

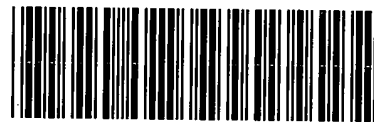
**2020 LEGAL LIMITED AND
SUBSIDIARIES**

DIRECTORS' REPORT AND ACCOUNTS

**for the year ended
30 November 2015**

COMPANY REGISTRATION NUMBER 07629690

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2020 LEGAL LIMITED AND SUBSIDIARIES

Accounts

Year ended 30 November 2015

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2020 LEGAL LIMITED AND SUBSIDIARIES

Officers and Professional Advisers

30 November 2015

The board of directors

C D Billing
Ms J Humphreys

Registered office

No 1 Europa House
Conway Street
Birkenhead
Liverpool
Merseyside
CH41 4FT

Auditor

Mitchell Charlesworth LLP
Chartered Accountants
& Statutory Auditor
5 Temple Square
Temple Street
Liverpool
L2 5RH

Bankers

Royal Bank of Scotland plc
1 Dale Street
Liverpool
L2 2PP

2020 LEGAL LIMITED AND SUBSIDIARIES

Strategic Report Year ended 30 November 2015

Principal activity

The principal activity of the company during the year was the provision of legal services.

Business review

The Directors are satisfied with the Group's performance and progress during a period of continuing upheaval in the personal injury legal services market.

Further changes are anticipated in the next few years linked to proposed changes in law and regulations in various areas of the personal injury legal services market. The business will need to adapt to these as the details are clarified.

For differing reasons, two of the four Alternative Business Structures subsidiaries of 2020 Legal Limited have now been put into run-off. During the year the company has provided funding to all four of these entities. The directors are satisfied that the funding is recoverable and therefore continue to support each entity individually.

Although many challenges lie ahead, the Directors believe that a rigorous focus on the quality of new cases taken on, and a close understanding of their potential profitability and therefore of affordable acquisition costs, combined with the expansion of potentially more profitable business lines will ensure that the business continues to progress in the tougher market conditions which now exist.

Principle risks and uncertainties

Case outcomes - although the large volume of personal injury cases undertaken have reasonably predictable average success rates, the profitability of the business may be affected by successes or failures in the larger group litigation cases it runs.

Regulatory risks - the future trading volumes and profitability of the business may be affected by adverse changes in its regulatory environment.

Financing risks - the business needs to maintain adequate levels of working capital to allow it to manage the impact on its net cash of variations in its trading performance, including in the timing of fees received.

Financial instruments

The company uses conventional forms of working capital to finance its day to day activities and as such the figures appearing in the accounts reflect the absolute value of amounts recoverable and payable. The directors receive regular reports on these figures in order to manage the company's requirements.

Policy on payment of creditors

Creditors are paid in accordance with terms of business agreed with suppliers.

Given the nature of the company's activities and agreed terms with suppliers, the directors have not calculated an average creditor day figure as a whole on the basis that such a statement would not be beneficial.

Disabled employees

The company gives full consideration to applications for employment from disabled persons where the requirements of the job can be adequately fulfilled by a disabled person. Where existing employees become disabled, it is the company's policy wherever practicable to provide continuing employment under normal terms and conditions and to provide training and career development and promotion to disabled employees wherever appropriate.

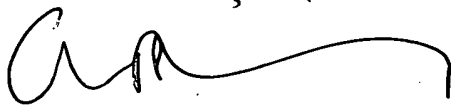
2020 LEGAL LIMITED AND SUBSIDIARIES

Strategic Report [Continued]
Year ended 30 November 2015

Employee involvement

The company has followed the requirements of the Health & Safety at Work Act with concern for the welfare of its employees. The company provides employees with information about the company through internal media methods.

Signed on behalf of the directors

A handwritten signature in black ink, appearing to be 'C D Billing', written in a cursive style.

C D Billing
Director

Approved by the directors on 15 August 2016

2020 LEGAL LIMITED AND SUBSIDIARIES

Directors' Report Year ended 30 November 2015

The directors present their report and the accounts of the group for the year ended 30 November 2015.

Results and dividends

The loss for the year, after taxation, amounted to £3,242,115. The directors have not recommended a dividend.

Directors

The directors who served the company during the year were as follows:

C D Billing
Ms J Humphreys

Directors' responsibilities statement

The directors are responsible for preparing the Strategic Report, Directors' Report and the accounts in accordance with applicable law and regulations.

