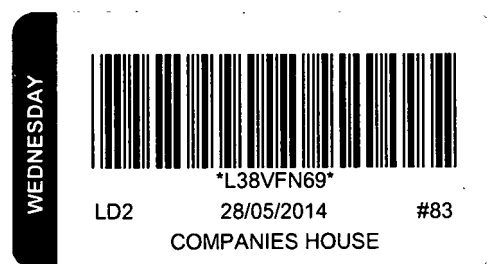


Company Registration No. 05107527 (England and Wales)

ABSTRACT LEGAL HOLDINGS LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 DECEMBER 2012



ABSTRACT LEGAL HOLDINGS LIMITED

COMPANY INFORMATION

Directors

D Werth
L Beck
R S Terry (Appointed 8 April 2013)
L Moore (Appointed 8 April 2013)

Company number

05107527

Registered office

Quindell Court
Barnes Wallis Road
Fareham
Hampshire
PO15 5UA

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

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ABSTRACT LEGAL HOLDINGS LIMITED

DIRECTORS' REPORT FOR THE PERIOD ENDED 31 DECEMBER 2012

The directors present their report and the financial statements for the period ended 31 December 2012.

Principal activities

Abstract Legal Holdings Limited ("ALH") is the holding company of a group of companies whose principal activity is the assistance of individuals with personal injury claims. All customer contacts are handled by the Group's client management call centre. The Group does not, and has never generated business through door-to-door canvassing or cold calling and has no commission based sales force approaching potential claimants.

During the period the Accounting Reference Period was changed to 31 December, thus shortening the current period to 7 months.

Review of the Business and financial review

The group's target market remains individuals who have suffered a no-fault personal injury.

During 2012, the Group agreed to be acquired by Quindell Plc, a company listed on AIM, and the UK's largest technology enabled claims outsourcer in the UK. Quindell is the only UK outsource organisation ethically addressing the total cost of claims including personal injury and rehabilitation, and manages some element of between 25 and 30% of UK auto claims. Prior to the acquisition by Quindell, which was subject to regulatory approval, the Group also entered into a partnering agreement with the Quindell group.

Having obtained the necessary regulatory approvals, the Quindell group acquired the Abstract Legal Holdings group of companies on 8 April 2013. Becoming part of the Quindell group has enabled the Group to maintain and increase its share of the market, taking advantage of the regulatory and legislative changes that have been introduced during 2013, and has also enabled the Group, as part of the Quindell group, to provide its customers with an end to end solution that as well as managing their claim for personal injury, includes treating the injured party, repairing their vehicle and providing a replacement vehicle.

The Group reported an increase in revenue in the period from £19,310,755 (12 months) to £24,230,480 (7 months). The profit and loss result after tax was a loss for the period of £3,488 (year to 31 May 2012: profit of £3,633,363). These include the impact on revenues and profits to the Group of the partnering agreement.

Principal risks and uncertainties

The Group is exposed to a number of risks and uncertainties which could have a material impact in its long term performance. The Directors have identified those which they regard as being principal risks and these are set out below.

Regulatory change

The pricing of products and services, the activities of major industry organisations, and the Group's ability to operate and contract in the manner that it has done so in the past or expects to do so in the future, may be affected by the actions of regulatory bodies primarily in the UK. Such action could affect the Group's profitability either directly or indirectly. The Group, as part of the wider Quindell group, continually monitors and assesses the likelihood, potential impact and opportunity provided by regulatory change, and adapts its plans and activities accordingly.

The success of the group depends to a large extent upon its current management team and its ability to recruit and retain high calibre individuals at all relevant levels within the organisation. The Group will continue to seek to mitigate the resource risk by investing in and developing staff training programmes, competitive reward and compensation packages, incentive schemes and succession planning.

DIRECTORS' REPORT FOR THE PERIOD ENDED 31 DECEMBER 2012

Regulatory and reputational risks

The Group operates in a regulated market. As a data controller and a business that provides services on behalf of its customers to consumers and individuals, the Group is also subject to risks related to matters such as data processing and security, data and service integrity. In the event of a breach, these risks may give rise to reputational, financial or other sanctions. The Group considers these risks seriously and designs, maintains and reviews its policies and processes so as to mitigate or avoid these risks.

Market conditions

The Group faces competition from other organisations. The Group's strategy is to offer a range of tailored or specialist products and services and to be dominant in the markets it operates in.

