

Legal Opportunities Limited
Directors' report and financial statements
for the year ended 31 December 2010

Registered number 2963050

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Legal Opportunities Limited

Directors' report and financial statements for the year ended 31 December 2010

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Legal Opportunities Limited

Company information

Directors	Mr B Wilkinson Mr C G Reader Ms T M E Walsh
Registered office	1st Floor Randstad Court Laporte Way Luton Beds LU4 8SB
Independent auditors	PricewaterhouseCoopers LLP Chartered Accountants and Statutory Auditors 9 Greyfriars Road Reading RG1 1JG
Bankers	Barclays Bank Plc London Corporate Banking PO Box 544 54 Lombard Street London EC3V 9EX

Legal Opportunities Limited

Directors' report for the year ended 31 December 2010

The directors present their report and audited financial statements for the year ended 31 December 2010

Principal activities

The principal activity of the company continued to be that of employment business and temporary staff placement. As with last year, this was the only activity in which the company engaged during the year.

Business review

The company has experienced further reductions in volume due to both the global economic recession and the loss of key members of staff. The management changes which occurred during 2009 in addition to moving the operations of the company to shared accommodation have resulted in savings in administrative expenses.

During the year the company disposed of its investment in Hughes Castell (New Zealand) Limited which resulted in a loss on disposal of £871,736.

Principal risks and uncertainties

The company's risk management process includes an assessment of the likelihood and potential impact of a range of events to determine the overall risk level and to identify actions necessary to mitigate their impact. The management of the business and the execution of the company's strategy are subject to a number of risks. The key business risk affecting the company is considered to relate to the uncertainty and volatility within the finance markets, which directly impacts the demand for the services the company provides. Additional risks not currently known or which are regarded as immaterial could also affect future performance.

Financial risk management

The principal financial instruments of the company comprise trade debtors and trade creditors. The main purpose of these instruments is to raise funds and finance the continuing operations of the company.

Due to the nature of the financial instruments used by the company there is no exposure to price risk. The company's approach to managing other risks applicable to the financial instruments concerned is shown below.

Liquidity risk is maintained by the use of bank balances together with the efficient monitoring and forecasting of cash flow.

Trade creditors are managed by ensuring sufficient funds are available to meet the amounts.

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

Legal Opportunities Limited

Directors' report for the year ended 31 December 2010 (continued)

Key financial performance indicators

	2010	2009
	£'000	£'000
Turnover	1,042	1,777
Gross profit as % of turnover	59.3	64.4
Loss on ordinary activities before taxation	(28)	(678)
Loss as % of turnover	(2.7)	(38.2)
Number of temporary staff out during the year	712	1190

Results and dividends

The profit for the year amounted to £4,660,121 (2009 £985,444). The directors have not recommended the payment of a dividend (2009 nil).

Subsequent events

Subsequent to the year end the company has disposed of its shareholding in the subsidiary undertaking Hughes Castell (Hong Kong) Limited.

Directors

The directors of the company who were in office during the year and up to the date of signing the financial statements were

Mr B Wilkinson
Mr C G Reader
Ms T M E Walsh

Directors' responsibilities statement

The directors are responsible for preparing the directors report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgments and accounting estimates that are reasonable and prudent,
- state whether applicable UK 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 directors are 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 them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Legal Opportunities Limited

Directors' report for the year ended 31 December 2010 (continued)

Disclosure of information to auditors

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the company's auditors are unaware, and each director has taken all the steps that she/he ought to have taken as a director to make herself/ himself aware of any relevant audit information and to establish that the company's auditors are aware of that information

Independent auditors

The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office and are deemed to be reappointed under section 487(2) of the companies Act 2006

On behalf of the Board



Mr C G Reader
Director
30 September 2011

Legal Opportunities Limited

Independent auditor's report to the members of Legal Opportunities Limited for the year ended 31 December 2010

We have audited the financial statements of Legal Opportunities Limited for the year ended 31 December 2010 which comprise the Profit and loss account, the Balance sheet and the related notes. 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).

