liabilities as they fall due for the foreseeable future, being a period in excess of 12 months and one day from the date these financial statements were approved. Accordingly they continue to adopt the going concern basis in preparing the financial statements.

Basis of consolidation

The consolidated accounts incorporate the accounts of the Company and its subsidiaries, all of whose accounts, with the exception of the Polish subsidiary, are made up to that date. The Polish subsidiary produces its annual financial statements made up to 31 December and, as a result, management accounts made up to 30 June are used in the consolidated accounts.

Functional and Presentational Currency

Items included in the financial statements of each of the group's entities are measured using the currency of the primary economic environment in which the entity operates. The consolidated financial statements are presented in British Pound Sterling.

Changes in accounting policies

The Group has consistently applied the accounting policies to all periods presented in these financial statements.

New and amended standards and interpretations

There were no new accounting standards applied during the current accounting period.

Current versus non-current classification

The Group presents assets and liabilities in the statement of financial position based on current/non-current classification. An asset is current when it is:

- Expected to be realised or intended to be sold or consumed in the normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within 12 months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the Year Ended 30 June 2022

2. ACCOUNTING POLICIES - continued

Revenue recognition

Revenue from contracts with customers

The Group has a single primary revenue stream, being License fees.

License fee contracts may include various services which are combined in a joint performance obligation. Revenue is recognised as the Group's performance obligations are satisfied.

License fee revenue entitles the customer to use a licensed product developed by the group for an agreed period. Perpetual and annual licenses entitle the customer to use the underlying product during its useful life (right -to-access), but where the product is still dependent on the Group to provide further development or maintenance in order to function as intended. In these cases, the Group is considered to satisfy its performance obligations over time instead of at the point of delivery and the license revenue is thus recognised over time.

Goodwill

Goodwill represents the excess of cost over fair value of net assets acquired through business acquisitions and is not amortized. The Group evaluates goodwill at least on an annual basis and whenever events or changes in circumstances suggest that the carrying amount may not be recoverable, an impairment is recognised.

Intangible assets

Development costs incurred in respect of research and development for clearly defined projects whose outcome can be assessed with reasonable certainty are capitalised as intangible fixed assets where they are separately identifiable. These projects are considered to have a reasonable expectation that they will be technically feasible and commercially viable.

Intangible assets are internally generated and stated at cost, less accumulated amortisation.

The group policy is to capitalise development expenditures if the development phase is longer than twelve months, where the product or process is technically and commercially feasible and future economic benefits are probable. Amortisation is recognised on a straight-line basis, 25% per annum from the date that the relevant asset is fully operating.

Customer lists acquired directly or via a company acquisition are initially recognised at cost. The directors conduct an annual impairment review, based upon retained customers, and any impairment required is charged to the Income Statement.

Property, plant and equipment

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life or, if held under a finance lease, over the lease term, whichever is the shorter.

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the Year Ended 30 June 2022

2. ACCOUNTING POLICIES - continued

Financial instruments

The group's financial instruments comprise cash, trade receivables and trade and other payables.

Cash and cash equivalents

Cash and cash equivalents in the statement of financial position comprises cash at bank and on hand and short-term deposits with a maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of such cash and short-term deposits, as defined above, net of outstanding bank overdrafts.

Trade and other receivables

A receivable represents the group's right to an amount of consideration that is unconditional (i.e. only the passage of time is required before payment of the consideration is due).

Trade and other payables

Trade and other payables are carried at amortised cost and, due to their short-term nature, they are not discounted. They represent liabilities for goods and services provided to the group prior to the end of the financial year that are unpaid and arise when the group becomes obliged to make future payments in respect of the purchase of these goods and services. The amounts are unsecured and are usually paid within 30 days of recognition.

Interest-bearing loans and borrowings

All loans and borrowings are initially recognised at the fair value of the consideration received less directly attributable transaction costs.

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest rate (EIR) method, if applicable.

Borrowings are classified as current liabilities unless the group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

Taxation

Current taxes are based on the results shown in the financial statements and are calculated according to local tax rules, using tax rates enacted or substantially enacted by the statement of financial position date.

