

LEGALESE LIMITED

**STRATEGIC REPORT, DIRECTOR'S REPORT AND FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MAY 2017**



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 PERIOD ENDED 31 MAY 2017

Introduction

The principal activity of the Company during the period was that of legal publishing.

Business review

The results for the period and financial position of the Company are shown in the attached financial statements.

Turnover for the 13 months ended 31 May 2017 was £16.82 million (2016: £14.52 million) which represents a 15.80% increase over the previous year. Gross profit for the period amounted to £11.04 million which represents a gross profit percentage of 66% compared to 58.5% the previous year.

Administrative costs for 2017 have increased to £8.7m as compared to £7.4m for 2016, the largest element of the increase being represented by increased 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.

The Company has no hedging arrangements at 31 May 2017. 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.

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

Financial key performance indicators

The key performance indicators are gross profit margin and net profit before tax. Gross profit margin for the period was £11.04m (2016: £8.49m). Profit before tax for the period was £2.34m (2016: £1.08m).

LEGALESE LIMITED

**STRATEGIC REPORT (CONTINUED)
FOR THE PERIOD ENDED 31 MAY 2017**

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


.....
J M Pritchard
Director

Date:

20/2/18

LEGALESE LIMITED

DIRECTOR'S REPORT FOR THE PERIOD ENDED 31 MAY 2017

The director presents his report and the financial statements for the period ended 31 May 2017.

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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the director must not approve the financial statements unless he is satisfied that he gives 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 for the Company's financial statements 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 to 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.

Results and dividends

The profit for the period, after taxation, amounted to £1,830,170 (2016 - £850,077).

No equity dividends were paid during the period (2016 - £Nil). No final dividend is recommended by the director in respect of the period's result.

Director

The director who served during the period was:

J M Pritchard

Future developments

The Company's publishing activities ceased 31 May 2017.

LEGALESE LIMITED

**DIRECTOR'S REPORT (CONTINUED)
FOR THE PERIOD ENDED 31 MAY 2017**

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.

Post balance sheet events

Legalese Limited, the owner of the titles published by the Company, took over publishing activities from 1 June 2017.

Auditors

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

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


.....
J M Pritchard
Director

Date:

20/2/18

LEGALESE LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF LEGALESE LIMITED

We have audited the financial statements of Legalese Limited for the period ended 31 May 2017, set out on pages 7 to 23. The relevant financial reporting framework that has been applied in their preparation is applicable law and the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

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 Directors and Auditors

As explained more fully in the Director's Responsibilities Statement on page 3, 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 Financial Reporting Council'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 31 May 2017 and of its profit for the period 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.

LEGALESE LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF LEGALESE LIMITED (CONTINUED)

Opinion on other matter 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 Strategic Report and the Director's Report for the financial period for which the financial statements are prepared is consistent with those financial statements and such reports have been prepared in accordance with applicable legal requirements.

In the light of our knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report and the Director's Report.

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: 26/02/2018

LEGALESE LIMITED

STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 31 MAY 2017

	Note	13 M/E 31 May 2017 £	12 M/E 30 April 2016 £
Turnover	4	16,821,139	14,521,313
Cost of sales		(5,774,852)	(6,021,632)
Gross profit		11,046,287	8,499,681
Administrative expenses		(8,697,516)	(7,412,137)
Operating profit	5	2,348,771	1,087,544
Interest receivable and similar income	9	73	785
Profit before tax		2,348,844	1,088,329
Tax on profit	10	(518,674)	(238,252)
Profit for the financial period		1,830,170	850,077

There was no other comprehensive income for 2017 (2016:£NIL).

The notes on pages 11 to 23 form part of these financial statements.