Dividends

The directors do not recommend the payment of a dividend for the period under review.

Directors

The following directors have held office since 1 June 2012:

D Werth
L Beck
D Scott Rees (resigned 8 April 2013)
RS Terry (appointed 8 April 2013)
L Moore (appointed 8 April 2013)

Charitable donations

During the year the company made charitable donations of £4,050 (2012: £6,760) which were to various charitable organisations within the UK.

Going concern

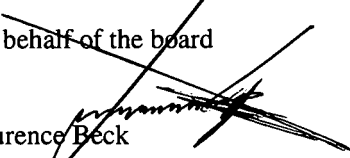
At the balance sheet date, the Group had cash of £822,670. The acquisition by Quindell Plc of the Abstract Legal Holdings group of companies has significantly strengthened the financial position of the company. The Group has access to significant banking facilities as provided by the new enlarged group to fund its growth. No material uncertainties related to events or conditions that may cast significant doubt about the ability of the company to continue as a going concern have been identified by the Directors. Thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

Subsequent events

During 2012, an agreement was signed agreement which led to Quindell Plc acquiring the Abstract Legal Holdings group of companies on 8 April 2013.

At this point, due to regulatory factors that required certain activities of the Group to be performed within an entity regulated by the Solicitors Regulation Authority, some of the trade and assets of the Group were transferred to Quindell Legal Services Limited, another Quindell group company.

On behalf of the board


Laurence Beck
Director
23 May 2014

INDEPENDENT AUDITORS' REPORT

TO THE SHAREHOLDERS OF ABSTRACT LEGAL HOLDINGS LIMITED

We have audited the financial statements of Abstract Legal Holdings Limited for the period ended 31 December 2012 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 to them 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 December 2012 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,**

**Chartered Accountants
Statutory Auditor**

23 May 2014

ABSTRACT LEGAL HOLDINGS LIMITED

CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE PERIOD ENDED 31 DECEMBER 2012

		Period ended 31 December 2012 £	Year ended 31 May 2012 £
	Notes		
Turnover	2	24,230,480	19,310,755
Cost of sales		(4,025,078)	(5,986,388)
Gross profit		20,205,402	13,324,367
Administrative expenses		(30,253,325)	(8,296,823)
Other operating income		10,047,383	40,413
Operating (loss)/profit	3	(540)	5,067,957
Interest receivable	4	10,792	28,157
Interest payable and similar charges	5	(10,252)	(112,709)
Profit on ordinary activities before taxation		-	4,983,405
Tax on profit on ordinary activities	6	(3,488)	(1,350,042)
Loss for the year	15	(3,488)	3,633,363

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.

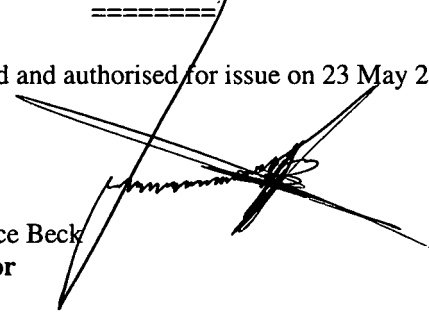
ABSTRACT LEGAL HOLDINGS LIMITED

CONSOLIDATED BALANCE SHEET AS AT 31 DECEMBER 2012

	Notes	31 December 2012		31 May 2012	
		£	£	£	£
Fixed assets					
Tangible assets	10		72,260		38,267
Current assets					
Debtors	11	7,817,682		2,696,143	
Cash at bank and in hand		822,672		5,095,204	
		8,640,355		7,791,347	
Creditors: amounts falling due within one year	12	(4,014,896)		(3,132,419)	
Net current assets/(liabilities)			4,625,459		4,658,928
Total assets less current assets/(liabilities)			4,697,719		4,697,195
Capital and reserves					
Called up share capital	13		66,512		62,500
Profit and loss account	14		4,631,207		4,634,695
Shareholders' funds – equity interests	15		4,697,719		4,697,195

These financial statements were approved by the Board and authorised for issue on 23 May 2014.


