

**ABBREVIATED ACCOUNTS  
FOR THE YEAR ENDED 31 MARCH 2008  
FOR  
LEGALESE LIMITED**

TUESDAY



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**LEGALESE LIMITED**

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**For The Year Ended 31 March 2008**

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**LEGALESE LIMITED**  
**COMPANY INFORMATION**  
**For The Year Ended 31 March 2008**

**DIRECTOR:** J M Pritchard

**SECRETARY:** Mrs W Pritchard

**REGISTERED OFFICE:** Kensington Square House  
12-14 Ansdell Street  
London  
W8 5BN

**REGISTERED NUMBER:** 2015688 (England and Wales)

**AUDITORS:** Wellers Accountants  
Registered Auditor  
Stuart House  
55 Catherine Place  
London  
SW1E 6DY

**LEGALESE LIMITED**  
**REPORT OF THE DIRECTOR**  
**For The Year Ended 31 March 2008**

The director presents his report with the accounts of the company for the year ended 31 March 2008.

**PRINCIPAL ACTIVITY**

The principal activity of the company in the year under review was that of legal publishing.

**REVIEW OF BUSINESS**

The results for the year and financial position of the company are as shown in the annexed accounts.

The director is pleased with the results for the year and hopes to increase operating profit in the forthcoming year.

**RESULTS AND DIVIDENDS**

The profit for the year, after taxation, amounted to £1,304,925.

**FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES**

The company has no hedging arrangement at 31 March 2008. There is an exchange risk, but this is managed through the use of accounts held in foreign currencies at UK and overseas banks. The company does have an exposure to retranslation of these accounts.

The company's principal financial instruments comprise bank balances, trade creditors, trade debtors and loans to the company. The main purpose of these instruments is to raise funds and finance the company's operations.

The company's approach to price, credit, liquidity and cash flow risks applicable to the financial instruments concerned is shown below.

The company does not have any credit facilities with its bankers. Any liquidity and cash flow risks are met through the company maintaining positive cash balances.

Trade debtors are managed in respect of credit and cash flow risk by policies concerning the credit offered to customers and the regular monitoring of amounts outstanding for both time and credit limits.

Trade creditors liquidity risk is managed by ensuring sufficient funds are available to meet amounts due.

The company utilises loans from a related undertaking which are interest free and payable on demand. The director is aware of the company's required finance and has determined that this loan will only be repaid, in whole or in part, when finance is available.

**DIVIDENDS**

No dividends will be distributed for the year ended 31 March 2008.

**DIRECTOR**

J M Pritchard held office during the whole of the period from 1 April 2007 to the date of this report.

**STATEMENT OF DIRECTOR'S RESPONSIBILITIES**

The director is responsible for preparing the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the director is required to

- select suitable accounting policies and then apply them consistently;
- make judgements and 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.

**LEGALESE LIMITED**

**REPORT OF THE DIRECTOR  
For The Year Ended 31 March 2008**

**STATEMENT OF DIRECTOR'S RESPONSIBILITIES - continued**

The director is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable him to ensure that the financial statements comply with the Companies Act 1985. He is also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS**

So far as the director is aware, there is no relevant audit information (as defined by Section 234ZA of the Companies Act 1985) of which the company's auditors are unaware, and he 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 company's auditors are aware of that information.

**AUDITORS**

**ON BEHALF OF THE BOARD:**



.....  
J M Pritchard - Director

Date: 11 - 12 - 08 .....

**REPORT OF THE INDEPENDENT AUDITORS TO  
LEGALESE LIMITED  
UNDER SECTION 247B OF THE COMPANIES ACT 1985**

We have examined the abbreviated accounts set out on pages five to fourteen, together with the financial statements of Legalese Limited for the year ended 31 March 2008 prepared under Section 226 of the Companies Act 1985.

This report is made solely to the company, in accordance with Section 247B of the Companies Act 1985. Our work has been undertaken so that we might state to the company those matters we are required to state to it in a special auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company, for our work, for this report, or for the opinions we have formed.

**Respective responsibilities of director and auditors**

The director is responsible for preparing the abbreviated accounts in accordance with Section 246A of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with Section 246A(3) of the Act to the Registrar of Companies and whether the abbreviated accounts have been properly prepared in accordance with that provision and to report our opinion to you.

**Basis of opinion**

We conducted our work in accordance with Bulletin 2006/3 "The Special Auditor's Report on Abbreviated Accounts in the United Kingdom" issued by the Auditing Practices Board. In accordance with that Bulletin we have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared.

**Opinion**

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with Section 246A(3) of the Companies Act 1985, and the abbreviated accounts have been properly prepared in accordance with that provision.