Respective responsibilities of directors and auditors

As explained more fully in the Directors' responsibilities statement set out on page 3 the directors are 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.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

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 directors, and the overall presentation of the financial statements.

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 December 2010 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

Legal Opportunities Limited

Independent Auditor's Report to the Members of Legal Opportunities Limited for the year ended 31 December 2010 (continued)

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements

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 directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit

Miles Saunders (Senior Statutory Auditor)
For and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Reading
30 September 2011

Legal Opportunities Limited

Profit and loss account for the year ended 31 December 2010

	Note	2010 £	2009 £
Turnover	2	1,042,271	1,777,251
Cost of sales		<u>(424,260)</u>	<u>(633,143)</u>
Gross profit		618,011	1,144,108
Amounts written off investments	6	(49,364)	(362,345)
Other administrative expenses		<u>(648,372)</u>	<u>(1,819,915)</u>
Administrative expenses		(697,736)	(2,182,260)
Operating loss	3	(79,725)	(1,038,152)
Interest receivable and similar income	7	153,735	85,356
Income from shares in group undertaking		5,497,167	-
(Loss) / profit on sale of fixed asset investment	10	<u>(871,736)</u>	<u>1,772,373</u>
Profit on ordinary activities before taxation		4,699,441	819,577
Tax on profit on ordinary activities	8	<u>(41,807)</u>	<u>168,354</u>
Profit for the financial year	17	<u>4,657,634</u>	<u>987,931</u>

The profit and loss account has been prepared on the basis that all operations are continuing operations

There are no recognised gains or losses other than those disclosed in the profit and loss account, therefore no separate statement of total recognised gains and losses has been presented

There is no material difference between the profit on ordinary activities before taxation and the profits for the financial years stated above and their historical cost equivalents

Legal Opportunities Limited

Balance sheet as at 31 December 2010

			2010		2009
	Note	£	£	£	£
Fixed Assets					
Tangible assets	9		-		18,554
Investments	10		<u>283,367</u>		<u>332,731</u>
			283,367		351,285
Current Assets					
Debtors	11	<u>9,715,966</u>		<u>5,139,234</u>	
		9,715,966		5,139,234	
Creditors Amounts falling due within one year	12	<u>(334,082)</u>		<u>(482,902)</u>	
Net current assets			<u>9,381,884</u>		<u>4,656,332</u>
Total assets			<u>9,665,251</u>		<u>5,007,617</u>
Capital and Reserves					
Called-up share capital	16		400		400
Share premium account	17		149,850		149,850
Profit and loss account	17		<u>9,515,001</u>		<u>4,857,367</u>
Total shareholders' funds	18		<u>9,665,251</u>		<u>5,007,617</u>

These financial statements were approved by the directors and authorised for issue on 30 September 2011 and are signed on their behalf by



Mr C G Reader
Director
Legal Opportunities Limited
Registered number 2963050

The notes on pages 9 to 16 form part of these financial statements

Legal Opportunities Limited

Notes to the financial statements for the year ended 31 December 2010

1. Accounting policies

Basis of accounting

These financial statements have been prepared on the going concern basis under the historical cost convention and in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom. The principal accounting policies which have been applied consistently throughout the year, are set out below.

Cash flow statement and related party transactions

The company is a wholly owned subsidiary of Randstad Holdings n.v., and is included in the consolidated financial statements of Randstad Holdings n.v. which are publicly available. Consequently, the company has taken advantage of the exemption from preparing a cash flow statement under the terms of FRS 1 'Cash Flow Statement' (revised 1996). The company is also exempt under the terms of FRS 8 'Related Party Disclosures' from disclosing related party transactions with entities that are part of the Randstad Holdings n.v. group.

