

  
Company Number: 2015688

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**Legalese Limited**  
**Financial Statements**  
**for the year ended 31st March 1997**

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**Legalese Limited**

**Company Information**

**Company No: 2015688**

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**Registered Office**

28-33 Cato Street  
London  
W1H 5HS

**Director**

John Michael Pritchard

**Secretary**

Mrs M. Pritchard

**Auditors**

Brebner Allen & Trapp  
The Quadrangle  
180 Wardour Street  
London  
W1V 4LB

**Bankers**

The Royal Bank of Scotland Plc  
43 Curzon Street  
London  
W1Y 7RF

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1 and 2	Director's Report
3	Auditors' Report
4	Profit and Loss Account
5	Balance Sheet
7 to 12	Notes to the Financial Statements

The director submits his report together with the audited financial statements for the year ended 31st March 1997.

**Director's Statement**

Company law requires the director to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit for that year. In preparing those 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;

State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;

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 proper accounting records which disclose, with reasonable accuracy at any time, the financial position of the company and to enable them to ensure 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.

**Results and Dividends**

The profit on the ordinary activities of the company before taxation amounted to £245,777. After deducting taxation, the profit of £130,283 has been transferred to reserves.

The director does not recommend a dividend.

**Principal Activity and Business Review**

The principal activity of the company continued to be that of legal publishers.

The director is satisfied with the increased level of turnover achieved from the company's publications and is hopeful of maintaining these results in the foreseeable future.

**Director's Interest**

The director who served during the year and his beneficial interest in the share capital of the company was as follows:

	Ordinary shares of £1 each	
	1997	1996
	No.	No.
John Michael Pritchard	100	100

**Auditors**

The Auditors, Brebner Allen & Trapp Chartered Accountants, have indicated that they are willing to be reappointed at the forthcoming Annual General Meeting.

By Order of the Board:

John Michael Pritchard

Director

22nd January 1998

**Auditors' Report to the Shareholders**

**on the Financial Statements for the year ended 31st March 1997**

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We have audited the financial statements on pages 4 to 12, which have been prepared under the historical cost convention and the accounting policies set out on page 7.

**Respective responsibilities of the director and auditors**

As described on page 1 the company's director is responsible for the preparation of the financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

**Basis of Opinion**

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the director in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all information and explanations which we consider necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud, other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of the information in the financial statements.

**Opinion**

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31st March 1997 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

*Brebner Allen & Trapp*

Brebner Allen & Trapp  
Chartered Accountants  
and Registered Auditors

*22nd January 1998*

The Quadrangle  
180 Wardour Street  
London  
W1V 4LB

**Legalese Limited**

**Profit and Loss Account**

**for the year ended 31st March 1997**

	Notes	1997 £	1996 £
<b>Turnover</b>	2	4,207,091	3,366,671
Cost of sales		(2,119,262)	(2,097,707)
<b>Gross profit</b>		2,087,829	1,268,964
Administrative expenses		(1,750,143)	(1,263,732)
<b>Operating profit</b>	3	337,686	5,232
<b>Exceptional items</b>			
Diminution in freehold property		(96,859)	-
<b>Profit on ordinary activities before interest</b>		240,827	5,232
Interest receivable		4,950	10,644
<b>Profit on ordinary activities before Taxation</b>		245,777	15,876
Tax on profit on ordinary activities	5	(115,494)	-
<b>Profit on ordinary activities after Taxation</b>		130,283	15,876

*All amounts relate to continuing activities.*

*There have been no recognised gains or losses, other than the results for the financial year, and all profits or losses have been accounted for on an historical cost basis.*

**Legalese Limited**

**Balance Sheet**

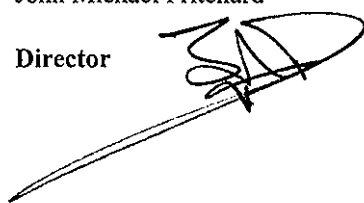
**as at 31st March 1997**

	Notes	1997 £	1997 £	1996 £	1996 £
<b>Fixed Assets</b>					
Tangible fixed assets	6		863,627		935,678
<b>Current Assets</b>					
Stock	7	295,802		140,446	
Debtors due within one year	8	1,408,346		1,088,045	
Cash at bank and in-hand		93,640		45,666	
		<u>1,797,788</u>		<u>1,274,157</u>	
<b>Creditors:</b>					
Amounts falling due within one year	9	<u>(2,460,270)</u>		<u>(2,349,431)</u>	
<b>Net Current (Liabilities)</b>			<u>(662,482)</u>		<u>(1,075,274)</u>
<b>Total Assets Less Current Liabilities</b>			<u>201,145</u>		<u>(139,596)</u>
<b>Creditors:</b>					
Amounts falling due after more than one year	10		<u>(210,458)</u>		<u>-</u>
			<u>(9,313)</u>		<u>(139,596)</u>
<b>Capital and Reserves</b>					
Called-up equity share capital	11		100		100
Share premium account	12		975		975
Profit and loss account	12		<u>(10,388)</u>		<u>(140,671)</u>
<b>Equity Shareholders' Funds</b>	13		<u>(9,313)</u>		<u>(139,596)</u>