Company law requires the directors to prepare accounts for each financial year. Under that law the directors have elected to prepare the accounts 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 accounts 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 of the group for that year.

In preparing these accounts, 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, subject to any material departures disclosed and explained in the accounts;
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the group will continue in business.

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

Strategic report

In accordance with section 414C(11) of the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 the company's strategic report information required by schedule 7 of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 is noted in the strategic report on pages 2 and 3.

Auditor

Mitchell Charlesworth LLP are deemed to be re-appointed under section 487(2) of the Companies Act 2006.

2020 LEGAL LIMITED AND SUBSIDIARIES

Directors' Report [Continued]
Year ended 30 November 2015

Directors' statement of disclosure of information to the auditor

Each of the persons who is a director at the date of approval of this report confirm that:

- so far as each director is aware, there is no relevant audit information of which the group's auditor is unaware; and
- each director has taken all steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Signed on behalf of the directors



.....
C D Billing
Director

No 1 Europa House
Conway Street
Birkenhead
Liverpool
Merseyside
CH41 4FT

Approved by the directors on 15 August 2016

Mitchell Charlesworth LLP

Chartered Accountants

5 Temple Square Temple Street Liverpool L2 5RH

2020 LEGAL LIMITED AND SUBSIDIARIES

Independent Auditor's Report to the Shareholders of 2020 Legal Limited and Subsidiaries Year ended 30 November 2015

We have audited the group and parent company accounts ("the accounts") of 2020 Legal Limited and Subsidiaries for the year ended 30 November 2015 on pages 8 to 24. 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 shareholders, 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 shareholders 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 shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 4, the directors are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the accounts 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 accounts

An audit involves obtaining evidence about the amounts and disclosures in the accounts sufficient to give reasonable assurance that the accounts are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the group's and the parent 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 accounts. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited accounts 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.

Opinion on accounts

In our opinion the accounts:

- give a true and fair view of the state of the group's and parent company's affairs as at 30 November 2015 and of the group's 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.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and Directors' Report for the financial year for which the accounts are prepared is consistent with the accounts.

Mitchell Charlesworth LLP

Chartered Accountants

5 Temple Square Temple Street Liverpool L2 5RH

2020 LEGAL LIMITED AND SUBSIDIARIES

Independent Auditor's Report to the Shareholders of 2020 Legal Limited and Subsidiaries
Year ended 30 November 2015

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 accounts 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.

Mitchell Charlesworth LLP

MICHAEL BUXTON FCA
(Senior Statutory Auditor)
For and on behalf of
MITCHELL CHARLESWORTH LLP
Chartered Accountants & Statutory Auditor

5 Temple Square
Temple Street
Liverpool
L2 5RH

15 August 2016

2020 LEGAL LIMITED AND SUBSIDIARIES

Profit and Loss Account Year ended 30 November 2015

	Notes	2015 £	2014 £
Group turnover	2	18,314,722	23,785,139
Cost of sales		<u>15,739,584</u>	<u>17,753,150</u>
Gross profit		2,575,138	6,031,989
Administrative expenses		6,530,663	5,693,533
Other operating income	3	<u>(512,339)</u>	<u>(246,600)</u>
Operating (loss)/profit	4	(3,443,186)	585,056
Interest receivable	7	2,121	8,889
Interest payable and similar charges	8	<u>-</u>	<u>(221)</u>
(Loss)/profit on ordinary activities before taxation		(3,441,065)	593,724
Tax on profit on ordinary activities	9	<u>(198,950)</u>	<u>673,085</u>
Loss for the financial year	10	<u><u>(3,242,115)</u></u>	<u><u>(79,361)</u></u>

All of the activities of the group are classed as continuing

The group has no recognised gains or losses other than the results for the year as set out above

The company has taken advantage of section 408 of the Companies Act 2006 not to publish its own Profit and Loss Account