LEGALESE LIMITED
REGISTERED NUMBER: 02015688

BALANCE SHEET
AS AT 31 MAY 2017

	Note	31 May 2017 £	30 April 2016 £
Fixed assets			
Tangible assets	12	16,194,171	13,348,497
		<u>16,194,171</u>	<u>13,348,497</u>
Current assets			
Stocks	13	1,847,916	1,475,812
Debtors: amounts falling due within one year	14	3,522,272	3,790,109
Cash at bank and in hand	15	1,194,759	1,540,666
		<u>6,564,947</u>	<u>6,806,587</u>
Creditors: amounts falling due within one year	16	(9,714,143)	(9,009,496)
Net current liabilities		<u>(3,149,196)</u>	<u>(2,202,909)</u>
Total assets less current liabilities		<u>13,044,975</u>	<u>11,145,588</u>
Provisions for liabilities			
Deferred tax	18	(301,793)	(232,576)
		<u>(301,793)</u>	<u>(232,576)</u>
Net assets		<u>12,743,182</u>	<u>10,913,012</u>
Capital and reserves			
Called up share capital	19	300	300
Share premium account		60,775	60,775
Profit and loss account		12,682,107	10,851,937
		<u>12,743,182</u>	<u>10,913,012</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on
20/02/2018


.....
J M Pritchard
Director

The notes on pages 11 to 23 form part of these financial statements.

LEGALESE LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 MAY 2017**

	Called up share capital £	Share premium account £	Profit and loss account £	Total equity £
At 1 May 2015	300	60,775	10,001,860	10,062,935
Comprehensive income for the year				
Profit for the year	-	-	850,077	850,077
At 1 May 2016	300	60,775	10,851,937	10,913,012
Comprehensive income for the period				
Profit for the period	-	-	1,830,170	1,830,170
At 31 May 2017	300	60,775	12,682,107	12,743,182

LEGALESE LIMITED

**STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 31 MAY 2017**

	31 May 2017 £	30 April 2016 £
Cash flows from operating activities		
Profit for the financial period	1,830,170	850,077
Adjustments for:		
Depreciation of tangible assets	490,455	306,611
Interest received	(73)	(785)
Taxation charge	518,673	238,252
(Increase)/decrease in stocks	(372,103)	166,566
Decrease/(increase) in debtors	267,834	(825,445)
Increase in creditors	681,340	1,020,551
Corporation tax (paid)	(426,147)	(157,368)
Net cash generated from operating activities	2,990,149	1,598,459
Cash flows from investing activities		
Purchase of tangible fixed assets	(3,336,129)	(2,245,952)
Interest received	73	785
Net cash from investing activities	(3,336,056)	(2,245,167)
Net (decrease) in cash and cash equivalents	(345,907)	(646,708)
Cash and cash equivalents at beginning of period	1,540,666	2,187,374
Cash and cash equivalents at the end of period	1,194,759	1,540,666
Cash and cash equivalents at the end of period comprise:		
Cash at bank and in hand	1,194,759	1,540,666
	1,194,759	1,540,666

The notes on pages 11 to 23 form part of these financial statements.

LEGALESE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MAY 2017

1. General information

Legalese Limited is a private Company limited by shares, incorporated in the United Kingdom under the Companies Act. The address of the registered office is given on the Company Information page and this is also the Company's principal place of business. The nature of the Company's operations and its principal activities are set out in the strategic report on pages 1-2.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Revenue recognition

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the Company and the turnover can be reliably measured. Turnover is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before turnover is recognised:

Rendering of services

Turnover from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of turnover can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

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.

2.3 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

LEGALESE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MAY 2017

2. Accounting policies (continued)

2.3 Tangible fixed assets (continued)

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

L/Term Leasehold Property	- 0.8% straight line
Short term leasehold property	- 4% straight line
Office equipment	- 33% straight line
Computer equipment	- 33% straight line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of Comprehensive Income.

2.4 Stock and Work in progress

The Company does not own any stock. Work in progress includes labour and attributable overhead costs of directories which have not been published at the period end.

At each balance sheet date, work in progress is assessed for impairment. If work in progress cannot be realised for an amount greater than the cost value, the impairment loss is recognised immediately in the statement of comprehensive income.

2.5 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.6 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the Statement of Cash Flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Company's cash management.

2.7 Financial instruments

The Company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments

LEGALESE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MAY 2017

2. Accounting policies (continued)

2.7 Financial instruments (continued)

that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Comprehensive Income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

2.8 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.9 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of Comprehensive Income except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Statement of Comprehensive Income within 'finance income or costs'. All other foreign exchange gains and losses are presented in the Statement of Comprehensive Income within 'other operating income'.

