

Company Registration No. 05107527 (England and Wales)

ABSTRACT LEGAL HOLDINGS LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2011



ABSTRACT LEGAL HOLDINGS LIMITED

COMPANY INFORMATION

Directors	D Werth L Beck D Scott Rees
Company number	05107527
Registered office	Quadrant House – 6 th Floor 4 Thomas More Square London E1W 1YW
Business address	Accident Advice House Merrion Avenue Stanmore Middlesex HA7 4RP
Bankers	HSBC Bank plc 90 Baker Street London W1V 6AX
Auditors	UHY Hacker Young Quadrant House 4 Thomas More Square London E1W 1YW

ABSTRACT LEGAL HOLDINGS LIMITED

CONTENTS

	Page
Directors' report	1 - 4
Independent auditors' report	5 - 6
Consolidated profit and loss account	7
Consolidated balance sheet	8
Company balance sheet	9
Consolidated cash flow statement	10
Notes to the financial statements	11 - 21

ABSTRACT LEGAL HOLDINGS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MAY 2011

The directors present their report and the financial statements for the year ended 31 May 2011

Principal activities and review of the business

Abstract Legal Holdings Limited is the holding company of a group of companies whose principal activities are the assistance of individuals with personal injury claims

Review of the business

The personal injury claims sector remained a challenging market place during the year and the group's main focus during 2010/11 has been to develop the business whilst maintaining a consistent level of healthy profits and cash flow

The group's development during the year

During 2010/11 there has been no change to the group's target market which has continued to be members of the public who have suffered a no-fault personal injury

The group has never generated customers through door-to-door canvassing or cold calling and it also has no commission based sales force approaching potential claimants. In fact all customer contacts are handled by the group's client management call centre

The group's performance

Despite the difficult economic conditions in 2010/11, the group still managed to increase its turnover and pre-tax profits. Turnover rose by £1,312,928 to £16,217,487 (2010 £14,904,599), whilst pre-tax profits of £4,375,698 were £986,505 higher than last year

Comparisons of turnover and pre-tax profits with last year's results are key performance indicators for the group as they measure the progress and development of the business

The group's cash position at the year end, included within cash at bank and in hand, amounted to £2,529,754 (2010 £2,467,110)

The group's position

The directors believe that the group's position in the marketplace is strong and we can look forward to further growth in 2011/12

No events have occurred since the balance sheet date which significantly affect the group

ABSTRACT LEGAL HOLDINGS LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MAY 2011

Principal risks and uncertainties facing the group

The principal risks and uncertainties facing the group are -

Operational risk this is the risk of loss resulting from a breakdown in internal control systems which are designed to prevent and detect fraud and error

Financial reporting risk this is the risk that due to a breakdown in internal control or fraud, the financial statements are materially misstated

Bad debt risk this is the risk of defaults on debts from customers

Business continuity risk this is the risk that a disaster or other unexpected event occurs leading to an inability to conduct our business

Compliance and regulatory risk this is the risk that changes in the regulatory framework within which the group operates could reduce our ability to operate profitably in the future

The group seeks to manage these risks by having sound systems of internal control and risk management. The effectiveness of these systems are reviewed on a regular basis.

Such systems are designed to manage rather than eliminate risk and any system can provide only reasonable and not absolute assurance against material misstatement or loss.

As regards the risk of defaults on debts from customers, the group's exposure to bad debts has been low historically due to the tight credit control procedures which are maintained.

The risk of disruption to the business as a result of a disaster or unexpected event is mitigated as the group does have internal disaster recovery solutions in place. Moreover tapes containing up to date operational, financial and other business critical data are backed up on a daily basis and then stored in an off-site location.

From Spring 2011 disaster recovery controls have been enhanced through the installation of supplementary servers in a data centre in Birmingham where a direct internet line between there and Accident Advice House will soon provide a complete real time back up facility.

Future changes in the personal injury (PI) claims sector

In January 2012 new legislation will come into effect allowing non lawyers to own Law Firms.

The Legal Aid, Sentencing and Punishment of Offenders Bill (LASPO) is currently being debated by government. It is a very large and far reaching justice bill which is proposing major changes to the British justice system. Included in the Bill are proposals that will affect Personal Injury Claims. The most significant of which are the recommendations to ban the payment of referral fees and the recovery of ATE insurance premiums.

These proposals will be subject to considerable debate and it is not possible at this point in time to assess what effect, if any, they would have on the group's business. Any changes are unlikely to be introduced before April 2013 and there should then be a grace period to allow solicitors to adopt any new working practices.

The situation will become clearer over the next 12 months. The directors are confident that the group is well placed to adapt to any operational changes should they become necessary.