The notes on pages 12 to 24 form part of these accounts

2020 LEGAL LIMITED AND SUBSIDIARIES

Group Balance Sheet 30 November 2015

	Notes	£	2015 £	£	2014 £
Fixed assets					
Intangible assets	11		3,757,599		6,262,666
Tangible assets	12		<u>265,315</u>		<u>449,535</u>
			4,022,914		6,712,201
Current assets					
Stocks	13	2,111,594		2,154,017	
Debtors	14	16,951,988		13,173,751	
Cash at bank and in hand		<u>1,453,506</u>		<u>3,131,762</u>	
		20,517,088		18,459,530	
Creditors: Amounts falling due within one year	16	<u>21,631,402</u>		<u>14,679,298</u>	
Net current (liabilities)/assets			<u>(1,114,314)</u>		<u>3,780,232</u>
Total assets less current liabilities			2,908,600		10,492,433
Creditors: Amounts falling due after more than one year	17		<u>4,089,153</u>		<u>8,430,871</u>
			<u>(1,180,553)</u>		<u>2,061,562</u>
Capital and reserves					
Called-up equity share capital	21		10,000		10,000
Profit and loss account	22		<u>(1,190,553)</u>		<u>2,051,562</u>
Shareholders' funds	23		<u>(1,180,553)</u>		<u>2,061,562</u>

These accounts were approved by the directors and authorised for issue on 15 August 2016, and are signed on their behalf by:



.....
C D Billing



.....
Ms J Humphreys

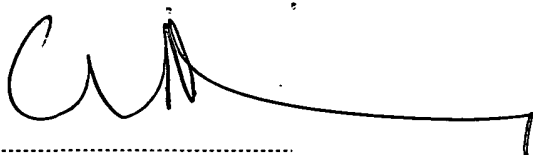
The notes on pages 12 to 24 form part of these accounts

2020 LEGAL LIMITED AND SUBSIDIARIES

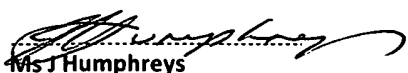
Balance Sheet 30 November 2015

	Notes	£	2015 £	£	2014 £
Fixed assets					
Intangible assets	11		3,757,599		6,262,666
Tangible assets	12		265,123		449,150
			<u>4,022,722</u>		<u>6,711,816</u>
Current assets					
Stocks	13	1,473,137		1,647,324	
Debtors	14	18,281,291		14,815,239	
Cash at bank and in hand		<u>1,161,587</u>		<u>2,932,001</u>	
		20,916,015		19,394,564	
Creditors: Amounts falling due within one year	16	<u>20,168,504</u>		<u>13,966,204</u>	
Net current assets			<u>747,511</u>		<u>5,428,360</u>
Total assets less current liabilities			<u>4,770,233</u>		<u>12,140,176</u>
Creditors: Amounts falling due after more than one year	17		<u>4,089,153</u>		<u>8,430,871</u>
			<u>681,080</u>		<u>3,709,305</u>
Capital and reserves					
Called-up equity share capital	21		10,000		10,000
Profit and loss account	22		<u>671,080</u>		<u>3,699,305</u>
Shareholders' funds			<u>681,080</u>		<u>3,709,305</u>

These accounts were approved by the directors and authorised for issue on 15 August 2016, and are signed on their behalf by:



.....
C D Billing



.....
Ms J Humphreys

Company Registration Number: 07629690

The notes on pages 12 to 24 form part of these accounts

2020 LEGAL LIMITED AND SUBSIDIARIES

Group Cash Flow Statement Year ended 30 November 2015

	Notes	2015 £	2014 £
Net cash inflow from operating activities	24	2,928,780	5,019,565
Returns on investments and servicing of finance	24	2,121	8,668
Taxation	24	(180,000)	(1,813,783)
Capital expenditure and financial investment	24	<u>(87,439)</u>	<u>(198,491)</u>
Cash inflow before financing		2,663,462	3,015,959
Financing	24	<u>(4,341,718)</u>	<u>(4,710,873)</u>
Decrease in cash	24	<u><u>(1,678,256)</u></u>	<u><u>(1,694,914)</u></u>

The notes on pages 12 to 24 form part of these accounts

2020 LEGAL LIMITED AND SUBSIDIARIES

Notes to the Accounts Year ended 30 November 2015

1. Accounting policies

Basis of accounting

The accounts have been prepared under the historical cost convention and in accordance with applicable accounting standards.

The accounts are prepared on the going concern basis. The directors consider this appropriate in light of post year end trade and financial projections for next year and thereafter. Whilst the results to date still show a loss, the business is operating within its available working capital.

Basis of consolidation

The consolidated accounts incorporate the accounts of the company and all group undertakings. These are adjusted, where appropriate, to conform to group accounting policies. As a consolidated profit and loss account is published, a separate profit and loss account for the parent company is omitted from the group accounts by virtue of section 408 of the Companies Act 2006.