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

Research and development

Expenditure on research and development is written off in the year in which it is incurred, unless expenditure relates to a clearly defined project and the outcome of the project is expected to be technically viable.

Foreign currencies

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the Year Ended 30 June 2022

2. ACCOUNTING POLICIES - continued

Leases

Leases are recognised as finance leases. The lease liability is initially recognised at the present value of the lease payments which have not yet been made and subsequently measured under the amortised cost method. The initial cost of the right-of-use asset comprises the amount of the initial measurement of the lease liability, lease payments made prior to the lease commencement date, initial direct costs and the estimated costs of removing or dismantling the underlying asset per the conditions of the contract.

Where ownership of the right-of-use asset transfers to the lessee at the end of the lease term, the right-of-use asset is depreciated over the asset's remaining useful life. If ownership of the right-of-use asset does not transfer to the lessee at the end of the lease term, depreciation is charged over the shorter of the useful life of the right-of-use asset and the lease term.

Employee benefit costs

The group operates a defined contribution pension scheme. Contributions payable to the group's pension scheme are charged to the income statement in the period to which they relate.

Statement of cash flows

The cash flow statement is presented using the indirect method.

Government grants

Government grants relating to the Coronavirus Job Retention Scheme are recognised on an accruals basis.

Issued capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Finance income

Interest revenue is recognised on a proportional basis taking into account interest rates applicable to financial assets.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the Year Ended 30 June 2022

3. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The preparation of the group's financial report requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The group based its assumptions and estimates on parameters available when the financial report was prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the group. Such changes are reflected in the assumptions when they occur.

Revenue from contracts with customers

Revenue stems from complex contracts with customers, where the primary source of revenue relates to license fees granting access to software, as stated in the accounting policies. Executive management has determined that the Group has satisfied its performance obligations, under these contracts, over time and thus license revenue is recognised over time.

Capitalized contract costs

In accordance with IFRS 15, all costs directly attributable to obtaining a contract with a customer must be capitalized and expensed over the period of revenue recognition for the underlying contract. There are primarily direct contract costs in relation to commission for sales representatives.

In accordance with what is permitted by the standard, direct contract costs are capitalized and expensed per the contract, following the licence fee agreement terms.

Depreciation and amortisation

Management uses judgement to estimate the useful lives and residual value of depreciating tangible and intangible assets.

4. EMPLOYEES AND DIRECTORS

	30.6.22	30.6.21
	£	£
Wages and salaries	6,336,007	4,402,238
Social security costs	901,746	655,833
Other pension costs	337,733	257,851
	<u>7,575,486</u>	<u>5,315,922</u>

The average number of employees during the year was as follows:

	30.6.22	30.6.21
Sales	42	30
Operations	101	59
Development	13	8
	<u>156</u>	<u>97</u>

LEAP LEGAL SOFTWARE LTD (REGISTERED NUMBER: 08802975)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the Year Ended 30 June 2022

4. EMPLOYEES AND DIRECTORS - continued

Director's emoluments for the year amounted to £320,413 (2021: £259,789) and pension contributions of £17,225 (2021: £15,600). This related entirely to the highest paid director.

5. NET FINANCE COSTS

	30.6.22	30.6.21
	£	£
Finance income:		
Interest received	<u>604,602</u>	<u>608,320</u>
Finance costs:		
Bank interest	1,298	1,087
Loan interest	2,194,203	1,827,596
Leasing	<u>152,414</u>	<u>161,420</u>
	<u>2,347,915</u>	<u>1,990,103</u>
Net finance costs	<u>1,743,313</u>	<u>1,381,783</u>

6. PROFIT BEFORE INCOME TAX

The profit before income tax is stated after charging/(crediting):

	30.6.22	30.6.21
	£	£
Leases	21,221	61,556
Depreciation - owned assets	117,484	115,199
Depreciation - assets on finance leases	296,397	355,795
Loss on disposal of fixed assets	-	2,712
Development costs amortisation	221,389	113,133
Auditors' remuneration	52,643	41,485
Foreign exchange differences	<u>(28,699)</u>	<u>(6,709)</u>