Consolidated Accounts

The company is a wholly-owned subsidiary of Randstad Holdings n.v. and is included in the consolidated financial statements of Randstad Holdings n.v. which are publicly available. Consequently, the company has taken advantage of the exemption from preparing consolidated financial statements under the terms of section 400 of the Companies Act 2006.

Turnover

Turnover, which excludes value added tax, represents the invoiced value of services supplied and is recognised on provision of the service. Income is accrued where services have been provided but not invoiced at the year end.

Tangible fixed assets

Tangible fixed assets are stated at historic purchase cost less accumulated depreciation. Cost includes the original purchase price of the asset and the costs attributable to bringing the asset to its working condition for its intended use.

Depreciation

Depreciation is calculated to write off the cost of tangible fixed assets, less its estimated residual value, over the useful economic life of that asset as follows:

Leasehold Property Improvements	- Over the term of the lease
Fixtures and fittings	- 25% on cost
Motor Vehicles	- 25% on cost
Computer Equipment and Software	- 25% on cost

Investments

Investments are included at cost or net realisable value (where a provision is made for impairment). Impairment reviews are carried out at the financial year end.

Operating lease agreements

Rentals in respect of operating leases are charged to the profit and loss account over the lease term on a straight line basis.

Legal Opportunities Limited

Notes to the financial statements for the year ended 31 December 2010 (continued)

1 Accounting policies (continued)

Pension costs

The company operates a defined contribution pension scheme which is held in separately administered funds. The pension costs charged against profits represent the amount of contributions payable to the employee's personal pension plans in respect of the accounting period.

Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date, where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date.

A net deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits against which to recover carried forward tax losses and from which the future reversal of underlying timing differences can be deducted.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on an undiscounted basis.

Foreign currencies

Monetary assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Trading transactions denominated in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange gains or losses are included in the profit and loss account in the year in which they arise.

Income from shares in group undertakings

Dividend income from fixed asset investments is recognised when received by the company.

2 Turnover

The turnover was derived from the company's only activity which was carried out wholly in the United Kingdom.

3 Operating loss

Operating loss is stated after charging/ (crediting)

	2010	2009
	£	£
Depreciation of owned tangible fixed assets	18,554	62,439
Profit on disposal of tangible fixed assets	-	(1,721)
Services provided by the company's auditors		
- fees payable for the audit	8,479	8,479
Net profit on foreign currency translation	(47,236)	(80,088)
Operating lease rentals – other	156,953	138,195

Legal Opportunities Limited

Notes to the financial statements for the year ended 31 December 2010 (continued)

4 Particulars of employees

The average number of staff employed by the company during the financial year amounted to

	2010 Number	2009 Number
Distribution staff	6	14
Administrative staff	3	7
	<u>9</u>	<u>21</u>

The aggregate payroll costs of the above plus personnel costs recharged from a group company were

	2010 £	2009 £
Wages and salaries	302,427	1,133,819
Social security costs	46,095	118,506
Pension costs	5,511	19,745
	<u>354,033</u>	<u>1,272,070</u>

There were no pension contributions outstanding as at 31st December 2010 (2009 £nil)

5 Directors' emoluments

The directors' aggregate emoluments in respect of qualifying services were

	2010 £	2009 £
Aggregate emoluments	17,066	287,357
Value of company pension contributions to money purchase schemes	2,020	7,000
	<u>19,086</u>	<u>294,357</u>

Emoluments of highest paid director:

	2010 £	2009 £
Aggregate emoluments (excluding pension contributions)	17,066	287,357
Value of company pension contributions to money purchase schemes	2,020	7,000
	<u>19,086</u>	<u>294,357</u>

2010 director s emoluments represents amounts recharged from other group companies for the directors services

The number of directors who accrued benefits under company pension schemes was as follows

	2010 No	2009 No
Money purchase schemes	<u>-</u>	<u>1</u>

Legal Opportunities Limited

Notes to the financial statements for the year ended 31 December 2010 (continued)

6. Amounts written off investments

	2010 £	2009 £
Amounts written off investments – shares in group undertakings	49,364	362,345