Turnover

The turnover shown in the profit and loss account represents amounts invoiced during the year, exclusive of Value Added Tax.

Goodwill

Goodwill represents the premium paid over and above the net assets acquired on 1 July 2011.

Amortisation is calculated so as to write off the cost of the asset less its estimated residual value over the useful economic life of that asset which is currently estimated to be 6 years. The directors have calculated the pay back time of the goodwill as 6 years.

Amortisation

Amortisation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Goodwill - 6 years straight line

Fixed assets

All fixed assets are initially recorded at cost.

Depreciation

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

Fixtures & Fittings	- 15% Straight Line
Computer Equipment	- 33% Straight Line
Property Improvements	- 10% Straight Line

2020 LEGAL LIMITED AND SUBSIDIARIES

Notes to the Accounts

Year ended 30 November 2015

1. Accounting policies [Continued]

Work in progress

Work in progress is valued at the lower of cost and net realisable value. Cost consists of staff salary costs together with an appropriate proportion of overheads. Net realisable value is based on estimated selling price less further costs expected to be incurred to completion.

Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

Pension costs

The company operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the company. The annual contributions payable are charged to the profit and loss account.

Deferred taxation

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

Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the Balance Sheet date.

Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

2020 LEGAL LIMITED AND SUBSIDIARIES

Notes to the Accounts

Year ended 30 November 2015

2. Turnover

The turnover and profit before tax are attributable to the one principal activity of the group.

An analysis of turnover is given below:

	2015 £	2014 £
United Kingdom	18,314,722	23,785,139

3. Other operating income

	2015 £	2014 £
Management charges receivable	512,339	246,600

4. Operating profit

	2015 £	2014 £
Operating profit is stated after charging:		
Amortisation of intangible assets	2,505,067	2,505,067
Depreciation of owned fixed assets	271,659	336,975
Operating lease costs:		
- Plant and equipment	23,305	16,060
- Land and buildings	285,516	304,197
Auditor's remuneration - audit of the accounts	19,000	16,000
Auditor's remuneration - other fees	35,000	33,500
Auditor's remuneration - audit of the company's accounts	14,500	14,000
Auditor's remuneration - other fees:		
- Audit of company's subsidiaries	4,500	2,000
- Accountancy and advisory services	13,500	13,000
- SRA compliance reviews	13,500	13,500
- Taxation services	8,000	7,000
	39,500	35,500

2020 LEGAL LIMITED AND SUBSIDIARIES

Notes to the Accounts Year ended 30 November 2015

5. Particulars of employees

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

	2015 £	2014 £
Number of fee earning staff	194	213
Number of administrative staff	56	53
	<u>250</u>	<u>266</u>

The aggregate payroll costs of the above were:

Wages and salaries	6,122,552	6,347,064
Social security costs	599,611	626,809
Other pension costs	28,817	16,745
Directors' pension costs	131	77
	<u>6,751,111</u>	<u>6,990,695</u>

6. Directors' remuneration

	2015 £	2014 £
The directors' aggregate remuneration in respect of qualifying services were:		
Remuneration receivable	24,754	24,712
Value of company pension contributions to money purchase schemes	131	77
	<u>26,885</u>	<u>24,789</u>

7. Interest receivable

	2015 £	2014 £
Bank interest receivable	2,121	8,889

8. Interest payable and similar charges

	2015 £	2014 £
Other similar charges payable	-	221

2020 LEGAL LIMITED AND SUBSIDIARIES

Notes to the Accounts Year ended 30 November 2015

9. Taxation on ordinary activities	2015 £	2014 £
(a) Analysis of charge in the year		
Current tax:		
- UK Corporation tax based on the results for the year at 20% (2014 - 21%)	(181,950)	678,118
- Adjustments to tax charge in respect of previous periods	-	967
Total current tax	(181,950)	679,085
Deferred tax:		
- Origination and reversal of timing differences	(17,000)	(6,000)
Tax on profit on ordinary activities	(198,950)	673,085
(b) Factors affecting current tax charge		
The tax assessed on the profit on ordinary activities for the year is higher than the standard rate of corporation tax in the UK of 20% (2014 - 21%).		
	2015 £	2014 £
Profit on ordinary activities before taxation	(3,441,065)	593,724
Profit on ordinary activities by rate of tax	(688,213)	124,682
Expenses not deductible for tax purposes	501,083	526,177
Depreciation for period in excess of capital allowances	19,110	6,505
Adjustment to reflect effective tax rate	(13,930)	20,754
Adjustments to tax charge in respect of previous periods	-	967
Total current tax (note 9(a))	(181,950)	679,085

10. Profit attributable to members of the parent company

The loss dealt with in the accounts of the parent company was £3,028,225 (2014 - £1,568,382 profit).