Darren Werth
Director


Laurence Beck
Director

Company Registration No. 05107527

ABSTRACT LEGAL HOLDINGS LIMITED

COMPANY BALANCE SHEET AS AT 31 December 2012

	Notes	31 December 2012		31 May 2012	
		£	£	£	£
Fixed assets					
Investments	10		6		6
Current assets					
Debtors	11	1,907,239		1,902,287	
Cash at bank and in hand		949		990	
		<u>1,908,188</u>		<u>1,903,277</u>	
Creditors: amounts falling due within one year	12	<u>(1,825,408)</u>		<u>(1,824,509)</u>	
Net current assets			82,780		78,768
Total assets less current liabilities			<u>82,786</u>		<u>78,774</u>
Capital and reserves					
Called up share capital	13		66,512		62,500
Profit and loss account	14		16,274		16,274
Shareholders' funds – equity interests	15		<u>82,786</u>		<u>78,774</u>

These financial statements were approved by the Board and authorised for issue on 23 May 2014.

Darren Werth
Director

Laurence Beck
Director

Company Registration No. 05107527

ABSTRACT LEGAL HOLDINGS LIMITED

CONSOLIDATED CASH FLOW STATEMENT FOR THE PERIOD ENDED 31 DECEMBER 2013

	Notes	31 December 2012		31 May 2012	
		£	£	£	£
Net cash inflow from operating activities	15		(3,168,918)		4,882,658
Returns on investments and servicing of finance					
Interest received		10,792		28,157	
Other interest paid		(10,252)		99	
Bank interest paid		-		(112,808)	
Net cash outflow from returns on investments and servicing of finance			540		(84,552)
Taxation					
Corporation tax paid			(1,056,707)		(1,079,546)
Capital expenditure					
Payments to acquire tangible fixed assets		51,549		28,110	
Net cash outflow for capital expenditure			(51,459)		(28,110)
Equity dividends paid			-		-
Net cash (outflow)/inflow before financing			(4,276,544)		3,690,450
Financing					
Repayment of other short term loans			-		(1,125,000)
Issue of ordinary share capital			4,012		-
Increase in cash in the year	17		(4,272,532)		2,565,450

ABSTRACT LEGAL HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2012

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 is measured at fair value of the consideration received and represents amounts receivables for services provided in the ordinary course of business, net of discounts and sales taxes.

1.4 Basis of consolidation

The consolidated financial statements incorporate the financial statements of the company and its subsidiary undertakings drawn up to 31 December 2012 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 PERIOD ENDED 31 DECEMBER 2012

6. Taxation Period	Period ended 31 December 2012 £	Year ended 31 May 2012 £
UK current year tax	13,894	1,347,964
UK prior year tax	(10,406)	2,078
	<hr/>	<hr/>
UK corporation tax charge	3,488	1,350,042
	<hr/>	<hr/>
Factors affecting the tax charge for the year		
Profit on ordinary activities before taxation	-	4,983,405
	<hr/>	<hr/>
Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 24% (2012: 26%)	-	1,295,685
	<hr/>	<hr/>
Effects of:		
Depreciation	4,192	5,601
Expenses not deductible for tax	16,015	56,266
Capital allowances	(5,932)	(8,659)
Prior year tax charge	(10,406)	2,078
Other tax adjustments	(323)	(929)
	<hr/>	<hr/>
	3,488	54,357
	<hr/>	<hr/>
Current tax charge	3,488	1,350,042
	<hr/>	<hr/>

7. 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 £Nil (2012: £Nil).

ABSTRACT LEGAL HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2012

2. Turnover

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

	Period ended 31 December 2012 £	Year ended 31 May 2012 £
--	---	--------------------------------------

3. Operating profit/(loss)

Operating profit/(loss) is stated after charging;		
Depreciation of tangible fixed assets	17,465	21,543
Charges and fees paid to Quindell Plc (Note 22)	24,364,719	
Rentals under operating leases - land and buildings	238,723	365,711
- plant and machinery	43,875	76,525
Auditors' remuneration		
Audit fees	29,500	42,000
and after crediting:		
Income from Quindell Plc (Note 22)	(10,047,383)	
	=====	=====

4. Other interest receivable and similar income

	Period ended 31 December 2012 £	Year ended 31 May 2012 £
Bank interest	10,792	28,157
	=====	=====

5. Interest payable and similar charges

	Period ended 31 December 2012 £	Year ended 31 May 2012 £
Bank loans and overdrafts	-	(99)
Other loan interest	10,252	112,808
	=====	=====
	10,252	112,709
	=====	=====

ABSTRACT LEGAL HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2012

8. Goodwill

Group	Total £
Cost	
As at 1 June 2012 and 31 December 2012	299,998
Amortisation	
As at 1 June 2012 and 31 December 2012	299,998
Net book value	
As at 31 May 2012 and 31 December 2012	-