7 Interest receivable and similar income

	2010 £	2009 £
Bank interest	-	6,254
Interest received from group undertakings	153,735	79,102
	153,735	85,356

8 Tax on profit on ordinary activities

(a) Analysis of charge/(credit) in the year

	2010 £	2009 £
Current tax.		
UK Corporation tax based on the profit of the financial year	12,099	(168,354)
Adjustment in respect of the prior year	29,708	-
Total current tax charge/(credit)	41,807	(168,354)

(b) Factors affecting tax charge for the year

The tax assessed for the year is lower (2009 lower) than the standard rate of corporation tax in the UK of 28% (2009 28%)

	2010 £	2009 £
Profit on ordinary activities before taxation	4,699,441	819,577
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 28% (2009 28%)	1,315,843	229,482
Depreciation in excess of capital allowances	(20,269)	5,867
Expenses not deductible for tax purposes	373	2,577
Adjustment in respect of prior years	29,708	-
Timing differences	(696)	-
Utilisation of prior year provisions	(3,468)	-
Imputed interest from overseas subsidiary	1,614	5,673
Investment write-down not deductible for tax purposes	13,823	84,311
Profit on disposal of overseas subsidiary, not chargeable	-	(496,264)
Dividend from overseas subsidiary, not chargeable	(1,539,207)	-
Loss on disposal of overseas subsidiary, not deductible	244,086	-
Total current tax charge (note 8a)	41,807	(168,354)

A number of changes to the UK corporation tax system were announced in the June 2010 budget and the March 2011 budget. These changes initially reduced the rate of corporation tax to 26% for the tax year beginning 1 April 2011. Further reductions by three further one percent cuts to 23% are expected by the tax year beginning 1 April 2014. These reductions had not been substantially enacted at the balance sheet date and therefore are not recognised in these financial statements.

Legal Opportunities Limited

Notes to the financial statements for the year ended 31 December 2010 (continued)

8. Tax on profit on ordinary activities (continued)

(c) Deferred tax

As at 31 December 2010, there is no deferred tax, either recognised or unrecognised

9. Tangible fixed assets

	Leasehold property improvements	Fixtures and fittings	Computer equipment and software	Total
	£	£	£	£
Cost				
At 1 January 2010	11,589	31,466	292,595	335,650
Additions	-	-	-	-
At 31 December 2010	11,589	31,466	292,595	335,650
Accumulated depreciation				
At 1 January 2010	11,589	26,604	278,903	317,096
Charge for the year	-	4,862	13,692	18,554
At 31 December 2010	11,589	31,466	292,595	335,650
Net Book Value				
At 31 December 2010	-	-	-	-
At 31 December 2009	-	4,862	13,692	18,554

10 Fixed asset investments

	£
Cost	
At 1 January 2010	1,020,076
Disposals	(61,234)
At 31 December 2010	958,842
Impairment	
At 1 January 2010	687,345
Provision for impairment	49,364
Disposals	(61,234)
At 31 December 2010	675,475
Net Book Value	
At 31 December 2010	283,367
At 31 December 2009	332,731

In the opinion of the directors, cost represents the fair value of the investments at the date of acquisition and the value of the company's investments at the balance sheet date was at least the amount shown in the balance sheet. Following an impairment review, the value of the company's investment in Highflyer S A has been written down by £49,364 to the net asset value of those companies at the balance sheet date which is considered to be the recoverable amount.