2020 LEGAL LIMITED AND SUBSIDIARIES

Notes to the Accounts Year ended 30 November 2015

11. Intangible fixed assets				Goodwill
				£
Group and company				
Cost				
At 1 December 2014 and 30 November 2015				15,030,400
Amortisation				
At 1 December 2014				8,767,734
Charge for the year				2,505,067
At 30 November 2015				11,272,801
Net book value				
At 30 November 2015				3,757,599
At 30 November 2014				6,262,666
12. Tangible fixed assets	Fixtures & Fittings	Computer Equipment	Property Improvements	Total
Group	£	£	£	£
Cost				
At 1 December 2014	471,065	1,390,100	23,033	1,884,198
Additions	-	87,439	-	87,439
Disposals	-	(304,534)	-	(304,534)
At 30 November 2015	471,065	1,173,005	23,033	1,667,103
Depreciation				
At 1 December 2014	341,575	1,070,055	23,033	1,434,663
Charge for the year	46,019	225,640	-	271,659
On disposals	-	(304,534)	-	(304,534)
At 30 November 2015	387,594	991,161	23,033	1,401,788
Net book value				
At 30 November 2015	83,471	181,844	-	265,315
At 30 November 2014	129,490	320,045	-	449,535

2020 LEGAL LIMITED AND SUBSIDIARIES

Notes to the Accounts Year ended 30 November 2015

12. Tangible fixed assets [Continued]	Fixtures & Fittings £	Computer Equipment £	Property Improvements £	Total £
Company				
Cost				
At 1 December 2014	471,065	1,389,524	23,033	1,883,622
Additions	-	87,439	-	87,439
Disposal	-	(304,534)	-	(304,534)
At 30 November 2015	471,065	1,172,429	23,033	1,666,527
Depreciation				
At 1 December 2014	341,575	1,069,864	23,033	1,434,472
Charge for the year	46,019	225,447	-	271,466
On disposals	-	(304,534)	-	(304,534)
At 30 November 2015	387,594	990,777	23,033	1,401,404
Net book value				
At 30 November 2015	83,471	181,652	-	265,123
At 30 November 2014	129,490	319,660	-	449,150
13. Stocks	Group 2015 £	Group 2014 £	Company 2015 £	Company 2014 £
Work in progress	2,111,594	2,154,017	1,473,137	1,647,324
14. Debtors	Group 2015 £	Group 2014 £	Company 2015 £	Company 2014 £
Trade debtors	16,698,129	12,850,834	14,197,881	11,463,387
Amounts owed by group undertakings	-	-	3,829,551	3,028,935
Amount owed from related undertaking	11,315	-	11,315	-
Other debtors	-	589	-	589
Corporation tax	203,130	-	203,130	-
Deferred taxation (Note 15)	25,000	8,000	25,000	8,000
Prepayments and accrued income	14,414	314,328	14,414	314,328
	16,951,988	13,173,751	18,281,291	14,815,239

2020 LEGAL LIMITED AND SUBSIDIARIES

Notes to the Accounts Year ended 30 November 2015

15. Deferred taxation

The movement in the deferred taxation asset during the year was:

	Group		Company	
	2015 £	2014 £	2015 £	2014 £
Asset brought forward	8,000	2,000	8,000	2,000
Increase in asset	17,000	6,000	17,000	6,000
Asset carried forward	25,000	8,000	25,000	8,000

The group's asset for deferred taxation consists of the tax effect of timing differences in respect of:

	2015 Provided £	2015 Unprovided £	2014 Provided £	2014 Unprovided £
Group				
Excess of depreciation over taxation allowances	25,000	-	8,000	-

The company's asset for deferred taxation consists of the tax effect of timing differences in respect of:

	2015 Provided £	2015 Unprovided £	2014 Provided £	2014 Unprovided £
Company				
Excess of depreciation over taxation allowances	25,000	-	8,000	-

