

Company Registration No. 05107527 (England & Wales)

Abstract Legal Holdings Limited

UNAUDITED FINANCIAL STATEMENTS

For the period ended

31 December 2018



Officers and Professional Advisors

Directors

Mr D J L Whitmore (appointed 20 February 2018)

Ms A L Wilford (appointed 30 January 2019)

Registered Office

58 Mosley Street

Manchester

England

M2 3HZ

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Directors' Report

The Directors present their report on the affairs of Abstract Legal Holdings Limited (the "Company" or "ALH"), together with the unaudited financial statements, for the 18 month period ("the period") ended 31 December 2018. The financial statements have been prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework ("FRS 101") and the Companies Act 2006

Principal activities

The principal activity of Abstract Legal Holdings Limited is that of a holding company of a group of companies whose principal activity is the assistance of individuals with personal injury claims.

Financial review

Loss before tax for the period was £2,500 (*year ended 30 June 2017: £26,000*).

Dividends

The Directors do not recommend a dividend be paid for the period under review (year ended 30 June 2017: £nil).

Directors

The Directors who held office during the year or have been appointed since the year end were as follows:

Mr K Fowlie (resigned 30 January 2019)
Mr S Prew (appointed 25 October 2017, resigned 28 June 2018)
Mr D Whitmore (appointed 20 February 2018)
Ms A L Wilford (appointed 30 January 2019)

Going concern

The financial statements have been prepared on a going concern basis. See note 2 for further detail

Statement of Directors' responsibilities

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 period. Under that law, the Directors have elected to prepare the financial statements in accordance with Financial Reporting Standard 101 The Financial Reporting Standard applicable in the UK and Republic of Ireland ("FRS 101").

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 Group and Parent Company and of the profit or loss for that period.

In the case of the FRS101 financial statements, the Directors are required to prepare financial statements for each financial period that give a true and fair view of the state of the affairs of the Company.

In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

Directors' Report *(continued)*

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Group and Company's transactions and disclose with reasonable accuracy at any time the financial position of the Group and Company and enable them to ensure that the financial statements comply with the Companies Act 2006 and Article 4 of the IAS Regulation. They are also responsible for safeguarding the assets of the Group and Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

By order of the Board

A handwritten signature in black ink, appearing to be 'A L Wilford', written over a horizontal line.

A L Wilford
Director

23 September 2019

Statement of Comprehensive Income
for the period ended 31 December 2018

		Period ended 31 December 2018 £'000	Year ended 30 June 2017 £'000
	Note		
Administrative expenses		(3)	(26)
Loss before taxation	5	(3)	(26)
Taxation	6	-	-
Total comprehensive loss for the period/year		(3)	(26)

All results relate to continuing activities.

The notes on pages 9 to 13 form part of these financial statements.

Statement of Financial Position

as at 31 December 2018

	Note	31 Dec 2018 £'000	30 Jun 2017 £'000
Non-current assets			
Investments	7	-	-
Current assets			
Debtors: amounts falling due within one year	8	1,875	1,875
		1,875	1,875
Total assets		1,875	1,875
Current liabilities			
Creditors: amounts falling due within one year	9	(1,912)	(1,909)
Net liabilities		(37)	(34)
Capital and reserves			
Called up share capital	10	67	67
Accumulated losses		(104)	(101)
Total equity		(37)	(34)

The notes on pages 9 to 13 form part of these financial statements.

For the 18 month period ended 31 December 2018 the Company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies, and the directors are satisfied that no member or members have requested an audit pursuant to section 476 of that Act.

The directors acknowledge their responsibilities for:

- (i) ensuring that the Company keeps adequate accounting records which comply with section 386 of the Act, and
- (ii) preparing financial statements which give a true and fair view of the state of affairs of the Company as at the end of the financial year and of its profit or loss for the financial year in accordance with the requirements of section 393, and which otherwise comply with the requirements of the Act relating to financial statements, so far as applicable to the Company.

The financial statements of Abstract Legal Holdings Limited, registered number 05107527, on pages 6 to 13 were approved and authorised for issue by the board of directors on 23 September 2019 and signed on its behalf by:



A L Wilford
Director

Statement of Changes in Equity
for the period ended 31 December 2018

	Share Capital £'000	Accumulated losses £'000	Total equity £'000
At 1 July 2017	67	(101)	(34)
Loss for the period	-	(3)	(3)
At 31 December 2018	67	(104)	(37)

For the year ended 30 June 2017

	Share Capital £'000	Accumulated losses £'000	Total equity £'000
At 1 July 2016	67	(75)	(8)
Loss for the year	-	(26)	(26)
At 30 June 2017	67	(101)	(34)

The notes on pages 9 to 13 form part of these financial statements.