Legal Opportunities Limited

Notes to the financial statements for the year ended 31 December 2010 (continued)

10 Fixed asset investments (continued)

At the balance sheet date the company has interests in subsidiary undertakings, all of which are 100% owned and trade as employment agencies, with the exception of Kinsey Craig Limited which is an investment company, as follows -

Subsidiary	Country of incorporation	Class of share
Kinsey Craig Limited	England	Ordinary
Hughes Castell (Hong Kong) Limited	Hong Kong	Ordinary
Highflyer S A	France	Ordinary

During the year the company disposed of its investment in Hughes Castell (New Zealand) Limited. As part of the sale process the company agreed to provide funds of £871,736, which was equivalent to the deficit on the balance sheet of Hughes Castell (New Zealand) Limited at the point of sale, to the acquiring company. This has been recognised as a loss on disposal of fixed asset investments. (In 2009 the company disposed of its investment in Hughes Castell (Australia) Limited, resulting in a profit on disposal of fixed asset investments of £1,772,373.) Subsequent to the year-end the company has disposed of its shareholding in Hughes Castell (Hong Kong) Limited.

11. Debtors

	2010	2009
	£	£
Trade debtors	70,574	160,306
Amounts owed by group undertakings	9,586,480	4,851,267
Other debtors	52,511	44,829
Prepayments and accrued income	6,401	82,832
	<u>9,715,966</u>	<u>5,139,234</u>

12. Creditors amounts falling due within one year

	2010	2009
	£	£
Bank overdraft	-	2,412
Trade creditors	67,371	50,987
Amounts owed to group undertakings	42,992	27,896
Corporation tax	59,937	22,499
Taxation and social security	10,829	55,494
Other creditors	119,832	101,167
Accruals and deferred income	33,121	222,447
	<u>334,082</u>	<u>482,902</u>

13. Operating leases

At 31 December 2010 the company had annual commitments under non-cancellable operating leases as set out below

	Land and buildings	
	2010	2009
	£	£
Operating leases which expire		
Within 2 to 5 years	<u>156,953</u>	<u>156,953</u>

Legal Opportunities Limited

Notes to the financial statements for the year ended 31 December 2010 (continued)

14 Guarantees

The company, along with other UK members of the Randstad Group, is party to a cash pooling arrangement with Barclays bank, whereby each members sterling bank account is zero balances each day by transfer to or from the parent company, in order to more efficiently manage the overall UK cash resources through the treasury department of the ultimate parent. Bank overdrafts and leases of certain companies within the Randstad UK Holdings Limited group are secured by an unlimited cross guarantee between various group companies, including Legal Opportunities Limited.

15 Related party transactions

The company has taken advantage of the exemption granted under paragraph 3 (c) from the provisions of FRS8 'Related party disclosures' on the grounds that it is a wholly owned subsidiary of a group headed by Randstad Holdings n v whose accounts are publicly available.

16 Called up share capital

	2010 £	2009 £
Authorised		
400 (2009 400) Ordinary shares of £1 each	<u>400</u>	<u>400</u>
	2010 £	2009 £
Allotted and fully paid		
400 (2009 400) Ordinary shares of £1 each	<u>400</u>	<u>400</u>

17 Reserves

	Share premium account £	Profit and loss account £
At 1 January 2010	149,850	4,857,367
Profit for the financial year	-	4,657,634
At 31 December 2010	<u>149,850</u>	<u>9,515,001</u>

18 Reconciliation of movements in shareholders' funds

	2010 £	2009 £
Profit for the financial year	4,657,634	987,931
Opening shareholders' funds	<u>5,007,617</u>	<u>4,019,686</u>
Closing shareholders' funds	<u>9,665,251</u>	<u>5,007,617</u>

Legal Opportunities Limited

Notes to the financial statements for the year ended 31 December 2010 (continued)

19. Ultimate parent company and controlling party

The company's immediate parent undertaking is Randstad UK Holding Limited a company incorporated in England and Wales

The company's ultimate parent undertaking and controlling party is Randstad Holdings n v a company incorporated in the Netherlands and heads the only group in which the results of the company are consolidated. The consolidated financial statements of Randstad Holdings n v can be obtained from the offices of Randstad Holdings n v Diemerweg 28, 1112 TC Diemen, The Netherlands

20. Post balance sheet events

Subsequent to the year end the company has disposed of its shareholding in the subsidiary undertaking Hughes Castell (Hong Kong) Limited