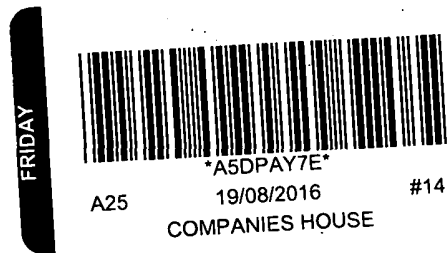


Registered Number: 06616950
England and Wales

Quality Solicitors Organisation Limited

Report and Financial Statements

For the year ended 31 March 2016



Quality Solicitors Organisation Limited
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For the year ended 31 March 2016

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Quality Solicitors Organisation Limited
Company Information
For the year ended 31 March 2016

Directors	Daniel Knottenbelt Edward Ross Claire Smith Nigel Berry
Secretary	Nigel Berry
Registered Office	Grant Hall Parsons Green St. Ives Cambridgeshire England PE27 4AA
Registered Number	06616950 (England and Wales)
Independent Auditors	PricewaterhouseCoopers LLP Cornwall Court 19 Cornwall Street Birmingham B3 2DT
Bankers	Barclays Bank Plc Barclays House Dominus Way Meridian Business Park Leicester LE19 1RP

Quality Solicitors Organisation Limited
Report of the Directors
For the year ended 31 March 2016

The directors of Quality Solicitors Organisation Limited present their report and audited financial statements for the year ended 31 March 2016.

Principal activity

The principal activity of the company was that of marketing legal services.

General information

The company is a private company limited by shares and is incorporated and domiciled in England. The address of its registered office is Grant Hall, Parsons Green, St Ives, Cambridgeshire, England, PE27 4AA

Transition to FRS 101

The Company has applied Financial Reporting Standard 101, "Reduced Disclosure Framework" ("FRS 101"), for the first time in these financial statements. The transition date from the previous UK GAAP was 1 January 2014.

In preparing these financial statements, the Company has started from an opening balance sheet as at 1 January 2014, the Company's date of transition to FRS 101, and made those changes in accounting policies and other restatements required for the first-time adoption of FRS 101. Note 15 to the financial statements explains the principal adjustments made by the Company in restating its balance sheet as at 1 January 2014 prepared under previously extant UK GAAP and its previously published UK GAAP financial statements for the 15 month period ended 31 March 2015.

On transition to FRS 101, the Company has applied the requirements of paragraphs 6 – 33 of IFRS 1 "First time adoption of International Financial Reporting Standards".

Financial risk management objectives and policies

The company's principal financial assets are cash and trade debtors. The credit risk associated with the cash is limited as the counterparties have high credit ratings assigned by international credit-rating agencies. The principal credit risk arises therefore from its trade debtors.

In order to manage credit risk the directors set limits for customers based on a combination of payment history and third party credit references. Credit limits are reviewed by the credit controller on a regular basis in conjunction with debt ageing and collection history.

Directors

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

Daniel Knottenbelt

Claire Smith (resigned on 31 May 2016)

Edward Ross (resigned on 7 April 2016)

Nigel Berry

Ben Greco (appointed on 16 June 2016)

Directors' Qualifying Third Party Indemnity Provisions

The Company had qualifying third party indemnity provisions for the benefit of the Directors in force from the start of the financial year to the date of this Report, subject to the conditions set out in the Companies Act 2006. The Company has also put in place 'Directors & Officers Liability' insurance.

Quality Solicitors Organisation Limited
Report of the Directors
For the year ended 31 March 2016

Company Secretary

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

Nigel Berry (appointed on 21 December 2015)

Sabina Tariq (resigned on 21 December 2015)

Giles Brittain (resigned on 4 June 2015)

Dividends

No dividends were declared or paid in the year (2015: none).

Going concern

The balance sheet at 31 March 2016 shows that the company liabilities exceed assets by £16,715,311. The directors have prepared cash flow projections and consider that the company will continue to operate within the facilities as currently agreed.