Wellers Accountants  
Registered Auditor  
Stuart House  
55 Catherine Place  
London  
SW1E 6DY

Date: 11.12.08

**LEGALESE LIMITED**  
**ABBREVIATED PROFIT AND LOSS ACCOUNT**  
**For The Year Ended 31 March 2008**

	Notes	2008 £	2007 £
<b>GROSS PROFIT</b>		5,766,150	5,123,431
Administrative expenses		<u>4,103,387</u>	<u>4,299,404</u>
<b>OPERATING PROFIT</b>	3	1,662,763	824,027
Interest receivable and similar income	4	<u>202,878</u>	<u>79,667</u>
		1,865,641	903,694
Interest payable and similar charges	5	<u>-</u>	<u>1,427</u>
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		1,865,641	902,267
Tax on profit on ordinary activities	6	<u>560,716</u>	<u>273,662</u>
<b>PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION</b>		<u><u>1,304,925</u></u>	<u><u>628,605</u></u>

**CONTINUING OPERATIONS**

None of the company's activities were acquired or discontinued during the current year or previous year.

**TOTAL RECOGNISED GAINS AND LOSSES**

The company has no recognised gains or losses other than the profits for the current year or previous year.

The notes form part of these abbreviated accounts

**LEGALESE LIMITED**  
**ABBREVIATED BALANCE SHEET**  
**31 March 2008**

	Notes	2008		2007	
		£	£	£	£
<b>FIXED ASSETS</b>					
Tangible assets	7		115,371		143,792
Investments	8		-		-
Investment property	9		1,422,001		1,422,001
			<u>1,537,372</u>		<u>1,565,793</u>
<b>CURRENT ASSETS</b>					
Stocks	10	299,359		481,925	
Debtors	11	5,014,988		5,834,739	
Cash at bank and in hand		1,509,157		559,361	
		<u>6,823,504</u>		<u>6,876,025</u>	
<b>CREDITORS</b>					
Amounts falling due within one year	12	3,559,048		4,944,915	
<b>NET CURRENT ASSETS</b>			<u>3,264,456</u>		<u>1,931,110</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>4,801,828</u>		<u>3,496,903</u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	14		300		300
Share premium	15		60,775		60,775
Profit and loss account	15		4,740,753		3,435,828
<b>SHAREHOLDERS' FUNDS</b>	17		<u>4,801,828</u>		<u>3,496,903</u>

These abbreviated accounts have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to medium-sized companies.

The financial statements were approved by the director on 11 Dec 08 and were signed by:

  
J M Pritchard - Director

The notes form part of these abbreviated accounts

**LEGALESE LIMITED**  
**CASH FLOW STATEMENT**  
**For The Year Ended 31 March 2008**

	Notes	2008 £	2007 £
<b>Net cash inflow from operating activities</b>	1	1,469,743	558,236
<b>Returns on investments and servicing of finance</b>	2	202,878	78,240
<b>Taxation</b>		(716,864)	(426,524)
<b>Capital expenditure and financial investment</b>	2	(5,961)	(47,310)
		<u>949,796</u>	<u>162,642</u>
<b>Financing</b>	2	-	(10,204)
<b>Increase in cash in the period</b>		<u>949,796</u>	<u>152,438</u>
<hr/>			
<b>Reconciliation of net cash flow to movement in net funds</b>	3		
Increase in cash in the period		949,796	152,438
Cash outflow from decrease in debt		<u>-</u>	<u>9,704</u>
Change in net funds resulting from cash flows		<u>949,796</u>	<u>162,142</u>
<b>Movement in net funds in the period</b>		<u>949,796</u>	<u>162,142</u>
<b>Net funds at 1 April</b>		<u>559,361</u>	<u>397,219</u>
<b>Net funds at 31 March</b>		<u>1,509,157</u>	<u>559,361</u>

The notes form part of these abbreviated accounts

**LEGALESE LIMITED**

**NOTES TO THE CASH FLOW STATEMENT  
For The Year Ended 31 March 2008**

**1. RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES**

	2008 £	2007 £
Operating profit	1,662,763	824,027
Depreciation charges	34,382	70,177
Decrease/(Increase) in stocks	182,566	(985)
Decrease/(Increase) in debtors	884,190	(1,001,723)
(Decrease)/Increase in creditors	(1,294,158)	666,740
<b>Net cash inflow from operating activities</b>	<u><u>1,469,743</u></u>	<u><u>558,236</u></u>