These accounts were approved by the director on *22nd January 1998*

John Michael Pritchard

Director





**Legalese Limited**

**Cash Flow Statement**

**for the year ended 31st March 1997**

	Notes	1997 £	1996 £
Cash flow from operating activities	14	(57,339)	413,474
Returns on investments and servicing of finance	16	4,950	10,644
Taxation		(2,661)	-
Capital expenditure and financial investment	16	(110,726)	(448,637)
Equity dividends paid		(11,250)	-
Cash (outflow) before use of liquid resources and financing		(177,026)	(24,519)
Financing	16	225,000	-
Increase/(Decrease) in cash in the year	15	47,974	(24,519)
<b>Reconciliation of net cash flow to movement in net debt</b>			
Increase/(Decrease) in cash in the year		47,974	(24,519)
Cash inflow from increase in debt and lease financing	15	(225,000)	-
Change in net debt resulting from cashflows		(177,026)	(24,519)
Net debt at 1st April 1996		45,666	70,185
Net debt at 31st March 1997	15	(131,360)	45,666

**1 Principal Accounting Policies***Accounting Convention*

The Financial Statements have been prepared under the historical cost convention.

*Payments on accounts*

Advertising and subscription revenue received in advance of publication is carried forward to the period in which publication is made.

*Turnover*

Turnover is the total amount receivable by the company for goods supplied and services provided, excluding VAT and trade discounts.

*Depreciation*

Depreciation is calculated to write down the cost, less estimated residual value, of all tangible fixed assets, other than freehold land, over their expected useful lives. The rates generally applicable are:

Freehold property	2% per annum
Fixtures, Fittings and Computers	25%-33.3% per annum

*Work in Progress*

Work in progress is valued at the lower of cost and net realisable value. Cost consists of direct materials, labour and attributable overheads. Net realisable value is based on estimated selling price, less any further costs of realisation.

*Foreign Currencies*

Transactions in foreign currencies are translated at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities in foreign currencies are translated at the rates of exchange ruling at the balance sheet date. Where exchange differences result from the translation of foreign currency borrowings raised to acquire foreign assets (including equity investments) they are taken to reserves and offset against the differences arising from the translation of those assets. All other exchange differences are dealt with through the profit and loss account.

*Pension*

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. Contributions are charged to the profit and loss account as they become payable in accordance with the rules of the scheme.

**2 Turnover**

The turnover and operating profit for the year was derived from the company's principal activity.

Geographical information is not shown as in the opinion of the director it would be prejudicial to the company's interests.

Notes to the Financial Statements  
for the year ended 31st March 1997

**3 Operating Profit**

*The operating profit is stated after charging or crediting:*

	1997	1996
	£	£
Amounts payable to the auditors in respect of audit services	5,000	5,000
Depreciation	85,918	81,674
	<u>85,918</u>	<u>81,674</u>

**4 Director and Employees**

Staff costs during the year were as follows:

	1997	1996
	£	£
Wages and salaries	1,161,120	776,205
Social security costs	125,383	110,403
	<u>1,286,503</u>	<u>886,608</u>

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

	1997	1996
	Number	Number
Production	39	35
Administration	5	5
Selling	6	6
	<u>50</u>	<u>46</u>

Remuneration in respect of the director was as follows:

	1997	1996
	£	£
Aggregate amount of emoluments paid in respect of qualifying services	335,000	2,000
	<u>335,000</u>	<u>2,000</u>

**5 Tax on Profit on Ordinary Activities**

	1997	1996
	£	£
UK corporation tax @ 30.7%	112,833	-
Under provided in previous years	2,661	-
	<u>115,494</u>	<u>-</u>

The company is a "close" company within the provisions of the Income and Corporation Taxes Act 1988.

## Notes to the Financial Statements

for the year ended 31st March 1997

## 6 Tangible Fixed Assets

	Freehold property	Fixtures, Fittings and Computers	Total
Cost	£	£	£
At 1st April 1996	924,853	274,517	1,199,370
Additions	14,570	96,156	110,726
Disposals	-	(19,343)	(19,343)
At 31st March 1997	939,423	351,330	1,290,753
<b>Depreciation</b>			
At 1st April 1996	46,105	217,587	263,692
Charged for the year	18,796	67,122	85,918
Eliminated on disposal	-	(19,343)	(19,343)
At 31st March 1997	64,901	265,366	330,267
<b>Permanent Diminution in value</b>			
Charge for the year	96,859	-	96,859
<b>Net Book Value</b>			
At 31st March 1997	777,663	85,964	863,627
At 31st March 1996	878,748	56,930	935,678