The directors believe that preparing the financial statements on the going concern basis is appropriate due to the continuing financial support of the intermediate controlling party UKLS Topco Limited. The directors have received confirmation that UKLS Topco Limited intends to support the company for the foreseeable future.

Statement of Directors' Responsibilities

The directors are responsible for preparing the Report of the Directors 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including Financial Reporting Standard 101 Reduced Disclosure Framework. 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 judgements and accounting estimates that are reasonable and prudent;
- state whether applicable United Kingdom Accounting Standards including FRS 101 have been followed, subject to any material departures disclosed and explained in the financial statements;
- notify its shareholders in writing about the use of disclosure exemptions, if any, of FRS 101 used in the preparation of financial statements; and
- 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.

Quality Solicitors Organisation Limited
Report of the Directors
For the year ended 31 March 2016

Independent Auditors

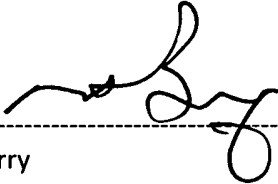
In the case of each person who was a director at the time this report was approved:

- So far as that director was aware there was no relevant available information of which the Company's auditors were unaware; and
- That director has taken all steps that the director ought to have taken as a director to make himself aware of any relevant audit information and to establish that the Company's auditors were aware of that information.

Small Company Provisions

This report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.

Signed on behalf of the board of directors

A handwritten signature in black ink, appearing to read 'Nigel Berry', is written over a horizontal dashed line.

Nigel Berry
Director

Date: 10 August 2016

Independent auditors' report to the members of Quality Solicitors Organisation Limited

Report on the financial statements

Our opinion

In our opinion, Quality Solicitors Organisation Limited's financial statements (the "financial statements"):

- give a true and fair view of the state of the company's affairs as at 31 March 2016 and of its loss 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.

What we have audited

The financial statements, included within the Report and Financial Statements (the "Annual Report"), comprise:

- the Balance sheet as at 31 March 2016;
- the Income statement and statement of comprehensive income for the year then ended;
- the Statement of changes in equity for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law (United Kingdom Generally Accepted Accounting Practice).

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion, the information given in the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements.

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- 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.

We have no exceptions to report arising from this responsibility.

Directors' remuneration

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

Entitlement to exemptions

Under the Companies Act 2006 we are required to report to you if, in our opinion, the directors were not entitled to: prepare financial statements in accordance with the small companies regime; take advantage of the small companies exemption in preparing the Report of the Directors; and take advantage of the small companies exemption from preparing a strategic report. We have no exceptions to report arising from this responsibility.

Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors

As explained more fully in the Statement of Directors' Responsibilities set out on page 2, 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) ("ISAs (UK & 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 parent 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.

What an audit of financial statements involves

We conducted our audit in accordance with ISAs (UK & Ireland). 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.

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.



Neil Philpott (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Birmingham

10 August 2016.

Quality Solicitors Organisation Limited
Income statement
For the year ended 31 March 2016

	Note	Year ended 31 March 2016 £	15 month period ended 31 March 2015 £
Revenue	3	1,803,314	2,777,590
Cost of Sales		(487,609)	(786,033)
Gross profit		1,315,705	1,991,557
 Exceptional administrative expenses	 4	 (192,627)	 -
Administrative expenses		(1,775,243)	(4,327,917)
Operating loss		(652,165)	(2,336,360)
 Finance costs		 (112,866)	 (331,500)
 Loss on ordinary activities before income tax	 5	 (765,031)	 (2,667,860)
 Income tax expense on ordinary activities	 7	 -	 -
 Loss for the financial year/period		 (765,031)	 (2,667,860)

All of the activities of the company are classified as continuing.