7. INCOME TAX

Analysis of tax expense

	30.6.22	30.6.21
	£	£
Current tax:		
Tax	968,579	201,088
Prior year tax overprovision	<u>-</u>	<u>(292,082)</u>
Total current tax	968,579	(90,994)
Deferred tax	<u>(10,052)</u>	<u>683,497</u>
Total tax expense in consolidated statement of profit or loss	<u>958,527</u>	<u>592,503</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the Year Ended 30 June 2022

7. INCOME TAX - continued**Factors affecting the tax expense**

The tax assessed for the year is higher (2021 - lower) than the standard rate of corporation tax in the UK. The difference is explained below:

	30.6.22	30.6.21
	£	£
Profit before income tax	4,473,376	5,106,593
	<u> </u>	<u> </u>
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2021 - 19%)	849,941	970,253
Effects of:		
Expenses not deductible for tax purposes	12,429	10,668
Depreciation in excess of capital allowances	132,939	92,362
Intangible asset tax relief	-	(14,671)
Right-of-use asset depreciation	(53,749)	(67,601)
Trading losses carried forward or written off	133,380	-
Brought forward trading losses utilised against same trading profits	(254)	(660,202)
Impact of RDEC	(46,711)	(46,178)
S1308 revenue expenditure	(59,396)	(83,321)
Prior year tax underprovided	-	(292,081)
Deferred tax	(10,052)	683,274
	<u> </u>	<u> </u>
Tax expense	958,527	592,503
	<u> </u>	<u> </u>

8. PROFIT OF PARENT COMPANY

As permitted by Section 408 of the Companies Act 2006, the income statement of the parent company is not presented as part of these financial statements. The parent company's profit for the financial year was £3,975,013 (2021 - £4,460,148).

9. OTHER COMPREHENSIVE INCOME**Government grants**

Government grants in the year relate entirely to the Coronavirus Job Retention Scheme. Total amounts claimed under the scheme in the year were £1,127 (2021: £44,294). As at the year end, there are no unfulfilled conditions in relation to this grant.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the Year Ended 30 June 2022

10. GOODWILL

Group

	£
COST	
At 1 July 2021	586,987
Impairments	(260,869)
	<u>326,118</u>
At 30 June 2022	<u>326,118</u>
NET BOOK VALUE	
At 30 June 2022	<u>326,118</u>
At 30 June 2021	<u>586,987</u>

11. INTANGIBLE ASSETS

Group

	Customer lists £	Development costs £	Totals £
COST			
At 1 July 2021	1,456,000	993,937	2,449,937
Additions	5,765,192	578,796	6,343,988
Impairments	(667,767)	-	(667,767)
	<u>6,553,425</u>	<u>1,572,733</u>	<u>8,126,158</u>
At 30 June 2022	<u>6,553,425</u>	<u>1,572,733</u>	<u>8,126,158</u>
AMORTISATION			
At 1 July 2021	-	113,133	113,133
Amortisation for year	-	221,389	221,389
	<u>-</u>	<u>334,522</u>	<u>334,522</u>
At 30 June 2022	<u>-</u>	<u>334,522</u>	<u>334,522</u>
NET BOOK VALUE			
At 30 June 2022	<u>6,553,425</u>	<u>1,238,211</u>	<u>7,791,636</u>
At 30 June 2021	<u>1,456,000</u>	<u>880,804</u>	<u>2,336,804</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the Year Ended 30 June 2022

11. INTANGIBLE ASSETS - continued

Company	Customer lists £	Development costs £	Totals £
COST			
At 1 July 2021	1,456,000	993,937	2,449,937
Additions	-	578,796	578,796
Impairments	(496,000)	-	(496,000)
At 30 June 2022	<u>960,000</u>	<u>1,572,733</u>	<u>2,532,733</u>
AMORTISATION			
At 1 July 2021	-	113,133	113,133
Amortisation for year	-	221,389	221,389
At 30 June 2022	<u>-</u>	<u>334,522</u>	<u>334,522</u>
NET BOOK VALUE			
At 30 June 2022	<u>960,000</u>	<u>1,238,211</u>	<u>2,198,211</u>
At 30 June 2021	<u>1,456,000</u>	<u>880,804</u>	<u>2,336,804</u>