## 7 Stocks

	1997 £	1996 £
Work in progress	295,802	140,446

## 8 Debtors

	1997 £	1996 £
Trade debtors	1,187,038	834,077
Corporation tax recoverable	11,908	11,907
Advance corporation tax recoverable	15,182	15,182
Other debtors	23,978	-
Prepayments and accrued income	170,240	226,879
	1,408,346	1,088,045

## Notes to the Financial Statements

for the year ended 31st March 1997

<b>9</b>	<b>Creditors: Amounts falling due within one year</b>	<b>1997</b>	<b>1996</b>
		<b>£</b>	<b>£</b>
	Bank loans and overdrafts	14,542	-
	Payments received on account	481,240	466,652
	Corporation tax	112,833	-
	Other taxes and social security	94,224	40,312
	Dividends payable	-	11,250
	Other creditors	865,139	1,187,324
	Accruals and deferred income	892,292	643,893
		<u>2,460,270</u>	<u>2,349,431</u>

<b>10</b>	<b>Creditors: Amounts falling due after one year</b>	<b>1997</b>	<b>1996</b>
		<b>£</b>	<b>£</b>
	Bank loans	210,458	-
		<u>210,458</u>	<u>-</u>

Bank borrowings are secured by debenture over the fixed and floating assets of the company.

Bank loans repayable by instalments as follows:-	<b>1997</b>	<b>1996</b>
	<b>£</b>	<b>£</b>
Between one and two years	15,906	-
Between two and five years	194,552	-
	<u>210,458</u>	<u>-</u>
Within one year	14,542	-
<b>Total bank loan repayments</b>	<u>225,000</u>	<u>-</u>

The bank loan is repayable in instalments until April 2007. Interest is payable at The Royal Bank of Scotland's base rate plus 3%, minimum 7%.

<b>11</b>	<b>Share Capital</b>		
	<b>Authorised</b>	<b>1997</b>	<b>1996</b>
		<b>£</b>	<b>£</b>
	100 Ordinary shares of £1 each	100	100
		<u>100</u>	<u>100</u>
	<b>Allotted, called-up and fully paid</b>	<b>1997</b>	<b>1996</b>
		<b>£</b>	<b>£</b>
	100 Ordinary shares of £1 each	100	100
		<u>100</u>	<u>100</u>

## Notes to the Financial Statements

for the year ended 31st March 1997

## 12 Share Premium Account and Reserves

	Share Premium Account £	Profit and Loss Account £
At 1st April 1996	975	(140,671)
Profit for the year	-	130,283
At 31st March 1997	975	(10,388)

## 13 Reconciliation of the Movement in Shareholders' Funds

	1997 £	1996 £
Profit for the financial year	130,283	15,876
Increase in shareholders' funds	130,283	15,876
Opening shareholders' funds	(139,596)	(155,472)
Closing shareholders' funds	(9,313)	(139,596)

## 14 Reconciliation of Operating Profit to Operating Cash Flows

	1997 £	1996 £
Operating profit	337,686	5,232
Depreciation charges	85,918	81,674
(Increase) in stocks	(155,356)	(28,276)
(Increase) in debtors	(320,301)	(155,388)
(Decrease)/Increase in creditors	(5,286)	510,232
Net Cash (Outflow)/Inflow from Operating Activities	(57,339)	413,474

## 15 Analysis of changes in Net Debt

	At 1st April 1996 £	Cashflows £	At 31st March 1997 £
Cash in hand, at bank	45,666	47,974	93,640
Debt due within 1 year	-	(14,542)	(14,542)
Debt due after 1 year	-	(210,458)	(210,458)
Total	45,666	(177,026)	(131,360)

## 16 Analysis of Cash Flows for headings netted in the Cash Flow Statement

	1997 £	1996 £
Returns on investments and servicing of finance	4,950	10,644
Interest received	4,950	10,644
Net cash inflow for returns on investments and servicing of finance	4,950	10,644

## Notes to the Financial Statements

for the year ended 31st March 1997

Capital expenditure and financial investment	1997 £	1996 £
Purchase of tangible fixed assets	(110,726)	(448,637)
Net cash (outflow) for capital expenditure and financial investment	(110,726)	(448,637)
Financing	1997 £	1996 £
Debt due within a year: bank loan	14,542	-
Debt due beyond a year: bank loan	210,458	-
Net cash inflow from financing	225,000	-

## 17 Control

The company is controlled by its director, J.M. Pritchard as shown in the director's report.

## 18 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 under these licences for the year amounted to £230,866 (1996: £166,118).

Cost of sales for the company includes £173,000 (1996: £175,000) in respect of services rendered for J.M. Pritchard's writers fees.

The company rents its premises from M. Pritchard (wife of director). The rent paid during the year is £20,000 (1996: £50,000).

During the year the company paid M. Pritchard (wife of director) £50,000 (1996: £50,000) in respect of services rendered for writers fees.

	1997	1996
The following balances were included in other creditors:		
J.M. Pritchard	£57,593	£542,866
Legalease Europe Limited	£757,027	£582,971

Included in accruals is £248,000 (1996: £150,000) relating to J.M. Pritchard writer's fees.