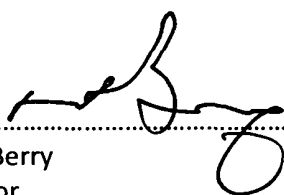
Statement of comprehensive income
For the year ended 31 March 2016

	Year ended 31 March 2016 £	15 month period ended 31 March 2015 £
 Loss and total comprehensive expense for the year/period	 (765,031)	 (2,667,860)

Quality Solicitors Organisation Limited
Balance Sheet
As at 31 March 2016

	Note	31 March 2016 £	31 March 2015 £
Fixed Assets			
Intangible Assets	8	1,000	1,000
Property, plant and equipment	9	<u>7,627</u>	<u>21,123</u>
		8,627	22,123
Current Assets			
Trade and other receivables	10	40,182	44,843
Cash and cash equivalents		<u>60,134</u>	<u>60,638</u>
		100,316	105,481
Creditors: amounts falling due within one year	11	<u>(16,824,254)</u>	<u>(16,077,884)</u>
Net Current Liabilities		<u>(16,723,938)</u>	<u>(15,972,403)</u>
Net Liabilities		<u>(16,715,311)</u>	<u>(15,950,280)</u>
Equity			
Ordinary shares	13	9,998	9,998
Share premium		346,002	346,002
Retained losses		<u>(17,071,311)</u>	<u>(16,306,280)</u>
Total Shareholders' Deficit		<u>(16,715,311)</u>	<u>(15,950,280)</u>

The financial statements on pages 7 to 20 were approved by the Board of Directors on 10 August 2016 and signed on its behalf by:



.....
Nigel Berry
Director
Registered Number: 06616950

Quality Solicitors Organisation Limited
Statement of changes in equity
For the year ended 31 March 2016

	Share capital	Share premium	Retained losses	Total Shareholder Deficit
	£	£	£	£
Balance at 1 January 2014	9,998	346,002	(13,638,420)	(13,282,420)
Loss for the period	-	-	(2,667,860)	(2,667,860)
Other comprehensive expense	-	-	-	-
Total comprehensive expense	-	-	(2,667,860)	(2,667,860)
Balance at 31 March 2015	9,998	346,002	(16,306,280)	(15,950,280)
Loss for the year	-	-	(765,031)	(765,031)
Other comprehensive expense	-	-	-	-
Total comprehensive expense	-	-	(765,031)	(765,031)
Balance at 31 March 2016	9,998	346,002	(17,071,311)	(16,715,311)

Quality Solicitors Organisation Limited
Notes to the Financial Statements
For the year ended 31 March 2016

1. Accounting Policies

Basis of accounting

The financial statements of the Company have been prepared in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework' (FRS 101) and under the historical cost convention.

The principal accounting policies are summarised below. They have been applied consistently throughout the period.

Financial information is presented for the year ended 31 March 2016. So as to align the end of its financial period with that of the other subsidiaries within the Simplify Group, comparative financial information is presented for the 15 month period ended 31 March 2015.

Exemptions

The following exemptions from the requirements of IFRS have been applied in the preparation of these financial statements:

- The following paragraphs of IAS 1, 'Presentation of financial statements':
 - 10(d), (statement of cash flows);
 - 38A (requirement for minimum of two primary statements, including cash flow statements);
 - 38B-D (additional comparative information);
 - 40A-D (requirements for a third statement of financial position);
 - 111 (cash flow statement information), and;
 - 134-136 (capital management disclosures)
- Paragraph 38 of IAS 1 'Presentation of financial statements' comparative information requirements in respect of:
 - Paragraph 79 (a) (iv) of IAS 1;
 - Paragraph 73 (e) of IAS 16 Property, plant and equipment;
 - Paragraph 118 (e) of IAS 38 Intangible assets.
- IAS 7, 'Statement of cash flows'
- IFRS 7, 'Financial Instruments: Disclosures'
- Paragraph 17 of IAS 24, 'Related party disclosures' (key management compensation)
- The requirements in IAS 24, 'Related party disclosures' to disclose related party transactions entered into between two or more members of a group.
- IAS 8, 'Accounting policies, changes in accounting estimates and errors' paragraphs 30 - 31.