LEGALESE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MAY 2017

2. Accounting policies (continued)

2.10 Pensions

The Company contributes to a defined contribution pension plan for its employees. The contributions are recognised as an expense in the statement of comprehensive income when they fall due. Amounts not paid are shown in accruals as a liability in the balance sheet.

2.11 Holiday pay accrual

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

2.12 Interest income

Interest income is recognised in the Statement of Comprehensive Income using the effective interest method.

2.13 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Statement of Comprehensive Income in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Balance Sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance Sheet.

LEGALESE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MAY 2017

2. Accounting policies (continued)

2.14 Current and deferred taxation

The tax expense for the period comprises current and deferred tax. Tax is recognised in the Statement of Comprehensive Income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance Sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

3. Judgments in applying accounting policies and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities, at the end of the reporting period.

However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the assets or liabilities affected in future periods.

The key sources of estimation uncertainty that have a significant effect on the amounts recognised in the financial statements include estimation of the useful life of fixed assets.

LEGALESE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MAY 2017**

4. Turnover

An analysis of turnover by class of business is as follows:

	13 M/E 31 May 2017 £	12 M/E 30 April 2016 £
Legal publishing and subscriptions	16,821,139	14,521,313
	<u>16,821,139</u>	<u>14,521,313</u>

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

5. Operating profit

The operating profit is stated after charging:

	13 M/E 31 May 2017 £	12 M/E 30 April 2016 £
Depreciation of tangible fixed assets	490,455	306,611
Exchange differences	(80,953)	(72,302)
Defined contribution pension cost	71,443	48,751
	<u>71,443</u>	<u>48,751</u>

6. Auditors' remuneration

	13 M/E 31 May 2017 £	12 M/E 30 April 2016 £
Fees payable to the Company's auditor and its associates for the audit of the Company's annual accounts	16,000	16,000
	<u>16,000</u>	<u>16,000</u>
Fees payable to the Company's auditor and its associates in respect of:		
All other services	37,000	28,700
	<u>37,000</u>	<u>28,700</u>

LEGALESE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MAY 2017**

7. Employees

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

	13 M/E 31 May 2017 £	12 M/E 30 April 2016 £
Wages and salaries	6,624,966	5,717,044
Social security costs	769,085	646,048
Cost of defined contribution scheme	71,443	48,751
	<u>7,465,494</u>	<u>6,411,843</u>

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

	13 M/E 31 May 2017 No.	12 M/E 30 April 2016 No.
Production staff	82	81
Sales staff	39	35
Administrative staff	23	21
	<u>144</u>	<u>137</u>

8. Director's remuneration

	13 M/E 31 May 2017 £	12 M/E 30 April 2016 £
Director's emoluments	260,000	240,000
	<u>260,000</u>	<u>240,000</u>

LEGALESE LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MAY 2017

9. Interest receivable

	13 M/E 31 May 2017 £	12 M/E 30 April 2016 £
Other interest receivable	73	785
	<u>73</u>	<u>785</u>

10. Taxation

	13 M/E 31 May 2017 £	12 M/E 30 April 2016 £
Corporation tax		
Current tax on profits for the year	449,456	155,604
	<u>449,456</u>	<u>155,604</u>
Total current tax	<u>449,456</u>	<u>155,604</u>
Deferred tax		
Origination and reversal of timing differences	69,218	82,648
Total deferred tax	<u>69,218</u>	<u>82,648</u>
Taxation on profit on ordinary activities	<u>518,674</u>	<u>238,252</u>

LEGALESE LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MAY 2017

10. Taxation (continued)

11. Factors affecting tax charge for the period/year

The tax assessed for the period/year is the same as (2016 - the same as) the standard rate of corporation tax in the UK of 20% (2016 - 20%) as set out below:

	13 M/E 31 May 2017 £	12 M/E 30 April 2016 £
Profit on ordinary activities before tax	<u>2,348,844</u>	<u>1,088,329</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2016 - 20%)	469,761	217,665
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	1,490	2,909
Capital allowances for period/year in excess of depreciation	(18,125)	(62,199)
Movement in deferred tax provision	69,218	82,648
Other tax charge (relief) on exceptional items	(3,670)	(2,771)
Total tax charge for the period/year	<u>518,674</u>	<u>238,252</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 PERIOD ENDED 31 MAY 2017**