12. PROPERTY, PLANT AND EQUIPMENT

Group	Fixtures and fittings £	Computer equipment £	Totals £
COST			
At 1 July 2021	2,121,928	268,228	2,390,156
Additions	267,117	187,539	454,656
Disposals	-	(9,848)	(9,848)
At 30 June 2022	<u>2,389,045</u>	<u>445,919</u>	<u>2,834,964</u>
DEPRECIATION			
At 1 July 2021	1,224,028	167,579	1,391,607
Charge for year	322,984	90,897	413,881
Eliminated on disposal	-	(650)	(650)
At 30 June 2022	<u>1,547,012</u>	<u>257,826</u>	<u>1,804,838</u>
NET BOOK VALUE			
At 30 June 2022	<u>842,033</u>	<u>188,093</u>	<u>1,030,126</u>
At 30 June 2021	<u>897,900</u>	<u>100,649</u>	<u>998,549</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the Year Ended 30 June 2022

12. PROPERTY, PLANT AND EQUIPMENT - continued

Company	Fixtures and fittings £	Computer equipment £	Totals £
COST			
At 1 July 2021	2,118,486	280,841	2,399,327
Additions	206,333	159,541	365,874
Disposals	-	(8,500)	(8,500)
	<u>2,324,819</u>	<u>431,882</u>	<u>2,756,701</u>
At 30 June 2022	2,324,819	431,882	2,756,701
DEPRECIATION			
At 1 July 2021	1,220,585	178,356	1,398,941
Charge for year	309,476	84,800	394,276
Eliminated on disposal	-	(650)	(650)
	<u>1,530,061</u>	<u>262,506</u>	<u>1,792,567</u>
At 30 June 2022	1,530,061	262,506	1,792,567
NET BOOK VALUE			
At 30 June 2022	<u>794,758</u>	<u>169,376</u>	<u>964,134</u>
At 30 June 2021	<u>897,901</u>	<u>102,485</u>	<u>1,000,386</u>

13. INVESTMENTS

Company	Shares in group undertakings £
COST	
At 1 July 2021	601,590
Impairments	(260,870)
	<u>340,720</u>
At 30 June 2022	340,720
NET BOOK VALUE	
At 30 June 2022	<u>340,720</u>
At 30 June 2021	<u>601,590</u>

The group or the company's investments at the Statement of Financial Position date in the share capital of companies include the following:

Subsidiaries

LEAP LEGAL SOFTWARE LTD (REGISTERED NUMBER: 08802975)

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the Year Ended 30 June 2022**

13. INVESTMENTS - continued

Company

iLAW Legal Limited

Registered office: 10 John Street, London, England, WC1N 2EB

Nature of business: Provision of legal software

	%		
Class of shares:	holding		
Ordinary £1 Shares	100.00	30.6.22	30.6.21
		£	£
Aggregate capital and reserves		(19,547)	(9,890)
Loss for the year		<u>(9,657)</u>	<u>(6,890)</u>

The investment has been fully impaired.

Rapid Financial Services Solutions Ltd

Registered office: 10 John Street, London, United Kingdom, WC1N 2EB

Nature of business: Other information technology services

	%		
Class of shares:	holding		
Ordinary	100.00	30.6.22	30.6.21
		£	£
Aggregate capital and reserves		17,768	9,285
Profit for the year		<u>8,483</u>	<u>3,932</u>

Leap Legal Software (Ireland) Limited

Registered office: 312 House, Sinnottstown Business Park, Drinagh, Wexford

Nature of business: Provision of legal software

	%		
Class of shares:	holding		
Ordinary I Euro	100.00	30.6.22	30.6.21
		£	£
Aggregate capital and reserves		(901,517)	(280,260)
Loss for the year		<u>(562,668)</u>	<u>(51,594)</u>

LeapOffice SP z.o.o.