Revenue

Revenue comprises the fair value of consideration received or receivable by the Company for services provided, excluding VAT and trade discounts.

The Company recognises revenue at the time it provides the services, providing it is also probable that economic benefit will flow to the Company. Revenue in respect of membership fees is recognised over the subscription period to which contracted fee relates (usually one year). Other income is recognised when the company becomes entitled to receive such income.

Quality Solicitors Organisation Limited
Notes to the Financial Statements (continued)
For the year ended 31 March 2016

1. Accounting Policies (continued)

Intangible assets

Intangible assets are stated at cost. The patent held by the Company is regarded as having an indefinite useful life, as there is no foreseeable limit to the period over which the asset is expected to generate economic benefits.

Property, plant and equipment

Property, plant and equipment is stated at cost less depreciation and any provision for impairment. Depreciation is provided at rates calculated to write off the cost of the asset over their estimated useful life, on the following basis:

Fixtures and fittings:	Straight line over three years
Office equipment:	Straight line over three years
Computer equipment:	Straight line over three years

Operating Leases

Rentals paid under operating leases are charged to the income statement on a straight line basis over the period of the lease.

Financial instruments

Financial assets and financial liabilities are measured initially at fair value plus transaction costs, except for financial assets and financial liabilities carried at fair value through profit or loss, which are measured initially at fair value. Financial assets and financial liabilities are measured subsequently as described below.

Financial assets

For the purpose of subsequent measurement, financial assets are classified as loans and receivables upon initial recognition and are measured at amortised cost using the effective interest method, less provision for impairment. Discounting is omitted where the effect of discounting is immaterial.

All financial assets are subject to review for impairment at least at each reporting date. Financial assets are impaired when there is any objective evidence that a financial asset or a group of financial assets is impaired.

Financial liabilities

Financial liabilities are comprised of trade and other payables and are measured subsequently at amortised cost using the effective interest method.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

Quality Solicitors Organisation Limited
Notes to the Financial Statements (continued)
For the year ended 31 March 2016

1. Accounting Policies (continued)

Deferred taxation

Full provision is made for deferred tax assets and liabilities arising from all temporary differences between the recognition of gains and losses in the financial statements and recognition in the tax computation.

Deferred income taxes are calculated using the liability method on temporary differences between the carrying amounts of assets and liabilities and their tax bases. Deferred tax assets and liabilities are calculated, without discounting, at tax rates that are expected to apply to their respective period of realisation, provided they are enacted or substantively enacted by the end of the reporting period. Deferred tax liabilities are always provided for in full.

Deferred tax assets are recognised to the extent that it is probable that they will be able to be utilised against future taxable income.

Changes in deferred tax assets or liabilities are recognised as a component of tax income or expense in profit or loss, except where they relate to items that are recognised in other comprehensive income (such as the revaluation of land) or directly in equity, in which case the related deferred tax is also recognised in other comprehensive income or equity, respectively.

Going Concern

The balance sheet at 31 March 2016 shows that the company liabilities exceed assets by £16,715,311. The directors have prepared cash flow projections and consider that the company will continue to operate within the facilities as currently agreed.

The directors believe that preparing the financial statements on the going concern basis is appropriate due to the continuing financial support of the intermediate controlling party UKLS Topco Limited. The directors have received confirmation that UKLS Topco Limited intends to support the company for the foreseeable future.

2. Critical accounting estimates and judgements

The preparation of the financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses.

Management has not made any judgements, estimates or assumptions in preparing these financial statements that materially affects the application of policies or the reported amounts of assets, liabilities, income or expenses.

3. Revenue

All of the Company's revenue is from the provision of services and is generated in the United Kingdom.