ABSTRACT LEGAL HOLDINGS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MAY 2011

Results and dividends

The results for the year are set out on page 7

An interim ordinary dividend was paid amounting to £3,000,000 (2010 £3,000,000) The directors do not recommend payment of a final dividend

Directors

The following directors have held office since 1 June 2010

B Beck (resigned 31 May 2011)
D Werth
L Beck
D Scott Rees

Auditors

UHY Hacker Young are deemed to be re-appointed in accordance with an elective resolution made under section 386 of the Companies Act 1985 which continues in force under Companies Act 2006

Charitable donations

During the period, the group made charitable donations of £4,151 (2010 £5,332), these were to various charitable organisations within the UK

Directors' responsibilities

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

Company law requires the directors to prepare the financial statements for each financial year Under that law, the directors have 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 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 the group and of the profit or loss for that period In preparing those financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and 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 and group'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

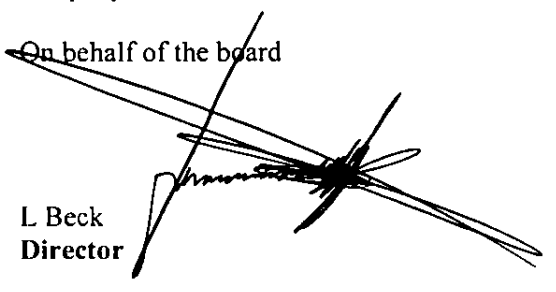
ABSTRACT LEGAL HOLDINGS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MAY 2011

Statement of disclosure to auditor

So far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware. Additionally, the directors have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditors are aware of that information.

On behalf of the board


L Beck
Director

16 February 2012

INDEPENDENT AUDITORS' REPORT

TO THE SHAREHOLDERS OF ABSTRACT LEGAL HOLDINGS LIMITED

We have audited the financial statements of Abstract Legal Holdings Limited for the year ended 31 May 2011 set out on pages 7 to 22. 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 in an auditor's 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 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 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

A description of the scope of an audit of financial statements is provided on the APB's web-site at www.frc.org.uk/apb/scope/private.cfm.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the group's and the parent company's affairs as at 31 May 2011 and of the group's 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 Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

INDEPENDENT AUDITORS' REPORT (CONTINUED)

TO THE SHAREHOLDERS OF ABSTRACT LEGAL HOLDINGS 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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us, or
- the parent company 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



**Derek Levy (Senior statutory auditor)
for and on behalf of UHY Hacker Young,**

16 February 2012

**Chartered Accountants
Statutory Auditor**

ABSTRACT LEGAL HOLDINGS LIMITED

CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MAY 2011

	Notes	2011 £	2010 £
Turnover	2	16,217,487	14,904,559
Cost of sales		(4,896,420)	(5,200,145)
Gross profit		11,321,067	9,704,414
Administration expenses		(6,848,737)	(6,293,938)
Operating profit	3	4,472,330	3,410,476
Interest receivable	4	16,210	7,637
Interest payable and similar charges	5	(112,842)	(28,920)
Profit on ordinary activities before taxation		4,375,698	3,389,193
Tax on profit on ordinary activities	6	(1,254,680)	(999,730)
Profit for the year	15	3,121,018	2,389,463

The group's operations remain unchanged, no operations were disposed of or acquired

There are no recognised gains or losses other than those passing through the profit and loss account

ABSTRACT LEGAL HOLDINGS LIMITED

CONSOLIDATED BALANCE SHEET AS AT 31 MAY 2011

	Notes	£	2011 £	£	2010 £
Fixed assets					
Tangible assets	10		31,700		34,276
Current assets					
Debtors	12	2,283,699		1,533,655	
Cash at bank and in hand		2,529,754		2,467,110	
		<u>4,813,453</u>		<u>4,000,765</u>	
Creditors: amounts falling due within one year	13	(3,781,321)		(3,092,227)	
		<u></u>		<u></u>	
Net current assets/(liabilities)			1,032,132		908,538
			<u></u>		<u></u>
Total assets less current assets/(liabilities)			1,063,832		942,814
			<u>=====</u>		<u>=====</u>
Capital and reserves					
Called up share capital	14		62,500		62,500
Profit and loss account	15		1,001,332		880,314
			<u></u>		<u></u>
Shareholders' funds – equity interests	16		1,063,832		942,814
			<u>=====</u>		<u>=====</u>

These financial statements were approved by the Board and authorised for issue on 16 February 2012