Registered office: ul. Smolensk 29, 31-112 Krakow, Poland

Nature of business: Provision of legal software

	%		
Class of shares:	holding		
Ordinary	100.00	30.6.22	30.6.21
		£	£
Aggregate capital and reserves		15,329	7,575
Profit for the year		<u>8,064</u>	<u>9,510</u>

LEAP LEGAL SOFTWARE LTD (REGISTERED NUMBER: 08802975)

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the Year Ended 30 June 2022**

13. INVESTMENTS - continued

Company

Lawpro Legal Systems Limited

Registered office: Level 1, Regal House, 70 London Road, Twickenham, England TW1 3QS

Nature of business: Provision of legal software

	%		
Class of shares:	holding		
Ordinary	100.00	30.6.22	30.6.21
		£	£
Aggregate capital and reserves		281,833	71,548
Profit for the year		<u>210,285</u>	<u>108,160</u>

Rodine Limited

Registered office: Ireland

Nature of business: Provision of legal software

	%		
Class of shares:	holding		
Ordinary	100.00	30.6.22	
		£	
Aggregate capital and reserves		17,059	
Profit for the year		<u>311</u>	

Expd8 Ltd

Registered office: Ireland

Nature of business: Provision of legal software

	%		
Class of shares:	holding		
Ordinary	100.00	30.6.22	
		£	
Aggregate capital and reserves		<u>(419,902)</u>	

14. LOANS AND OTHER FINANCIAL ASSETS

Group and Company

Other loans brought forward, amounting to £49,620, were fully repaid in the year.

LEAP LEGAL SOFTWARE LTD (REGISTERED NUMBER: 08802975)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the Year Ended 30 June 2022

15. TRADE AND OTHER RECEIVABLES

	Group		Company	
	30.6.22 £	30.6.21 £	30.6.22 £	30.6.21 £
Current:				
Trade debtors	599,757	290,659	307,030	258,992
Amounts owed by group undertakings	-	-	-	292,474
Other debtors	289,890	1,834,778	205,303	1,773,570
Prepayments and accrued income	3,816,499	2,740,873	3,711,181	2,734,898
	<u>4,706,146</u>	<u>4,866,310</u>	<u>4,223,514</u>	<u>5,059,934</u>
Non-current:				
Amounts owed by group undertakings	-	-	4,876,421	-
Other debtors	16,920,517	9,764,639	16,920,517	9,764,639
	<u>16,920,517</u>	<u>9,764,639</u>	<u>21,796,938</u>	<u>9,764,639</u>
Aggregate amounts	<u>21,626,663</u>	<u>14,630,949</u>	<u>26,020,452</u>	<u>14,824,573</u>

16. CASH AND CASH EQUIVALENTS

	Group		Company	
	30.6.22 £	30.6.21 £	30.6.22 £	30.6.21 £
Bank accounts	<u>5,004,591</u>	<u>4,165,604</u>	<u>4,284,942</u>	<u>3,949,055</u>

17. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:		Nominal value:	30.6.22 £	30.6.21 £
Number:	Class:			
1,479,543	Ordinary	£0.01	<u>14,795</u>	<u>14,795</u>

All shares carry full and equal rights to participate in voting in all circumstances, in dividends and in capital distributions, whether on a winding up or otherwise. The shares are not redeemable.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the Year Ended 30 June 2022

18. RESERVES

Group

	Retained earnings £	Share premium £	Foreign exchange reserve £	Totals £
At 1 July 2021	(4,011,090)	171,840	-	(3,839,250)
Profit for the year	3,514,849			3,514,849
Movement on foreign exchange reserve	-	-	(156,885)	(156,885)
At 30 June 2022	<u>(496,241)</u>	<u>171,840</u>	<u>(156,885)</u>	<u>(481,286)</u>

Company

	Retained earnings £	Share premium £	Totals £
At 1 July 2021	(3,846,392)	171,840	(3,674,552)
Profit for the year	3,975,013		3,975,013
At 30 June 2022	<u>128,621</u>	<u>171,840</u>	<u>300,461</u>