Quality Solicitors Organisation Limited
Notes to the Financial Statements (continued)
For the year ended 31 March 2016

4. Exceptional administrative expense

	Year ended 31 March 2016 £	15 month period ended 31 March 2015 £
Exceptional costs	192,627	-

Exceptional costs incurred in the year ended 31 March 2016 related to potential investment which did not proceed.

5. Loss on Ordinary Activities before Taxation

This is stated after charging:

	Year ended 31 March 2016 £	15 month period ended 31 March 2015 £
Audit fees		
Fees payable to the company's auditors for the audit of the company's annual financial statements	20,540	26,500
Fees payable to the company's auditors for taxation services	4,825	4,825
Depreciation of tangible fixed assets	13,495	92,787
Operating lease costs		
Plant and machinery	13,693	12,295
Other	23,750	31,229

Quality Solicitors Organisation Limited
Notes to the Financial Statements (continued)
For the year ended 31 March 2016

6. Employees and directors

The average monthly number of persons, including executive directors employed by the Company during the year and the previous period was:

	Year ended 31 March 2016	15 month period ended 31 March 2015
	No.	No.
Sales	7	11
Administration	4	10
Marketing	4	11
Total	15	32

Their aggregate remuneration for the year/period was:

	Year ended 31 March 2016	15 month period ended 31 March 2015
	£	£
Salaries	906,420	1,989,282
Social security costs	97,093	219,958
Total	1,003,513	2,209,240

The directors' remuneration for the year/period was:

	Year ended 31 March 2016	15 month period ended 31 March 2015
	£	£
Remuneration	420,074	747,703
Highest paid director	248,085	195,000

Quality Solicitors Organisation Limited
Notes to the Financial Statements (continued)
For the year ended 31 March 2016

7. Income tax

	Year ended 31 March 2016	15 month period ended 31 March 2015
	£	£
Current tax		
UK corporation tax on losses	-	-
Total current tax	-	-
 Tax per income statement	 -	 -

The tax assessed for the period is lower (15 months ended 31 March 2015: lower) than the standard rate of corporation tax in the UK of 20% (15 months ended 31 March 2015: 21.4%). The differences between the current tax shown above and the amount calculated by applying the standard rate of UK Corporation tax to the loss on ordinary activities before taxation:

	Year ended 31 March 2016	15 month period ended 31 March 2015
	£	£
Loss for the period – continuing operations	(765,030)	(2,677,860)
Tax on loss at standard UK tax rate of 20.00% (2015: 21.40%)	(153,006)	(570,805)
Effects of:		
Expenses not deductible for tax purposes	1,403	41,255
Group relief not paid for	-	179,807
Unrecognised deferred tax	151,603	349,743
 Tax charge for the period	 -	 -
 Unrecognised deferred tax:		
Fixed Assets	(16,756)	(19,220)
Unused tax losses	(3,078,975)	(3,081,946)
Temporary differences	-	(2,613)
	(3,095,731)	(3,103,779)

Quality Solicitors Organisation Limited
Notes to the Financial Statements (continued)
For the year ended 31 March 2016

8. Intangible assets

	Patents £
Cost	
At 31 March 2016 and 31 March 2016	<u>1,000</u>
Accumulated Amortisation	
At 31 March 2016 and 31 March 2016	<u>-</u>
Net book value	
At 31 March 2016 and 31 March 2016	<u>1,000</u>

9. Tangible fixed assets

	Fixtures and fittings £	Office Equipment £	Computer Equipment £	Total £
Cost				
At 31 March 2015	25,982	213,800	70,556	310,338
Additions	-	-	-	-
At 31 March 2016	<u>25,982</u>	<u>213,800</u>	<u>70,556</u>	<u>310,338</u>
Accumulated Depreciation				
At 1 January 2014	(21,878)	(203,747)	(63,590)	(289,215)
Charge for period	(3,243)	(7,393)	(2,860)	(13,496)
At 31 March 2015	<u>(25,121)</u>	<u>(211,140)</u>	<u>(66,450)</u>	<u>(302,711)</u>
Net book value				
At 31 March 2016	<u>861</u>	<u>2,660</u>	<u>4,106</u>	<u>7,627</u>
At 31 March 2015	<u>4,104</u>	<u>10,053</u>	<u>6,966</u>	<u>21,123</u>