9. Tangible fixed assets

	Computer equipment	Fixtures and fittings	Total
Group	£	£	£
Cost			
At 1 June 2012	213,348	75,937	289,285
Additions	47,431	4,028	51,459
At 31 December 2012	260,779	79,965	340,744
Depreciation			
At 1 June 2012	175,081	75,937	251,018
Charge for the period	17,130	336	17,466
At 31 December 2012	192,211	76,273	268,484
Net book value			
At 31 December 2012	68,568	3,692	72,260
At 31 December 2012	38,267	-	38,267

ABSTRACT LEGAL HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2012

10. Fixed asset investments

Company	Shares in subsidiaries £
Cost	
At 1 June 2012	6
Additions	-
Disposal	-
	<hr/>
At 31 December 2012	6
	<hr/> <hr/>
Impairment	
At 1 June 2012	-
Disposal	-
	<hr/>
At 31 December 2012	-
	<hr/> <hr/>
Net book value	
At 31 December 2012	6
	<hr/> <hr/>
At 31 May 2012	6
	<hr/> <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
Fast Track PPI 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 PERIOD ENDED 31 DECEMBER 2012

11. Debtors	Group 31 December 2012 £	Company 31 December 2012 £	Group 31 May 2012 £	Company 31 May 2012 £
Trade debtors	436,578	-	1,211,605	-
Amounts owed by subsidiary undertakings	-	1,874,999	-	1,874,999
Other debtors	3,691,677	-	68,651	-
Prepayments and accrued income	3,689,427	32,240	1,415,887	27,288
	<u>7,817,682</u>	<u>1,907,239</u>	<u>2,696,143</u>	<u>1,902,287</u>
	=====	=====	=====	=====
12. Creditors: amounts falling due within one year	Group 31 December 2012 £	Company 31 December 2012 £	Group 31 May 2012 £	Company 31 May 2012 £
Trade creditors	512,367	3,000	565,829	-
Amounts owed to group companies	2,511,800	1,822,008	-	1,823,974
Taxes and social security	244,917	-	1,056,705	-
Other creditors	256,438	-	85,396	-
Corporation tax payable	8,799	-	790,739	-
Accruals and deferred income	480,575	400	633,750	535
Bank overdraft	-	-	-	-
	<u>4,014,896</u>	<u>1,825,408</u>	<u>3,132,419</u>	<u>1,824,509</u>
	=====	=====	=====	=====
13. Share capital				
Group and company			31 December 2012 £	31 May 2012 £
Authorised				
100,000 Ordinary shares of £1 each			100,000	100,000
			=====	=====
Group and company			31 December 2012 £	31 May 2012 £
Called up, allotted and fully paid				
66,512 Ordinary shares of £1 each			66,512	62,500
			=====	=====

ABSTRACT LEGAL HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2012

14. Statement of movements on reserves

	Profit and loss £
Group	
As at 1 June 2012	4,634,695
Loss for the year	(3,488)
Dividends paid	-
	<hr/>
Balance at 31 December 2012	<u>4,631,207</u>
	Profit and loss £
Company	
As at 1 June 2012	16,274
Profit for the year	-
Dividends paid	-
	<hr/>
Balance at 31 December 2012	<u>16,274</u>

ABSTRACT LEGAL HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2012

15. Reconciliation of movements in shareholders' funds

Group	31 December 2012 £	31 May 2012 £
Profit/(loss) for the year	(3,488)	3,633,363
Dividends paid	-	-
Proceeds from issue of shares	4,012	-
	<hr/>	<hr/>
Net addition to shareholders' funds	524	3,633,363
Opening shareholders' funds	4,697,195	1,063,832
	<hr/>	<hr/>
Closing shareholders' funds	4,697,719	4,697,195
	<hr/> <hr/>	<hr/> <hr/>
	31 December 2012 £	31 May 2012 £
Company		
Profit for the year	-	-
Dividends Paid	-	-
Proceeds from issue of shares	4,012	-
	<hr/>	<hr/>
Net addition to shareholders' funds	4,012	-
Opening shareholders' funds	78,774	78,774
	<hr/>	<hr/>
Closing shareholders' funds	82,786	78,774
	<hr/> <hr/>	<hr/> <hr/>