Notes to the Financial Statements

1. General information

Abstract Legal Holdings Limited is a company incorporated and domiciled in the United Kingdom.

2. Accounting policies

Compliance with accounting standards

The financial statements have been prepared in compliance with Financial Reporting Standard 101 Reduced Disclosure Framework ("FRS 101") and the Companies Act 2006 (the "Act"). FRS 101 sets out a reduced disclosure framework for a 'qualifying entity' as defined in the standard which addresses the financial reporting requirements and disclosure exemptions in the individual financial statements of qualifying entities that otherwise apply the recognition, measurement and disclosure requirements of EU-adopted IFRS. FRS 101 sets out amendments to EU-adopted IFRS that are necessary to achieve compliance with the Act and related Regulations.

The following disclosure exemptions from the requirements of IFRS have been adopted in the preparation of these financial statements, in accordance with FRS 101:

- Information relating to the Company's objectives, policies and processes for managing capital has not been given.
- A statement of cash flows has not been presented.
- The categories of financial instrument and nature and extent of risks arising on these financial instruments have not been detailed.
- The valuation techniques applied to assets and liabilities held at fair value have not been disclosed.
- Related party transactions between two or more wholly-owned members of the group have not been disclosed.
- The future impact of IFRS 9 Financial Instruments, IFRS 16 Leases and IFRS 17 Insurance Contracts, which are in issue but not effective at the reporting date, has not been given.

Basis of preparation

The financial statements have been prepared under the historical cost convention.

The preparation of financial statements in conformity with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. During the year there were no areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements.

The company is exempt from preparing consolidated financial statements as consolidated financial statements for its ultimate parent undertaking are available (see note 11).

A summary of the significant accounting policies is set out below.

Going concern

The financial statements have been prepared on a going concern basis.

The Company is a member of the Slater and Gordon Consolidated Group whose ultimate parent entity is Slater and Gordon UK Holdings Limited, a company incorporated on 22 September 2017

At 31 December 2018, the Group had net assets of £135 million and cash of £11 million. The Group has prepared cash flow forecasts for the foreseeable future, based on key assumptions around the achievement of revenues, which demonstrate cash self-sufficiency in the Group within available funding levels. Management has considered the level of new instructions and the likely future value of this work together with the forecasts and projected cash flow patterns of the company for the foreseeable future being a period of 12 months from the date of approval of these financial statements.

Notes to the Financial Statements *(continued)*

2. Accounting policies *(continued)*

Going concern *(continued)*

The Company's projections for the period to August 2020 including receipts and payments as well as the utilisation of agreed funding facilities in place indicate that the Group expects to be able to discharge its obligations to all stakeholders. Business activity and cash flows are monitored on a regular weekly basis and continue to be satisfactory. Regular financial forecasts are prepared to monitor the firms funding requirements through retained profits and borrowing facilities, and projected compliance with shareholders covenants.

Accordingly, the Directors have adopted the going concern basis of accounting for preparing these financial statements.

Cash and cash equivalents

Cash and cash equivalents in the Statement of Financial Position comprise cash at banks and in hand and short-term deposits with an original maturity of three months or less.

Investments

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

Revenue

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

Taxation

Taxation consists of income tax, and Value Added Tax ("VAT").

Income tax

Income tax expense comprises current and deferred tax.

Current tax

Current income tax expense or benefit is the tax payable / receivable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and unused tax losses. The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Group operates and generates taxable income.

Deferred tax

Deferred tax assets and liabilities are recognised for temporary differences at the applicable tax rates when the assets are expected to be recovered or liabilities are settled. Deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction, other than a business combination, and at the time of the transaction affects neither accounting nor taxable profit or loss.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves. Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

Notes to the Financial Statements (continued)**Taxation (continued)**

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Current and deferred tax for the period are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

Value Added Tax ("VAT")

Revenue, expenses and assets are recognised net of the amount of VAT, except where the VAT incurred is not recoverable from Her Majesty's Revenue and Customs ("HMRC") and is therefore recognised as part of the asset's cost or as part of the expense item. Receivables and payables are stated inclusive of VAT.

The net amount of VAT recoverable from, or payable to, HMRC is included as part of current receivables or payables in the consolidated statement of financial position.

3. Employee and staff costs

There were no employees of the Company during the current period or previous year.