19. TRADE AND OTHER PAYABLES

	Group		Company	
	30.6.22 £	30.6.21 £	30.6.22 £	30.6.21 £
Current:				
Trade creditors	315,340	88,257	194,608	78,397
Social security and other taxes	443,518	216,683	361,484	199,940
Other creditors	1,128,853	1,614,919	977,269	1,593,454
Accruals and deferred income	15,116,073	11,276,629	14,778,765	11,251,174
Accrued expenses	762,949	329,980	504,788	310,081
VAT	885,653	1,023,231	832,819	981,025
	<u>18,652,386</u>	<u>14,549,699</u>	<u>17,649,733</u>	<u>14,414,071</u>
Non-current:				
Accruals and deferred income	15,424,986	10,827,009	14,104,563	10,827,009
	<u>15,424,986</u>	<u>10,827,009</u>	<u>14,104,563</u>	<u>10,827,009</u>
Aggregate amounts	<u>34,077,372</u>	<u>25,376,708</u>	<u>31,754,296</u>	<u>25,241,080</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the Year Ended 30 June 2022

20. FINANCIAL LIABILITIES - BORROWINGS

	Group		Company	
	30.6.22 £	30.6.21 £	30.6.22 £	30.6.21 £
Current:				
Bank loans	33,195	13,569	-	-
Leases (see note 21)	330,717	312,981	282,864	312,981
	<u>363,912</u>	<u>326,550</u>	<u>282,864</u>	<u>312,981</u>
Non-current:				
Bank loans	166,520	2,382	-	-
Other loans	168,962	-	-	-
Leases (see note 21)	511,066	647,187	511,066	647,187
	<u>846,548</u>	<u>649,569</u>	<u>511,066</u>	<u>647,187</u>

Terms and debt repayment schedule

Group

	1 year or less £	1-2 years £	2-5 years £	More than 5 years £	Totals £
Bank loans	33,195	33,196	99,586	33,738	199,715
Other loans	-	-	168,962	-	168,962
Leases	330,717	511,066	-	-	841,783
	<u>363,912</u>	<u>544,262</u>	<u>268,548</u>	<u>33,738</u>	<u>1,210,460</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the Year Ended 30 June 2022

21. LEASING

Group
Right-of-use assets

Property, plant and equipment

	30.6.22	30.6.21
	£	£
COST		
At 1 July 2021	1,831,683	1,722,679
Additions	226,321	109,004
	<u>2,058,004</u>	<u>1,831,683</u>
DEPRECIATION		
At 1 July 2021	976,865	621,070
Charge for year	296,397	355,795
	<u>1,273,262</u>	<u>976,865</u>
NET BOOK VALUE	<u>784,742</u>	<u>854,818</u>

Company
Right-of-use assets

Property, plant and equipment

	30.6.22	30.6.21
	£	£
COST		
At 1 July 2021	1,831,683	1,722,679
Additions	165,537	109,004
	<u>1,997,220</u>	<u>1,831,683</u>
DEPRECIATION		
At 1 July 2021	976,865	621,070
Charge for year	282,889	355,795
	<u>1,259,754</u>	<u>976,865</u>
NET BOOK VALUE	<u>737,466</u>	<u>854,818</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the Year Ended 30 June 2022

21. LEASING - continued

Group

Group
Other leases

	30.6.22	30.6.21
	£	£
Short-term leases	<u>21,221</u>	<u>61,556</u>

Group
Lease liabilities

Minimum lease payments fall due as follows:

	30.6.22	30.6.21
	£	£
Gross obligations repayable:		
Within one year	437,667	432,270
Between one and five years	598,500	785,368
	<u>1,036,167</u>	<u>1,217,638</u>

Finance charges repayable:
Within one year
Between one and five years

	106,950	119,289
	<u>87,434</u>	<u>138,181</u>
	<u>194,384</u>	<u>257,470</u>

Net obligations repayable:
Within one year
Between one and five years

	330,717	312,981
	<u>511,066</u>	<u>647,187</u>
	<u>841,783</u>	<u>960,168</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the Year Ended 30 June 2022

21. LEASING - continued

Company
Lease liabilities

Minimum lease payments fall due as follows:

	30.6.22	30.6.21
	£	£
Gross obligations repayable:		
Within one year	389,814	432,270
Between one and five years	598,500	785,368
	<u>988,314</u>	<u>1,217,638</u>
Finance charges repayable:		
Within one year	106,950	119,289
Between one and five years	87,434	138,181
	<u>194,384</u>	<u>257,470</u>
Net obligations repayable:		
Within one year	282,864	312,981
Between one and five years	511,066	647,187
	<u>793,930</u>	<u>960,168</u>

22. DEFERRED TAX

The deferred tax liability of £29,698 (2021: £39,944) relates to timing differences on fixed asset additions and tax.