16. Creditors: Amounts falling due within one year

	Group		Company	
	2015 £	2014 £	2015 £	2014 £
Amounts owed to related undertaking	7,688,059	4,498,399	7,688,059	4,498,399
Trade creditors	10,791,501	6,521,757	9,398,903	5,703,435
Directors' loan accounts	2,400,000	2,400,000	2,400,000	2,400,000
Corporation tax	-	98,286	-	98,286
PAYE and social security	144,852	132,061	144,852	132,061
VAT	63,876	189,313	16,426	314,541
Other creditors	23,081	22,523	23,081	22,523
Accruals and deferred income	520,033	816,959	497,183	796,959
	21,631,402	14,679,298	20,168,504	13,966,204

The bank facilities are secured by way of a mortgage debenture incorporating a fixed and floating charge over all current and future assets of the company.

2020 LEGAL LIMITED AND SUBSIDIARIES

Notes to the Accounts

Year ended 30 November 2015

17. Creditors: Amounts falling due after more than one year

	Group		Company	
	2015	2014	2015	2014
	£	£	£	£
Directors' loan accounts	4,089,153	8,430,871	4,089,153	8,430,871

Each director's loan account is repayable at £100,000 per month, subject to variations agreed by the directors from time to time.

The unpaid balances attract a rate of interest at 4% above the Bank of England's base rate. No interest has been charged within the period under review.

18. Commitments under operating leases

At 30 November 2015 the group had annual commitments under non-cancellable operating leases as set out below.

	Land and Buildings	
Group	2015	2014
	£	£
Operating leases which expire:		
Within 2 to 5 years	204,339	211,464

At 30 November 2015 the company had annual commitments under non-cancellable operating leases as set out below.

	Land and Buildings	
Company	2015	2014
	£	£
Operating leases which expire:		
Within 2 to 5 years	204,339	211,464

2020 LEGAL LIMITED AND SUBSIDIARIES

Notes to the Accounts

Year ended 30 November 2015

19. Related party transactions

The company is under the control of C D Billing and Ms J Humphreys, who are the directors and shareholders of the company.

C D Billing and Ms J Humphreys, directors of this company, are also directors of Polski Translator Services Limited (formerly Instant Action UK Limited), Active Medical Services Limited, Legal Channel Marketing Limited and MLL Support Services Limited. During the year ended 30 November 2015 the following transactions, occurred:

	2015 £	2014 £
Polski Translator Services Limited (formerly Instant Action UK Limited)		
Creditor balance brought forward	(2,095,664)	(2,298,584)
Invoiced marketing and introductions services (gross)	(16,074)	(84,666)
Payments made to Polski Translator Services Limited (formerly Instant Action UK Limited)	16,074	281,586
Management charges (gross)	3,600	6,000
	<u>(2,092,064)</u>	<u>(2,095,664)</u>
Legal Channel Marketing Limited		
Creditor balance brought forward	(760,100)	(376,682)
Salary payments to staff members of Active Medical Services Limited	-	(23,418)
Invoiced marketing and introductions services (gross)	(7,982,561)	(6,073,856)
Payments made to Legal Channel Marketing Limited	7,503,095	5,593,856
Management charges (gross)	180,000	120,000
	<u>(1,059,566)</u>	<u>(760,100)</u>
Active Medical Services Limited		
Creditor balance brought forward	(1,642,635)	(1,785,070)
Loan payments received from Active Medical Services Limited	(3,325,000)	-
Salary payments to staff members of Active Medical Services Limited	-	835
Management charges (gross)	431,206	141,600
	<u>(4,536,429)</u>	<u>(1,642,635)</u>
MLL Support Services Limited		
Invoiced marketing and introductions services (gross)	11,315	-
	<u>11,315</u>	<u>-</u>
Debtor balance at 30 November 2015	11,315	-

The company has interests in four Limited Liability Partnerships, each of which is registered with the Solicitors Regulation Authority and conducts Legal Services work. See note 20 for details of transactions with the individual entities throughout the year.

2020 LEGAL LIMITED AND SUBSIDIARIES

Notes to the Accounts

Year ended 30 November 2015

20. Minority interest

The company has the following interests in four Limited Liability Partnerships, each of which is registered with the Solicitors Regulation Authority and conducts Legal Services work.