L Beck
Director

Company Registration No. 05107527

D Scott Rees
Director

ABSTRACT LEGAL HOLDINGS LIMITED

COMPANY BALANCE SHEET AS AT 31 MAY 2011

	Notes	£	2011 £	£	2010 £
Fixed assets					
Investments	11		6		7
Current assets					
Debtors	12	1,900,685		500,670	
Cash at bank and in hand		384		243	
		<u>1,901,069</u>		<u>500,913</u>	
Creditors: amounts falling due within one year	13	<u>(1,822,301)</u>		<u>(322,145)</u>	
Net current assets			<u>78,768</u>		<u>178,768</u>
Total assets less current liabilities			<u><u>78,774</u></u>		<u><u>178,775</u></u>
Capital and reserves					
Called up share capital	14		62,500		62,500
Profit and loss account	15		<u>16,274</u>		<u>116,275</u>
Shareholders' funds – equity interests	16		<u><u>78,774</u></u>		<u><u>178,775</u></u>

These financial statements were approved by the Board and authorised for issue on 16 February 2012

L Beck
Director

D Scott Rees
Director

Company Registration No. 05107527

ABSTRACT LEGAL HOLDINGS LIMITED

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MAY 2011

	Notes	£	2011 £	£	2010 £
Net cash inflow from operating activities	17		4,176,441		3,648,065
Returns on investments and servicing of finance					
Interest received		16,210		7,637	
Other interest paid		(342)		-	
Bank interest paid		(112,500)		(28,920)	
Net cash outflow from returns on investments and servicing of finance			(96,632)		(21,283)
Taxation					
Corporation tax paid			(991,219)		(1,163,597)
Capital expenditure					
Payments to acquire tangible fixed assets		23,493		10,471	
Net cash outflow for capital expenditure			(23,493)		(10,471)
Equity dividends paid			(3,000,000)		(3,000,000)
Net cash (outflow)/inflow before financing			65,097		(547,286)
Financing					
Other new short term loan			-		1,125,000
Increase in cash in the year	19		65,097		577,714

ABSTRACT LEGAL HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2011

1. Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention

1.2 Compliance with accounting standards

The financial statements are prepared in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), which have been applied consistently (except as otherwise stated)

1.3 Turnover

Turnover represents the amounts receivable for goods and services net of VAT and trade discounts and is recognised on the following basis

a) Income contingent on a third party event is recognised on the occurrence of that event

b) All other income is recognised on an accruals basis when the right to consideration occurs

1.4 Basis of consolidation

The consolidated financial statements incorporate the financial statements of the company and its subsidiary undertakings drawn up to 31 May 2011 by the acquisition method of accounting. Intra-group transactions and results are eliminated on consolidation

1.5 Tangible fixed assets

Tangible fixed assets other than freehold land are stated at cost or valuation less depreciation. Depreciation is provided at rates calculated to write off the cost or valuation less estimated residual value of each asset over its expected useful life, as follows

Computer equipment	33% straight line
Fixtures and fittings	33% straight line

1.6 Leasing

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible assets and depreciated over the shorter of the lease term and their useful lives. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period

Rentals payable under operating leases are charged against income on a straight line basis over the lease term

1.7 Investments

Fixed asset investments are stated at cost less provision for impairment in value

1.8 Deferred taxation

Deferred tax is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. The deferred tax balance has not been discounted

1.9 Goodwill

Acquired goodwill is written off over its estimated useful economic life of one year

ABSTRACT LEGAL HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2011

2. Turnover

The total turnover of the group for the period has been derived from its principal activity wholly undertaken in the United Kingdom

3. Operating profit/(loss)

	2011	2010
	£	£

Operating profit/(loss) is stated after charging,
Depreciation of tangible fixed assets

26,069	28,558
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Rentals under operating leases - land and buildings
- plant and machinery

301,431	282,637
31,205	31,205

Auditors' remuneration
Audit fees

40,125	45,018
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4. Other interest receivable and similar income

2011	2010
£	£

Bank interest

16,210	7,637
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5. Interest payable and similar charges

2011	2010
£	£

Bank loans and overdrafts
Other loan interest

342	564
112,500	28,356

112,842	28,920
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ABSTRACT LEGAL HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2011

	2011 £	2010 £
6. Taxation		
UK current year tax	1,257,138	1,001,243
UK prior year tax	(2,458)	(1,513)
	<u>1,254,680</u>	<u>999,730</u>
UK corporation tax charge		
Factors affecting the tax charge for the year		
Profit on ordinary activities before taxation	4,375,698	3,389,193
Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 28% (2010 28%)	1,225,195	948,974
Effects of		
Depreciation	7,299	7,996
Expenses not deductible for tax	50,873	55,326
Capital allowances	(10,101)	(11,121)
Prior year tax charge	(2,458)	(1,513)
Other tax adjustments	(16,128)	68
	<u>29,485</u>	<u>50,756</u>
Current tax charge	<u>1,254,680</u>	<u>999,730</u>
	2011 £	2010 £
7. Dividends		
Ordinary interim paid	3,000,000	3,000,000

