

LEGALESE LIMITED

DIRECTOR'S REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 APRIL 2015



LEGALESE LIMITED

COMPANY INFORMATION

DIRECTOR	J M Pritchard
COMPANY SECRETARY	W Pritchard
REGISTERED NUMBER	02015688
REGISTERED OFFICE	188 Fleet Street London EC4A 2HT
INDEPENDENT AUDITORS	Wellers Accountants & Statutory Auditors 1 Vincent Square London SW1P 2PN

LEGALESE LIMITED

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LEGALESE LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 30 APRIL 2015

INTRODUCTION

The principal activity of the company during the year was that of legal publishing.

BUSINESS REVIEW

The results for the year and financial position of the company are shown in the attached financial statements.

The director is satisfied with the results for the year. Turnover for the year ended 30 April 2015 was £12.24 million which represents a 5.71% increase over the previous year. Gross profit for the year amounted to £7.75 million which represents a gross profit percentage of 62.6% compared to 57.9% the previous year.

Administrative cost for 2015 have increased compared to 2014, the largest element of the increase is represented by rent and staff costs.

PRINCIPAL RISKS AND UNCERTAINTIES

The business faces no specific risks over the coming year, but is exposed to general risks associated with operating in the legal publishing sector and to broader economic trends. Where risks can be identified they have been addressed and actions taken, where possible, to control them.

At the year end the company was in a strong financial position with healthy net assets.

FINANCIAL RISK MANAGEMENT

The company has no hedging arrangements at 30 April 2015. 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 from an associated 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 repayable 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.

This report was approved by the board and signed on its behalf.


.....
J M Pritchard
Director

Date: 2015/11/16

LEGALESE LIMITED

DIRECTOR'S REPORT FOR THE YEAR ENDED 30 APRIL 2015

The director presents his report and the audited financial statements for the year ended 30 April 2015.

DIRECTOR'S RESPONSIBILITIES STATEMENT

The director is responsible for preparing the Strategic report, the Director's report and 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). Under company law the director must not approve the financial statements unless he is satisfied that they 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 judgments 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 director is responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable him to ensure that the financial statements comply with the Companies Act 2006. 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.

DIVIDENDS

No equity dividends were paid during the year (2014 - £Nil). No final dividend is recommended by the director in respect of the year's result.

DIRECTOR

The director who served during the year was:

J M Pritchard

DISCLOSURE OF INFORMATION TO AUDITORS

The director at the time when this Director's report is approved has confirmed that:

- so far as he is aware, there is no relevant audit information of which the company's auditors are unaware, and
- he has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company's auditors are aware of that information.

AUDITORS

The auditors, Wellers, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

LEGALESE LIMITED

**DIRECTOR'S REPORT
FOR THE YEAR ENDED 30 APRIL 2015**

This report was approved by the board and signed on its behalf.


.....
J M Pritchard
Director

Date:

20/1/16

LEGALESE LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF LEGALESE LIMITED

We have audited the financial statements of Legalese Limited for the year ended 30 April 2015, set out on pages 6 to 17. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 an 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 and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF DIRECTOR AND AUDITORS

As explained more fully in the Director's responsibilities statement, the director is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the director; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Strategic report and the Director's report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 April 2015 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion the information given in the Strategic report and the Director's report for the financial year for which the financial statements are prepared is consistent with the financial statements.

LEGALESE LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF LEGALESE LIMITED

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of director's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



Andrew Dore (Senior statutory auditor)
for and on behalf of

Wellers

Accountants

Statutory Auditors

1 Vincent Square

London

SW1P 2PN

Date: 28/01/2016

LEGALESE LIMITED

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 30 APRIL 2015**

	Note	2015 £	2014 £
TURNOVER	1,2	12,246,741	11,557,444
Cost of sales		(4,497,507)	(4,867,296)
GROSS PROFIT		7,749,234	6,690,148
Administrative expenses		(6,439,556)	(5,288,220)
OPERATING PROFIT	3	1,309,678	1,401,928
EXCEPTIONAL ITEMS	6		
Net profit on sale of tangible fixed assets		131,738	-
Other exceptional items		-	250,000
PROFIT ON ORDINARY ACTIVITIES BEFORE INTEREST		1,441,416	1,651,928
Interest receivable and similar income		3,480	46,690
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		1,444,896	1,698,618
Tax on profit on ordinary activities	7	(312,197)	(335,805)
PROFIT FOR THE FINANCIAL YEAR	14	1,132,699	1,362,813

All amounts relate to continuing operations.