**2. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT**

	2008 £	2007 £
<b>Returns on investments and servicing of finance</b>		
Interest received	202,878	79,667
Interest paid	-	(1,427)
<b>Net cash inflow for returns on investments and servicing of finance</b>	<u><u>202,878</u></u>	<u><u>78,240</u></u>
 <b>Capital expenditure and financial investment</b>		
Purchase of tangible fixed assets	(5,961)	(36,571)
Purchase of investment property	-	(10,739)
<b>Net cash outflow for capital expenditure and financial investment</b>	<u><u>(5,961)</u></u>	<u><u>(47,310)</u></u>
 <b>Financing</b>		
Loan repayments in year	-	(10,204)
<b>Net cash outflow from financing</b>	<u><u>-</u></u>	<u><u>(10,204)</u></u>

**3. ANALYSIS OF CHANGES IN NET FUNDS**

	At 1.4.07 £	Cash flow £	At 31.3.08 £
Net cash:			
Cash at bank and in hand	559,361	949,796	1,509,157
	<u>559,361</u>	<u>949,796</u>	<u>1,509,157</u>
 <b>Total</b>	<u><u>559,361</u></u>	<u><u>949,796</u></u>	<u><u>1,509,157</u></u>

The notes form part of these abbreviated accounts

# LEGALESE LIMITED

## NOTES TO THE ABBREVIATED ACCOUNTS For The Year Ended 31 March 2008

### 1. ACCOUNTING POLICIES

#### Accounting convention

The financial statements have been prepared under the historical cost convention.

#### Turnover

Turnover represents net invoiced sales of goods, excluding value added tax.

#### Tangible fixed assets

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

Freehold property	- 2% on cost
Short leasehold	- evenly over the period of the lease
Fixtures and fittings	- 33% on cost

#### Investment property

Investment property is shown at most recent valuation. Any aggregate surplus or deficit arising from changes in market value is transferred to a revaluation reserve.

#### Stocks

Work in progress is valued at the lower of cost and net realisable value.

Cost includes all direct expenditure and an appropriate proportion of fixed and variable overheads.

#### Deferred tax

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

#### Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet 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.

#### 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 the profit and loss account in the period to which they relate.

### 2. STAFF COSTS

	2008 £	2007 £
Wages and salaries	2,619,074	2,728,208
Social security costs	345,750	364,452
Other pension costs	69,912	148,475
	<u>3,034,736</u>	<u>3,241,135</u>

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

	2008	2007
Production staff	49	54
Distribution staff	29	31
Administrative staff	13	12
	<u>91</u>	<u>97</u>

**LEGALESE LIMITED**

**NOTES TO THE ABBREVIATED ACCOUNTS - continued  
For The Year Ended 31 March 2008**

**3. OPERATING PROFIT**

The operating profit is stated after charging/(crediting):

	2008	2007
	£	£
Depreciation - owned assets	34,382	69,677
Auditors' remuneration	15,000	12,000
Operating lease costs	380,737	411,061
Net (gain)/loss on foreign currency transactions	<u>(39,248)</u>	<u>23,400</u>

Director's emoluments	<u>20,000</u>	<u>-</u>
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**4. INTEREST RECEIVABLE AND SIMILAR INCOME**

	2008	2007
	£	£
Interest receivable	<u>202,878</u>	<u>79,667</u>

**5. INTEREST PAYABLE AND SIMILAR CHARGES**

	2008	2007
	£	£
Loan interest	<u>-</u>	<u>1,427</u>

**6. TAXATION**

**Analysis of the tax charge**

The tax charge on the profit on ordinary activities for the year was as follows:

	2008	2007
	£	£
Current tax:		
UK corporation tax	<u>560,716</u>	<u>273,662</u>
Tax on profit on ordinary activities	<u>560,716</u>	<u>273,662</u>

UK corporation tax has been charged at 30% (2007 - 30%).

**Factors affecting the tax charge**

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

	2008	2007
	£	£
Profit on ordinary activities before tax	<u>1,865,641</u>	<u>902,267</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 30% (2007 - 30%)	559,692	270,680
Effects of:		
Timing difference between Capital Allowance and Depreciation Policy.	<u>1,024</u>	<u>2,982</u>
Current tax charge	<u>560,716</u>	<u>273,662</u>

**LEGALESE LIMITED**

**NOTES TO THE ABBREVIATED ACCOUNTS - continued**  
**For The Year Ended 31 March 2008**

**7. TANGIBLE FIXED ASSETS**

	Freehold property £	Short leasehold £	Fixtures and fittings £	Totals £
<b>COST</b>				
At 1 April 2007	183,902	788	447,244	631,934
Additions	-	-	5,961	5,961
At 31 March 2008	183,902	788	453,205	637,895
<b>DEPRECIATION</b>				
At 1 April 2007	86,451	246	401,445	488,142
Charge for year	3,270	49	31,063	34,382
At 31 March 2008	89,721	295	432,508	522,524
<b>NET BOOK VALUE</b>				
At 31 March 2008	94,181	493	20,697	115,371
At 31 March 2007	97,451	542	45,799	143,792