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

	31 December 2012 £	31 May 2012 £
Operating (loss)/profit	(540)	5,067,957
Depreciation	17,466	21,543
Increase in debtors	(13,724,373)	(412,444)
Increase in creditors within one year	10,538,529	205,602
	<hr/>	<hr/>
Net cash inflow from operating activities	(3,168,918)	4,882,658
	<hr/> <hr/>	<hr/> <hr/>

ABSTRACT LEGAL HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2012

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

	31 December 2012 £	31 May 2012 £
Decrease in cash in period	(4,276,544)	2,565,450
Cash outflow from proceeds of issue of shares	4,012	1,125,000
	<hr/>	<hr/>
Change in net debt resulting from cash flows	(4,272,532)	3,690,450
Opening net funds	5,095,204	1,404,754
	<hr/>	<hr/>
Closing net funds	<u>822,672</u>	<u>5,095,204</u>

18. Analysis of net funds

	At 1 June 2012 £	Cash flow £	At 31 December 2013 £
Net cash:			
Cash at bank and in hand	5,095,204	(4,272,532)	822,672
	<hr/>	<hr/>	<hr/>
	5,095,204	(4,272,532)	822,672
Debt:			
Debt due within one year	-	-	-
	<hr/>	<hr/>	<hr/>
	-	-	-
	<hr/>	<hr/>	<hr/>
Net funds	<u>5,095,204</u>	<u>(4,272,532)</u>	<u>822,672</u>

ABSTRACT LEGAL HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2012

19. Financial commitments

Capital commitments

There were no capital commitments at the end of the period.

Lease commitments

As at 31 December 2012, the group had annual commitments under non-cancellable operating leases as follows:

	Land and Buildings 31 December 2012 £	Land and Buildings 31 May 2012 £	Other 31 December 2012 £	Other 31 May 2012 £
Expiry date				
Within one year	-	-	62,622	62,622
Within two to five years	-	-	12,591	12,591
Over five years	228,982	228,982	-	-
	<u>228,982</u>	<u>228,982</u>	<u>75,213</u>	<u>75,213</u>
			Period ended 31 December 2012 £	Year ended 31 May 2012 £
20. Directors' emoluments				
Emoluments for qualifying services			292,833	633,000
			<u>292,833</u>	<u>633,000</u>
Emoluments disclosed above include the following amount paid to the highest paid director:			125,417	270,000
			<u>125,417</u>	<u>270,000</u>

ABSTRACT LEGAL HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2012

21. Employees

Number of employees

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

	Period ended 31 December 2012 Number	Year ended 31 May 2012 Number
Sales and administration	201	169
	=====	=====
Employment costs	£	£
Wages and salaries	3,639,091	5,156,564
Social security costs	356,607	521,896
	-----	-----
	3,995,698	5,678,460
	=====	=====

22. Related party transactions

The group had the following related party transactions during the year:

The group paid rent and service charges of £203,984 (May 2012: £346,925) to AAG (HQ) Limited. B A Beck and L Beck are directors of AAG (HQ) Limited and shareholders in AAG (HQ) Limited's parent company.

The group paid rent and service charges of £108,821 (May 2012: £Nil) to APG Management Limited. B A Beck and L Beck are directors of AAG (HQ) Limited and shareholders in APG Management Limited's parent company.

The group paid consultancy fees of £128,563 (May 2012: £239,796) to Marson Management Services Limited. B A Beck is a director and shareholder of Marson Management Services Limited.

B A Beck is a substantial shareholder of Abstract Legal Holdings Limited.

During 2012, the Group entered into an acquisition agreement enabling Quindell Plc to acquire the Group. The Group also entered into a partnering agreement with Quindell Plc, whereby Quindell Plc became the exclusive provider of all legal services to Accident Advice Helpline Direct Limited (AAHD), a subsidiary company of Abstract Legal Holdings Limited.

In December 2012, Quindell Plc paid a non-refundable deposit towards the acquisition, with the acquisition being completed in April 2013. Under the partnering agreement, which operated for a period of 7 months, the Group recorded income of £10.0 million (May 2012: £nil) and costs of £24.4 million (May 2012: £nil) to Quindell Plc.

ABSTRACT LEGAL HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2012

23. Control

The ultimate controlling party is Quindell Plc.

24. Post balance sheets events

On 30 November 2012 the shareholders of the company signed an agreement whereby, on 9 April 2013, the ultimate controlling party became Quindell Plc.