23. RELATED PARTY DISCLOSURES

During the year the Group had transactions with related parties, who were related by virtue of them being members of the Leap worldwide group, and had balances outstanding with them at the year end 30 June 2022.

At 30 June 2022 the amount owed from LEAP USA was £12,625,345 (2021: £6,485,031). During the year the Group made purchases from LEAP USA amounting to £147,513 (2021: £966,183) and made sales to that company of £813,930 (2021: Nil).

The amount owed from LEAP Canada was £68,024 (2021: £148,643). During the year the Group made purchases from LEAP Canada amounting to £179,072 (2021: Nil) and made sales to that company of £159,493 (2021: Nil).

The amount owed to LEAP Developments PTY Ltd was £330,786 (2021: (£1,510,930)). During the year the Group made purchases from LEAP Developments PTY Ltd amounting to £4,796,031 (2021: £4,153,440) and made sales to that company of £930,886 (2021: Nil).

The amount owed to By Lawyers For Lawyers was £10,126 (2021: (£470,103)). During the year the Group made purchases from By Lawyers For Lawyers amounting to £466,198 (2021: £148,643) and made sales to that company of £28,389 (2021: Nil).

LEAP LEGAL SOFTWARE LTD (REGISTERED NUMBER: 08802975)

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the Year Ended 30 June 2022**

24. EVENTS AFTER THE REPORTING PERIOD

After the year end, but prior to signing off the financial statements, the entire share capital of Leap Legal Software Ltd was acquired by Leap Legal Software UK Holdings Limited.

Also, after the year end, but prior to signing off of the financial statements, the company acquired the entire share capital of the following entities:-

TrustSuite Ltd
Love Legal Group Ltd
WillSuite Ltd
Solicitors Own Software Ltd
Linetime Ltd

Under the terms of the sale and purchase agreement Leap Legal Software Ltd have granted a fixed charge over the shares of these companies and registered a negative pledge.

In addition to the above, after the year end there was a fixed and floating charge and negative pledge put in place against group borrowings.

25. ULTIMATE CONTROLLING PARTY

In the opinion of the directors, the Ultimate Controlling Party is Christian Beck.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the Year Ended 30 June 2022

26. ACQUISITION OF SUBSIDIARIES

During the year the company acquired two subsidiaries by purchasing the entire share capital of each entity.

The group enhances its organic growth by acquiring the customer lists of other companies operating in the same business sector, whether by purchasing the lists directly or by acquiring the company itself. In both circumstances the consideration paid is based upon the value to the group of the customer list acquired and any additional assets/liabilities taken over in a company acquisition are considered incidental to the primary objective. Consequently, any excess of consideration paid over the assets/liabilities acquired are considered to reflect the cost of the customer list rather than for goodwill.

Customer lists are reviewed annually and impaired to reflect any decrease in customers retained. Such impairment is taken to the Income Statement.

The acquisitions during the year were:-

Rodine Limited - incorporated in the Republic of Ireland

	£
Trade debtors	1,164
Prepayments	17,169
Cash and cash equivalents	162,192
Trade creditors	(5,134)
Other creditors	(123,550)
Deferred revenue	((34,966)
	<hr/>
	16,875
Customer list	1,296,042
	<hr/>
Consideration	1,312,917
	<hr/>

EXPDS Limited - incorporated in the Republic of Ireland

	£
Investments	1
Trade debtors	242,095
Other debtors	41,273
Prepayments	77,059
Cash and cash equivalents	89,536
Trade creditors	(92,249)
Owed to group company	(65,435)
Other creditors	(185,413)
Accruals and deferred revenue	(294,280)
Bank loan	(165,210)
Other loan	(83,278)
	<hr/>
	(435,899)
Customer list	4,469,150
	<hr/>

LEAP LEGAL SOFTWARE LTD (REGISTERED NUMBER: 08802975)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the Year Ended 30 June 2022

Consideration

4,033,251