**8. FIXED ASSET INVESTMENTS**

	Unlisted investments £
<b>COST</b>	
At 1 April 2007 and 31 March 2008	620,816
<b>PROVISIONS</b>	
At 1 April 2007 and 31 March 2008	620,816
<b>NET BOOK VALUE</b>	
At 31 March 2008	-
At 31 March 2007	-

The company's investments at the balance sheet date in the share capital of companies include the following:

**Associated Companies**

**Artreach International Inc**

Country of incorporation: United States of America

Nature of business: Art Exhibition

Class of shares:	%
Common Stock of \$1	holding 33.00

# LEGALESE LIMITED

## NOTES TO THE ABBREVIATED ACCOUNTS - continued For The Year Ended 31 March 2008

### 8. FIXED ASSET INVESTMENTS - continued

#### Winmark Limited

Country of incorporation: England and Wales

Nature of business: Market Research and management consultancy

Class of shares:	%
Ordinary Shares of £1	holding 33.00

The director considers that the company's share of the net assets of the above companies are not less than significantly the net book value of the investment as shown in the accounts.

The company provided loans to Design Tech Ideas limited of £282,000 in 2005, a related undertaking by virtue of Mr J Pritchard owning 25% of the ordinary share capital of that company. This loan has been fully provided for.

The company provided a loan to Hay Fever Guard limited of £26,030 in 2005, a related undertaking by virtue of Mr J Pritchard owning 100% of the ordinary share capital of that company. This loan has been fully provided for.

### 9. INVESTMENT PROPERTY

	Total £
<b>COST</b>	
At 1 April 2007	
and 31 March 2008	1,422,001
<b>NET BOOK VALUE</b>	
At 31 March 2008	1,422,001
At 31 March 2007	1,422,001

### 10. STOCKS

	2008 £	2007 £
Work-in-progress	299,359	481,925

### 11. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2008 £	2007 £
Trade debtors	3,485,545	3,808,096
Other debtors	1,393,600	1,961,786
Tax	64,439	-
Prepayments and accrued income	71,404	64,857
	5,014,988	5,834,739

**LEGALESE LIMITED**

**NOTES TO THE ABBREVIATED ACCOUNTS - continued**  
**For The Year Ended 31 March 2008**

**12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2008	2007
	£	£
Trade creditors	339,182	574,792
Sundry creditors	42,585	-
Other creditors	1,711,179	3,066,705
Tax	-	91,709
Social security and other taxes	333,451	164,858
Advance payment received	812,722	842,716
Accrued expenses	319,929	204,135
	<u>3,559,048</u>	<u>4,944,915</u>

**13. OPERATING LEASE COMMITMENTS**

The following operating lease payments are committed to be paid within one year:

	Land and buildings	
	2008	2007
	£	£
Expiring:		
Between one and five years	100,000	100,000
In more than five years	270,000	270,000
	<u>370,000</u>	<u>370,000</u>

**14. CALLED UP SHARE CAPITAL**

Authorised:			2008	2007
Number:	Class:	Nominal value:	£	£
10,000	Ordinary shares	£0.10	1,000	1,000
180	Ordinary 'A' shares	£1	180	180
20	Ordinary 'B' shares	£1	20	20
			<u>1,200</u>	<u>1,200</u>

Allotted, issued and fully paid:			2008	2007
Number:	Class:	Nominal value:	£	£
1,000	Ordinary shares	£0.10	100	100
180	Ordinary 'A' shares	£1	180	180
20	Ordinary 'B' shares	£1	20	20
			<u>300</u>	<u>300</u>

**LEGALESE LIMITED**

**NOTES TO THE ABBREVIATED ACCOUNTS - continued**  
**For The Year Ended 31 March 2008**

**15. RESERVES**

	Profit and loss account £	Share premium £	Totals £
At 1 April 2007	3,435,828	60,775	3,496,603
Profit for the year	1,304,925		1,304,925
	<u>4,740,753</u>	<u>60,775</u>	<u>4,801,528</u>
At 31 March 2008			

**16. TRANSACTIONS WITH DIRECTOR**

The following loan to directors subsisted during the years ended 31 March 2008 and 31 March 2007:

	2008 £	2007 £
<b>J M Pritchard</b>		
Balance outstanding at start of year	1,756,937	717,432
Balance outstanding at end of year	1,188,751	1,756,937
Maximum balance outstanding during year	<u>1,756,937</u>	<u>1,756,937</u>

**17. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS**

	2008 £	2007 £
Profit for the financial year	1,304,925	628,605
<b>Net addition to shareholders' funds</b>	<u>1,304,925</u>	<u>628,605</u>
Opening shareholders' funds	3,496,903	2,868,298
<b>Closing shareholders' funds</b>	<u>4,801,828</u>	<u>3,496,903</u>