8. Profit and loss account of parent company

As permitted by Section 408 of the Companies Act 2006, the profit and loss account of the parent company is not presented as part of these accounts. The parent company's profit on ordinary activities after taxation for the financial year amounted to £2,899,999 (2010 £2,750,000)

ABSTRACT LEGAL HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MAY 2011

9. Goodwill

Group	Total £
Cost	
As at 1 June 2010 and 31 May 2011	299,998
Amortisation	
As at 1 June 2010 and 31 May 2011	299,998
Net book value	
As at 31 May 2010 and 31 May 2011	-

10. Tangible fixed assets

	Computer equipment £	Fixtures and fittings £	Total £
Group			
Cost			
At 1 June 2010	161,745	75,937	237,682
Additions	23,493	-	23,493
At 31 May 2011	185,238	75,937	261,175
Depreciation			
At 1 June 2010	127,469	75,937	203,406
Charge for the period	26,069	-	26,069
At 31 May 2011	153,538	75,937	229,475
Net book value			
At 31 May 2011	31,700	-	31,700
At 31 May 2010	34,276	-	34,276

ABSTRACT LEGAL HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MAY 2011

11. Fixed asset investments

Company	Shares in subsidiaries £
Cost	
At 1 June 2010	7
Additions	-
Disposal	1
	<hr/>
At 31 May 2011	6
	<hr/>
Impairment	
At 1 June 2010	-
Disposal	-
	<hr/>
At 31 May 2011	-
	<hr/>
Net book value	
At 31 May 2011	6
	<hr/>
At 31 May 2010	7
	<hr/>

The following subsidiaries are wholly owned, are registered in England and the class of shares held in each case are ordinary shares

Company	Principal activities
Access to Compensation Limited	Advertising and marketing services
Accident Advice Helpline Direct Limited	Assisting individuals with personal injury claims
Accident Advice Helpline Limited	Intermediate holding company
Cab Claims Limited	Dormant
Claim 4 Limited	Dormant
Legal Facilities Management & Services Limited***	Assisting individuals with personal injury claims
Liberty Protect Limited	Assisting individuals with personal injury claims
Claim 103 Limited*	Dormant
Accident Advice Insurance Management Group Limited*	Intermediate holding company
Sentinel Alliance Limited**	Services for the group
Accident Advice (IA) Limited**	Dormant

* Shares held by Accident Advice Helpline Limited

** Shares held by Accident Advice Insurance Management Group Limited

*** Shares held by Accident Advice Helpline Direct Limited

ABSTRACT LEGAL HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2011

12.	Debtors	Group 2011 £	Company 2011 £	Group 2010 £	Company 2010 £
	Trade debtors	995,678	-	849,362	-
	Amounts owed by subsidiary undertakings	-	1,874,999	-	474,999
	Other debtors	21,333	-	4,277	-
	Prepayments and accrued income	1,266,688	25,686	680,016	25,671
		<u>2,283,699</u>	<u>1,900,685</u>	<u>1,533,655</u>	<u>500,670</u>
		=====	=====	=====	=====
13.	Creditors: amounts falling due within one year	Group 2011 £	Company 2011 £	Group 2010 £	Company 2010 £
	Trade creditors	393,881	-	452,410	-
	Amounts owed to group companies	-	1,821,801	-	321,707
	Taxes and social security	786,209	-	625,511	-
	Other creditors	1,192,554	-	1,196,824	-
	Corporation tax payable	718,603	-	522,748	-
	Accruals and deferred income	690,074	500	292,281	438
	Bank overdraft	-	-	2,453	-
		<u>3,781,321</u>	<u>1,822,301</u>	<u>3,092,227</u>	<u>322,145</u>
		=====	=====	=====	=====

Included in the group's other activities figure is an amount of £1,125,000 (2010 £1,125,000) relating to loans from shareholders. Interest of 10% per annum is paid on this loan and the loan is repayable on demand.