AACH Legal Services LLP incorporated in England and Wales - 80%*

Accidentally Injured Legal Services LLP incorporated in England and Wales - 80%

M&R Legal Services LLP incorporated in England and Wales - 80%

Perfect North Legal Services LLP incorporated in England and Wales - 80%*

** The Limited Liability Partnership was entitled to exemption from audit under section 479A of the Companies Act 2006 - Audit Exemption of a Subsidiary Undertaking*

The accounts of each of the Limited Liability Partnerships have been consolidated as group undertakings recognising all of the results of those entities.

The LLP agreement limits the liability of each member to that of the capital provided. The profit or loss for the year from each of the Limited Liability Partnerships has therefore been allocated as to 100% to 2020 Legal Limited.

A member of each Limited Liability Partnership is only liable for the amount of subscribed capital and therefore a debtor for the minority interest is not included.

During the year each Limited Liability Partnership was invoiced the following amounts for salary and other overhead recharges:

	2015 £	2014 £
AACH Legal Services LLP	148,532	76,138
Accidentally Injured Legal Services LLP	370,255	125,042
M&R Legal Services LLP	166,067	81,095
Perfect North Legal Services LLP	294,192	93,903

21. Share capital

	2015		2014	
Allotted, called up and fully paid:	No	£	No	£
Ordinary shares of £1 each	10,000	10,000	10,000	10,000

22. Reserves

	Profit & Loss Account £
Group	
Balance brought forward	2,051,562
Loss for the year	(3,242,115)
Balance carried forward	(1,190,553)
Company	
Balance brought forward	3,699,305
Loss for the year	(3,028,225)
Balance carried forward	671,080

2020 LEGAL LIMITED AND SUBSIDIARIES

Notes to the Accounts Year ended 30 November 2015

23. Reconciliation of movements in shareholders' funds	2015	2014
	£	£
Loss for the financial year	(3,242,115)	(79,361)
Opening shareholders' funds	2,061,562	2,140,923
Closing shareholders' funds	(1,180,553)	2,061,562
24. Notes to the cash flow statement	2015	2014
	£	£
Reconciliation of operating profit to net cash inflow from operating activities		
Operating (loss)/profit	(3,443,186)	585,056
Amortisation	2,505,067	2,505,067
Depreciation	271,659	336,975
Decrease/(increase) in stocks	42,423	(65,783)
(Increase)/decrease in debtors	(3,558,107)	1,604,364
Increase in creditors	7,110,924	53,886
Net cash inflow from operating activities	2,928,780	5,019,565
Returns on investments and servicing of finance		
Interest received	2,121	8,889
Interest paid	-	(221)
Net cash inflow from returns on investments and servicing of finance	2,121	8,668
Taxation		
Taxation	(180,000)	(1,813,783)
Capital expenditure		
Payments to acquire tangible fixed assets	(87,439)	(198,491)
Net cash outflow from capital expenditure	(87,439)	(198,491)
Financing		
Repayment of directors' long-term loans	(4,341,718)	(4,710,873)
Net cash outflow from financing	(4,341,718)	(4,710,873)

2020 LEGAL LIMITED AND SUBSIDIARIES

Notes to the Accounts Year ended 30 November 2015

24. Notes to the cash flow statement (Continued)

Reconciliation of net cash flow to movement in net debt	£	2015 £	£	2014 £
Decrease in cash in the year	(1,678,256)		(1,694,914)	
Cash outflow from directors' long-term loans	<u>4,341,718</u>		<u>4,710,873</u>	
		2,663,462		3,015,959
Change in net debt		2,663,462		3,015,959
Net debt at 1 December 2014		<u>(7,699,109)</u>		<u>(10,715,068)</u>
Net debt at 30 November 2015		<u>(5,035,647)</u>		<u>(7,699,109)</u>
		At 1 December 2014 £	Cash Flows £	At 30 November 2015 £
Analysis of changes in net debt				
Net cash:				
Cash in hand and at bank		3,131,762	(1,678,256)	1,453,506
Debt:				
Debt due within 1 year		(2,400,000)	-	(2,400,000)
Debt due after 1 year		<u>(8,430,871)</u>	<u>4,341,718</u>	<u>(4,089,153)</u>
Net debt		<u>(7,699,109)</u>	<u>2,663,462</u>	<u>(5,035,647)</u>

25. Contingencies

The directors have confirmed that there were no contingent liabilities which should be disclosed at 30 November 2015.

26. Capital commitments

The directors have confirmed that there were no capital commitments at 30 November 2015.

27. Ultimate controlling party

The company is under the control of C D Billing and Ms J Humphreys, who are the directors and shareholders of the company.