There were no recognised gains and losses for 2015 or 2014 other than those included in the Profit and loss account.


The notes on pages 9 to 17 form part of these financial statements.

LEGALESE LIMITED
REGISTERED NUMBER: 02015688

BALANCE SHEET
AS AT 30 APRIL 2015

	Note	2015 £	2014 £
FIXED ASSETS			
Tangible assets	8	11,409,155	9,581,616
CURRENT ASSETS			
Work in progress	9	1,642,378	860,319
Debtors	10	2,964,666	3,532,124
Cash at bank and in hand		2,187,374	1,556,669
		<u>6,794,418</u>	<u>5,949,112</u>
CREDITORS: amounts falling due within one year	11	<u>(7,990,709)</u>	<u>(6,538,423)</u>
NET CURRENT LIABILITIES		<u>(1,196,291)</u>	<u>(589,311)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>10,212,864</u>	<u>8,992,305</u>
PROVISIONS FOR LIABILITIES			
Deferred tax	12	<u>(149,928)</u>	<u>(62,068)</u>
NET ASSETS		<u>10,062,936</u>	<u>8,930,237</u>
CAPITAL AND RESERVES			
Called up share capital	13	300	300
Share premium account	14	60,775	60,775
Profit and loss account	14	10,001,861	8,869,162
SHAREHOLDERS' FUNDS	15	<u>10,062,936</u>	<u>8,930,237</u>

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


.....
J M Pritchard
Director

Date: 20/1/16

The notes on pages 9 to 17 form part of these financial statements.

LEGALESE LIMITED

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 APRIL 2015**

	Note	2015 £	2014 £
Net cash flow from operating activities	16	2,773,318	4,301,721
Returns on investments and servicing of finance	17	3,480	46,690
Taxation		(260,510)	(355,158)
Capital expenditure and financial investment	17	(1,885,583)	(9,538,582)
INCREASE/(DECREASE) IN CASH IN THE YEAR		630,705	(5,545,329)

**RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS/DEBT
FOR THE YEAR ENDED 30 APRIL 2015**

	2015 £	2014 £
Increase/(Decrease) in cash in the year	630,705	(5,545,329)
MOVEMENT IN NET DEBT IN THE YEAR	630,705	(5,545,329)
Net funds at 1 May 2014	1,556,669	7,101,998
NET FUNDS AT 30 APRIL 2015	2,187,374	1,556,669

The notes on pages 9 to 17 form part of these financial statements.

LEGALESE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2015

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards.

1.2 Turnover

Turnover comprises revenue recognised by the company in respect of goods and services supplied during the year, exclusive of Value Added Tax and trade discounts.

Revenues are recognised at the date of the provision of the respective goods or services, with the exception of revenues generated from website advertisements. Where payments are received in advance, they are deferred over the life of the service, until all obligations arising from the income have been discharged. Revenues generated from website advertisements are recognised on the date of advert publication.

1.3 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Freehold property	-	2% straight line
L/Term Leasehold Property	-	5% straight line
Fixtures & fittings	-	33% straight line
Office equipment	-	33% straight line

1.4 Operating leases

Rentals under operating leases are charged to the Profit and loss account on a straight line basis over the lease term.

1.5 Work in progress

Work in progress is valued at the lower of cost and net realisable value after making due allowance for unrealisable work. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

1.6 Deferred taxation

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation.

A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse.

Deferred tax assets and liabilities are not discounted.

LEGALESE LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2015

1. ACCOUNTING POLICIES (continued)

1.7 Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date.

Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction.

Exchange gains and losses are recognised in the Profit and loss account.

1.8 Pensions

The company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the year.

2. TURNOVER

The whole of the turnover is attributable to legal publishing and subscriptions.