10. Trade and other receivables

	31 March 2016 £	31 March 2015 £
Trade receivables	12,801	21,426
Other receivables	<u>27,381</u>	<u>23,417</u>
	<u>40,182</u>	<u>44,843</u>

Quality Solicitors Organisation Limited
Notes to the Financial Statements (continued)
For the year ended 31 March 2016

11. Creditors: Amounts falling due within one year

	31 March 2016	31 March 2015
	£	£
Trade creditors	37,550	9,144
Amounts owed to group undertakings	16,211,022	15,342,359
Other creditors	504,047	629,267
Taxation and social security	71,635	97,114
	<u>16,824,254</u>	<u>16,077,884</u>

Included within the amounts owed to group undertakings is £1,460,176 (2015: £1,352,015) due to the Company's parent, which attracts interest of 8% per annum. All amounts owed to group undertakings are unsecured, have no fixed date of repayment and are repayable on demand.

12. Operating Lease Commitments

The Company had the following future minimum lease payments under non-cancellable operating leases for each of the following periods:

	31 March 2016	31 March 2015
	£	£
One year	28,350	31,766
Two to five years	21,263	50,204
Total	<u>49,613</u>	<u>81,970</u>

13. Called up share capital

	31 March 2016	31 March 2015
	£	£
Allotted, called up and fully paid		
Ordinary shares of £1 each	<u>9,998</u>	<u>9,998</u>

Quality Solicitors Organisation Limited
Notes to the Financial Statements (continued)
For the year ended 31 March 2016

14. Related parties

At the end of the 15 month period ended 31 March 2015, the Company had outstanding loan balances with the following individuals, both of whom had served as directors in the period:

	Saleem Arif £	Craig Holt £	Total £
Directors' Loan Accounts			
Balance at 31 March 2015	<u>8,909</u>	<u>8,909</u>	<u>17,818</u>

There were no related party transactions in the year ended 31st March 2016.

During the previous period, the Company held an On-Demand Loan Facility with Palamon, the ultimate controlling party. This attracted interest at a rate of 10% and £258,926 was charged to the income statement in the period though the interest was not paid. On 17 June 2014, Palamon assigned the On-Demand Loan facility to Quality Solicitors Acquisitions Limited, at which point the loan ceased to be interest bearing. The right to the interest accrued prior to the assignment of this loan remained with Palamon. The loan had a carrying amount of £6.2 million (31 December 2013: £4.6 million) at the time of the assignment to Quality Solicitors Acquisitions Limited.

Subsequent to 30 October 2014, Quality Solicitors Acquisitions Limited ceased to be the immediate parent company of the Company, however Quality Solicitors Acquisitions Limited continued to share the same ultimate controlling party. The Company settled costs on behalf of Quality Solicitors Acquisitions Limited, amounting to £350,846, in the period from 31 October 2014 to 31 March 2015. The outstanding balance of £180,414 at the end of the period has been fully provided.

Quality Solicitors Organisation Limited
Notes to the Financial Statements (continued)
For the year ended 31 March 2016

15. Ultimate parent undertaking and controlling party

The immediate parent undertaking is UKLS Midco Limited.

UKLS Topco Limited, a company registered in Jersey, is the parent undertaking of both the largest and smallest group which prepares publicly available consolidated financial statements. Copies of the consolidated financial statements may be obtained by written request to the Company Secretary at Grant Hall, Parsons Green, St. Ives, Cambridgeshire, PE27 4AA.