12. Tangible fixed assets

	Long Term Leasehold Property £	Office equipment £	Computer equipment £	Total £
Cost or valuation				
At 1 May 2016	13,594,735	109,791	746,559	14,451,085
Additions	3,207,347	37,290	91,492	3,336,129
At 31 May 2017	<u>16,802,082</u>	<u>147,081</u>	<u>838,051</u>	<u>17,787,214</u>
Depreciation				
At 1 May 2016	360,885	93,481	648,222	1,102,588
Charge for the period on owned assets	382,344	15,946	92,165	490,455
At 31 May 2017	<u>743,229</u>	<u>109,427</u>	<u>740,387</u>	<u>1,593,043</u>
Net book value				
At 31 May 2017	<u>16,058,853</u>	<u>37,654</u>	<u>97,664</u>	<u>16,194,171</u>
At 30 April 2016	<u>13,233,850</u>	<u>16,310</u>	<u>98,336</u>	<u>13,348,496</u>

13. Stocks

	31 May 2017 £	30 April 2016 £
Work in progress	1,847,916	1,475,812
	<u>1,847,916</u>	<u>1,475,812</u>

LEGALESE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MAY 2017**

14. Debtors

	31 May 2017 £	30 April 2016 £
Trade debtors	3,024,754	2,925,402
Other debtors	345,506	755,490
Prepayments and accrued income	152,012	109,217
	<u>3,522,272</u>	<u>3,790,109</u>

15. Cash and cash equivalents

	31 May 2017 £	30 April 2016 £
Cash at bank and in hand	1,194,759	1,540,666
	<u>1,194,759</u>	<u>1,540,666</u>

16. Creditors: Amounts falling due within one year

	31 May 2017 £	30 April 2016 £
Trade creditors	332,797	768,558
Corporation tax	178,913	155,604
Other taxation and social security	214,220	182,585
Other creditors	7,883,817	6,923,219
Accruals and deferred income	1,104,396	979,530
	<u>9,714,143</u>	<u>9,009,496</u>

LEGALESE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MAY 2017**

17. Financial instruments

	31 May 2017 £	30 April 2016 £
Financial assets		
Financial assets measured at fair value through profit or loss	1,194,759	1,540,666
Financial assets that are debt instruments measured at amortised cost	3,370,263	3,680,892
	<u>4,565,022</u>	<u>5,221,558</u>
Financial liabilities		
Financial liabilities measured at amortised cost	(6,839,691)	(5,915,824)
	<u>(6,839,691)</u>	<u>(5,915,824)</u>

18. Deferred taxation

	2017 £	2016 £
At beginning of year	(232,576)	(149,928)
Charged to profit or loss	(69,217)	-
Utilised in year	-	(82,648)
At end of year	<u>(301,793)</u>	<u>(232,576)</u>

The provision for deferred taxation is made up as follows:

	31 May 2017 £	30 April 2016 £
Accelerated capital allowances	(301,793)	(232,576)
	<u>(301,793)</u>	<u>(232,576)</u>

LEGALESE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MAY 2017

19. Share capital

	31 May 2017 £	30 April 2016 £
Shares classified as equity		
Authorised, allotted, called up and fully paid		
750 (2016 - 1,000) Ordinary shares of £0.10 each	75	100
180 Ordinary A shares of £1 each	180	180
20 Ordinary B shares of £1 each	20	20
250 Ordinary C shares of £0.10 each	25	-
	<u>300</u>	<u>300</u>

During the period 250 Ordinary shares of £0.10 were redesignated as 250 Ordinary shares of £0.10.

20. 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 £71,442 (2016 - £48,751).

21. Transactions with directors

Included within other creditors is £1,783,109 (2016 - £2,123,494) due to J M Pritchard. No repayment terms or interest rate has been agreed on this balance due to the director.

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 and charge royalties. The Company also rents premises from J M Pritchard.

	31 May 2017 £	30 April 2016 £
Royalties payable to Legalease Europe Limited	1,705,984	1,510,207
Balance due to Legalease Europe Limited	6,083,190	4,769,686
Rent paid to J M Pritchard	864,500	798,000