The company has not disclosed a geographical analysis of turnover as the director considers this information to be commercially sensitive.

3. OPERATING PROFIT

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

	2015 £	2014 £
Depreciation of tangible fixed assets:		
- owned by the company	189,782	69,744
Auditors' remuneration	16,000	16,000
Difference on foreign exchange	139,458	159,613
	<u> </u>	<u> </u>

4. STAFF COSTS

Staff costs, including director's remuneration, were as follows:

	2015 £	2014 £
Wages and salaries	3,932,706	3,542,212
Social security costs	540,165	369,188
Other pension costs	44,972	33,725
	<u> </u>	<u> </u>
	4,517,843	3,945,125
	<u> </u>	<u> </u>

LEGALESE LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2015

4. STAFF COSTS (continued)

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

	2015 No.	2014 No.
Production staff	75	65
Sales staff	33	27
Administrative staff	18	19
	<u>126</u>	<u>111</u>

5. DIRECTOR'S REMUNERATION

	2015 £	2014 £
Remuneration	<u>240,000</u>	<u>240,000</u>

The highest paid director received remuneration of £240,000 (2014 - £240,000).

6. EXCEPTIONAL ITEMS

	2015 £	2014 £
Provision re investment recovered	-	250,000
Profit on sale of assets	131,738	-
	<u>131,738</u>	<u>250,000</u>

7. TAXATION

	2015 £	2014 £
Analysis of tax charge in the year		
Current tax (see note below)		
UK corporation tax charge on profit for the year	224,337	269,715
Deferred tax (see note 12)		
Origination and reversal of timing differences	87,860	66,090
Tax on profit on ordinary activities	<u>312,197</u>	<u>335,805</u>

LEGALESE LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2015

7. TAXATION (continued)

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2014 - *lower than*) the standard rate of corporation tax in the UK of 21% (2014 - 23%). The differences are explained below:

	2015 £	2014 £
Profit on ordinary activities before tax	<u>1,444,896</u>	<u>1,698,618</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 21% (2014 - 23%)	303,428	390,682
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	2,091	2,218
Capital allowances for the year in excess of depreciation	(86,652)	(61,535)
Adjustments to tax charge in respect of prior periods	9,331	-
Non-taxable income less expenses not deductible for tax purposes, other than goodwill and impairment	-	(57,500)
Other tax charge (relief) on exceptional items	(3,107)	-
Other differences leading to an increase (decrease) in the tax charge	(754)	(1,958)
Marginal relief	-	(2,192)
Current tax charge for the year (see note above)	<u>224,337</u>	<u>269,715</u>

Factors that may affect future tax charges

There were no factors that may affect future tax charges.

LEGALESE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2015**

8. TANGIBLE FIXED ASSETS

	Freehold property £	Long Term Leasehold Property £	Office & Computer equipment £	Total £
Cost				
At 1 May 2014	183,902	9,468,422	642,059	10,294,383
Additions	1,400,000	1,997,117	97,534	3,494,651
Disposals	(1,583,902)	-	-	(1,583,902)
At 30 April 2015	-	11,465,539	739,593	12,205,132
Depreciation				
At 1 May 2014	106,572	19,666	586,529	712,767
Charge for the year	-	129,484	60,298	189,782
On disposals	(106,572)	-	-	(106,572)
At 30 April 2015	-	149,150	646,827	795,977
Net book value				
At 30 April 2015	-	11,316,389	92,766	11,409,155
At 30 April 2014	77,330	9,448,756	55,530	9,581,616

9. WORK IN PROGRESS

	2015 £	2014 £
Work in progress	1,642,378	860,319

10. DEBTORS

	2015 £	2014 £
Trade debtors	2,441,062	2,338,991
Other debtors	406,480	1,092,202
Prepayments and accrued income	117,124	100,931
	2,964,666	3,532,124

LEGALESE LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2015

11. CREDITORS:

Amounts falling due within one year

	2015 £	2014 £
Payments received on account	868,918	639,001
Trade creditors	571,926	464,230
Corporation tax	157,368	193,541
Other taxation and social security	164,259	128,318
Other creditors	6,001,497	4,737,901
Accruals and deferred income	226,741	375,432
	<u>7,990,709</u>	<u>6,538,423</u>