14. Share capital

Group and company	2011 £	2010 £
Authorised 100,000 Ordinary shares of £1 each	<u>100,000</u>	<u>100,000</u>
	=====	=====
Group and company	2011 £	2010 £
Called up, allotted and fully paid 62,500 Ordinary shares of £1 each	<u>62,500</u>	<u>62,500</u>
	=====	=====

ABSTRACT LEGAL HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2011

15. Statement of movements on reserves

	Profit and loss £
Group	
As at 1 June 2010	880,314
Profit for the year	3,121,018
Dividends paid	(3,000,000)
	<hr/>
Balance at 31 May 2011	<u>1,001,332</u>

	Profit and loss £
Company	
As at 1 June 2010	116,275
Profit for the year	2,899,999
Dividends paid	(3,000,000)
	<hr/>
Balance at 31 May 2011	<u>16,274</u>

ABSTRACT LEGAL HOLDINGS LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2011****16. Reconciliation of movements in shareholders' funds**

Group	2011 £	2010 £
Profit/(loss) for the year	3,121,018	2,389,463
Dividends paid	(3,000,000)	(3,000,000)
	<hr/>	<hr/>
Net addition to shareholders' funds	121,018	(610,537)
Opening shareholders' funds	942,814	1,553,351
	<hr/>	<hr/>
Closing shareholders' funds	<u>1,063,832</u>	<u>942,814</u>
	<hr/>	<hr/>
Company	2011 £	2010 £
Profit for the year	2,899,999	2,750,000
Dividends paid	(3,000,000)	(3,000,000)
	<hr/>	<hr/>
Net addition to shareholders' funds	(100,001)	(250,000)
Opening shareholders' funds	178,775	428,775
	<hr/>	<hr/>
Closing shareholders' funds	<u>78,774</u>	<u>178,775</u>
	<hr/>	<hr/>

17. Reconciliation of operating profit to net cash outflow from operating activities

	2011 £	2010 £
Operating profit/(loss)	4,472,330	3,410,476
Depreciation	26,069	28,558
Decrease/(increase) in debtors	(750,044)	(327,855)
(Decrease)/increase in creditors within one year	428,086	536,886
	<hr/>	<hr/>
Net cash inflow/(outflow) from operating activities	<u>4,176,441</u>	<u>3,648,065</u>
	<hr/>	<hr/>

ABSTRACT LEGAL HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2011

18. Reconciliation of net cash flow to movement in net funds

	2011 £	2010 £
Increase in cash in period	65,097	577,714
Cash inflow from increase in debt	-	(1,125,000)
	<hr/>	<hr/>
Change in net debt resulting from cash flows	65,097	(547,286)
Opening net funds	1,339,657	1,886,943
	<hr/>	<hr/>
Closing net funds	<u>1,404,754</u>	<u>1,339,657</u>

19. Analysis of net funds

	At 1 June 2010 £	Cash flow £	At 31 May 2011 £
Net cash			
Cash at bank and in hand	2,464,657	65,097	2,529,754
	<hr/>	<hr/>	<hr/>
	2,464,657	65,097	2,529,754
Debt			
Debt due within one year	(1,125,000)	-	(1,125,000)
	<hr/>	<hr/>	<hr/>
	(1,125,000)	-	(1,125,000)
	<hr/>	<hr/>	<hr/>
Net funds	<u>1,339,657</u>	<u>65,097</u>	<u>1,404,754</u>

ABSTRACT LEGAL HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2011

20. Financial commitments

Capital commitments

There were no capital commitments at the end of the period

Lease commitments

As at 31 May 2011, the group had annual commitments under non-cancellable operating leases as follows

Expiry date	Land and Buildings 2011 £	Land and Buildings 2010 £	Other 2011 £	Other 2010 £
Within one year	170,546	-	430	6,366
Within two to five years	-	179,156	69,260	69,260
	<u>170,546</u>	<u>179,156</u>	<u>69,690</u>	<u>75,626</u>

21. Directors' emoluments

	2011 £	2010 £
Emoluments for qualifying services	<u>643,000</u>	<u>428,000</u>
Emoluments disclosed above include the following amount paid to the highest paid director	<u>280,000</u>	<u>180,000</u>

22. Employees

Number of employees

The average monthly number of employees (including directors) during the period was

	2011 Number	2010 Number
Sales and administration	<u>138</u>	<u>135</u>
Employment costs	£	£
Wages and salaries	4,325,271	4,126,533
Social security costs	425,656	390,074
	<u>4,750,927</u>	<u>4,516,607</u>

ABSTRACT LEGAL HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2011

23. Related party transactions

The group had the following related party transactions during the year

The group paid rent and service charges of £277,094 (2010 £257,420) to AAG (HQ) Limited B A Beck and L Beck are directors of this company

The group paid consultancy fees of £344,701 (2010 £240,201) to Marson Management Services Limited B A Beck is a director and shareholder of this company

24. Control

The control of the company is by the Beck family