4. Directors' remuneration

No remuneration of Directors was paid by the Company (*year ended 30 June 2017: £nil*).

5. Loss before taxation

The company was exempt from audit in the current period and in the previous year.

6. Taxation

	Period ended 31 Dec 2018 £'000	Year ended 30 Jun 2017 £'000
The taxation charge comprises:		
UK Tax	-	-
Current tax charge	-	-
Total tax charge	-	-

Income tax for the UK is calculated at the standard rate of UK Corporation tax of 19% (*year ended 30 June 2017: 19.75%*) on the estimated assessable profits for the year.

Notes to the Financial Statements (continued)

6. Taxation (continued)

The total tax charge for the year can be reconciled to the accounting loss as follows:

	Period ended 31 Dec 2018 £'000	Year ended 30 Jun 2017 £'000
Loss before taxation	(3)	(26)
Tax at 19% (year ended 30 June 2017: 19.75%)	(1)	(5)
Effect of:		
Group relief surrendered	1	5
Total tax charge	-	-

Factors affecting future tax charges

Reductions in the UK corporation tax rate from 19% (effective from 1 April 2017) and 18% (effective from 1 April 2020) were substantively enacted on 26 October 2015. A further reduction to the UK corporation tax rate down to 17% was announced in the 2018 Budget and substantively enacted on 6 September 2018 (to be effective from 1 April 2020).

7. Investments

	31 Dec 2018 £	30 Jun 2017 £
Investments	6	6

The Company has the following investments in subsidiaries:

Company name	Country of incorporation	Company number	Ownership Interest (%)	Principal Activity
Access to Compensation Limited	United Kingdom	05107366	100%	Non-Legal
Accident Advice Helpline Direct Limited	United Kingdom	05107417	100%	Non-Legal
Accident Advice Helpline Limited	United Kingdom	05121321	100%	Dormant
Cab Claims Limited	United Kingdom	05126239	100%	Dormant
Claim 4 Limited	United Kingdom	05123360	100%	Dormant
Liberty Protect Limited	United Kingdom	05657846	100%	Non-Legal

8. Debtors: amounts falling due within one year

	31 Dec 2018 £'000	30 Jun 2017 £'000
Amounts due from group undertakings	1,875	1,875

Notes to the Financial Statements (continued)**9. Creditors: amounts falling due within one year**

	31 Dec 2018 £'000	30 Jun 2017 £'000
Amounts due to group undertakings	<u>1,912</u>	<u>1,909</u>

10. Called up share capital

	Number of ordinary shares at £1	Share capital £'000
Balance at 31 December 2018 and 30 June 2017	<u>66,512</u>	<u>67</u>

The Company has one class of Ordinary Shares of £1 each which carry no right to fixed income and has no authorised share capital limit.

11. Ultimate parent company

The immediate parent company is Slater & Gordon (UK) 1 Limited, a company registered in England and Wales.

From 22 December 2017 the ultimate parent undertaking is Slater and Gordon UK Holdings Limited, a company incorporated in England and Wales. Copies of the consolidated accounts of Slater and Gordon UK Holdings Limited can be obtained from 58 Mosley Street, Manchester, England, M2 3HZ.

Prior to 22 December 2017, the ultimate parent undertaking was Slater and Gordon Limited, a company incorporated in Australia. Copies of the consolidated accounts of Slater and Gordon Limited can be obtained from 485 La Trobe Street, Melbourne, Victoria, Australia 3000.

12. Contingent liabilities

The Company is party to a GBP currency Super Senior Facility Agreement ("SSFA") dated 22 December 2017, as amended on 3 September 2018, pursuant to which the Company's direct parent company, Slater and Gordon (UK) 1 Limited, is a borrower. Pursuant to the terms of the SSFA, the Company has given a cross-guarantee (along with other UK Group Companies) in relation to all liabilities outstanding under the SSFA in favour of the Finance Parties (as defined under the SSFA), which are all shareholders of Slater and Gordon UK Holdings Limited, the ultimate parent company.

The Company is also party to a debenture dated 22 December 2017 (the "Debenture") pursuant to which the Company (together with other UK Group Companies) covenants with GLAS Trust Corporation Limited (acting as Security Trustee for itself and the Secured Parties (as defined in the Debenture), which are all shareholders of Slater and Gordon UK Holdings Limited, the ultimate parent company) that it will on demand pay all liabilities outstanding under the SSFA (and associated finance documents) when they are due and payable and grants security over all of its assets in favour of GLAS Trust Corporation Limited (acting as Security Trustee for itself and the Secured Parties).