16. Transition to FRS 101

The Company has applied Financial Reporting Standard 101, "Reduced Disclosure Framework" ("FRS 101"), for the first time in these financial statements. The transition date from the previous UK GAAP was 1 January 2014.

On transition to FRS 101, the Company has applied the requirements of paragraphs 6 – 33 of IFRS 1 "First time adoption of International Financial Reporting Standards". In preparing these financial statements, the Company has started from an opening balance sheet as at 1 January 2014, the Company's date of transition to FRS101, and made those changes in accounting policies and other restatements required for the first-time adoption of FRS 101.

The principal adjustments are detailed below:

Reconciliation of equity at 1 January 2014

	Note	UK GAAP £	Transition adjustments £	FRS 101 £
Fixed Assets				
Intangible Assets		1,000	-	1,000
Tangible Assets		97,686	-	97,686
		<u>98,686</u>	<u>-</u>	<u>98,686</u>
Current Assets				
Debtors		273,660	-	273,660
Cash at bank and in hand		610,071	-	610,071
		<u>883,731</u>	<u>-</u>	<u>883,731</u>
Creditors: amounts falling due within one year	1	<u>(1,888,624)</u>	<u>(22,434)</u>	<u>(1,911,058)</u>
Net Current Liabilities		<u>(1,004,893)</u>	<u>(22,434)</u>	<u>(1,027,327)</u>
Total Assets less Current Liabilities		<u>(906,207)</u>	<u>(22,434)</u>	<u>(928,641)</u>
Creditors: Amounts falling due after more than one year		(11,904,495)	-	(11,904,495)
Provisions for Liabilities		(449,284)	-	(449,284)
Net Liabilities		<u>(13,259,986)</u>	<u>(22,434)</u>	<u>(13,282,420)</u>
Capital and Reserves				
Called up share capital		9,998	-	9,998
Share premium account		346,002	-	346,002
Profit and loss account		(13,615,986)	(22,434)	(13,638,420)
Total Shareholders' Deficit		<u>(13,259,986)</u>	<u>(22,434)</u>	<u>(13,282,420)</u>

Quality Solicitors Organisation Limited
Notes to the Financial Statements (continued)
For the year ended 31 March 2016

15. Transition to FRS 101 (continued)

Reconciliation of equity at 31 March 2015	Note	UK GAAP £	Transition adjustments £	FRS 101 £
Fixed Assets				
Intangible Assets		1,000	-	1,000
Tangible Assets		21,123	-	21,123
		22,123	-	22,123
Current Assets				
Debtors		44,843	-	44,843
Cash at bank and in hand		60,638	-	60,638
		105,481	-	105,481
Creditors: amounts falling due within one year	1	(16,064,821)	(13,063)	(16,077,884)
Net Current Liabilities		(15,959,340)	(13,063)	(15,972,403)
Total Assets less Current Liabilities		(15,937,217)	(13,063)	(15,950,280)
Net Liabilities		(15,937,217)	(13,063)	(15,950,280)
Capital and Reserves				
Called up share capital		9,998	-	9,998
Share premium account		346,002	-	346,002
Profit and loss account		(16,293,217)	(13,063)	(16,306,280)
Total Shareholders' Deficit		(15,937,217)	(13,063)	(15,950,280)

Notes

1) Employee Benefits

Holiday pay accrual

On transition to FRS 101, a holiday pay accrual has been accounted for amounting to £13,063 at 31 March 2015 (1 January 2014: £22,434).

2) Re-measurements

The effect of the re-measurement differences on the reported profit of the Company for the 15 months ended 31 March 2015 is as follows:

	£
Loss for the 15 month period ended 31 March 2015 under UK GAAP	(2,677,231)
Holiday pay accrual (note 1) and decrease in reported loss for the period	9,371
Loss for the 15 month period ended 31 March 2015 under FRS 101	<u>(2,667,860)</u>