12. DEFERRED TAXATION

	2015 £	2014 £
At beginning of year	62,068	(4,022)
Charge for year (P&L)	87,860	66,090
	<u>149,928</u>	<u>62,068</u>
At end of year		

The provision for deferred taxation is made up as follows:

	2015 £	2014 £
Accelerated capital allowances	<u>149,928</u>	<u>62,068</u>

13. SHARE CAPITAL

	2015 £	2014 £
Authorised, allotted, called up and fully paid		
1,000 Ordinary shares of £0.10 each	100	100
180 Ordinary A shares of £1 each	180	180
20 Ordinary B shares of £1 each	20	20
	<u>300</u>	<u>300</u>

LEGALESE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2015**

14. RESERVES

	Share premium account £	Profit and loss account £
At 1 May 2014	60,775	8,869,162
Profit for the financial year		1,132,699
At 30 April 2015	<u>60,775</u>	<u>10,001,861</u>

15. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	2015 £	2014 £
Opening shareholders' funds	8,930,237	7,567,424
Profit for the financial year	1,132,699	1,362,813
Closing shareholders' funds	<u>10,062,936</u>	<u>8,930,237</u>

16. NET CASH FLOW FROM OPERATING ACTIVITIES

	2015 £	2014 £
Operating profit	1,309,678	1,401,928
Exceptional items	-	250,000
Depreciation of tangible fixed assets	189,782	69,744
Increase in work in progress	(782,059)	(72,811)
Decrease in debtors	567,460	876,905
Increase in creditors	1,488,457	1,775,955
Net cash inflow from operating activities	<u>2,773,318</u>	<u>4,301,721</u>

17. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN CASH FLOW STATEMENT

	2015 £	2014 £
Returns on investments and servicing of finance		
Interest received	<u>3,480</u>	<u>46,690</u>

LEGALESE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2015**

17. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN CASH FLOW STATEMENT (continued)

	2015 £	2014 £
Capital expenditure and financial investment		
Purchase of tangible fixed assets	(3,494,651)	(9,538,582)
Sale of tangible fixed assets	1,529,068	-
Sale of investment properties	80,000	-
Net cash outflow from capital expenditure	<u>(1,885,583)</u>	<u>(9,538,582)</u>

18. ANALYSIS OF CHANGES IN NET FUNDS

	1 May 2014 £	Cash flow £	Other non-cash changes £	30 April 2015 £
Cash at bank and in hand	1,556,669	630,705	-	2,187,374
Net funds	<u>1,556,669</u>	<u>630,705</u>	<u>-</u>	<u>2,187,374</u>

19. PENSION COMMITMENTS

The company contributes to a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £44,972 (2014 - £33,725).

20. OPERATING LEASE COMMITMENTS

At 30 April 2015 the company had annual commitments under non-cancellable operating leases as follows:

	Land and buildings 2015 £	2014 £
Expiry date:		
After more than 5 years	<u>798,000</u>	<u>798,000</u>

21. DIRECTOR'S BENEFITS: ADVANCES, CREDIT AND GUARANTEES

Included within other creditors is £421,826 (2014 - £250,982 due from) due to J M Pritchard.

LEGALESE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2015

22. RELATED PARTY TRANSACTIONS

J M Pritchard controls and is the sole director of Legalease Europe Limited and Legal Business Limited. The company has been granted licences by these companies to produce, market and develop publications and products owned by them. Royalties payable to Legalease Europe Limited under these licences amounted to £1,342,937 (2014 - £1,271,267). The balance due to Legalease Europe Limited at 30 April 2015, included in other creditors, was £5,579,571 (2014 - £4,737,801).

The company rents premises from J M Pritchard. The rent charged to the profit and loss account during the year was £798,000 (2014 - £401,250).

23. POST BALANCE SHEET EVENTS

The company has disposed of its investment in Winmark Limited (a company registered in the UK) post year end and no longer has any interest in the company.

24. ULTIMATE CONTROLLING PARTY

The company was under the control of its sole director J M Pritchard throughout both the current and previous year by virtue of his shareholding in the company.